

Nomination and Remuneration Committee Charter – GPS Alliance Holdings Limited ACN 163 013 947

1. Purpose of the Charter

This Charter has been adopted by the Board for the purpose of specifying the authority of the Committee and setting out the role and responsibilities of the Committee.

2. Definitions

General terms and abbreviations used in this Charter are defined as follows.

ASX means ASX Limited or the securities market operated by the ASX, as the case may be;

Board means the board of directors of the Company;

CEO means the chief executive officer of the Company;

CFO means the chief financial officer of the Company;

Charter means this Nomination & Remuneration Committee Charter;

Committee means the Nomination & Remuneration Committee;

Company means GPS Alliance Holdings Pty Ltd ACN 163 013 947;

Corporations Act means the *Corporations Act 2001* (Cth);

Listing Rules means the listing rules of the ASX; and

Secretary means the company secretary of the Company.

3. Composition and Structure

The full Board will undertake the role of the Committee including relating to the appointment and remuneration of the non-executive directors, CEO, Secretary, CFO (or equivalent), and other senior executives and employees of the Company.

Pursuant to Listing Rule 12.8, if the Company is included in the S&P/ASX 300 Index at the beginning of the Company's financial year, then all members of the Committee must be non-executive directors.

4. Frequency of Meetings

The Committee will consider nomination and remuneration issues as often as deemed required. It is intended that this will occur at least once a year.

5. Role and Objectives

5.1 Nomination

The Committee will be responsible for reviewing the following nomination matters:

- (a) process for the nomination and selection of non-executive directors to the Board;
- (b) succession plans for non-executive directors;
- (c) induction programs for non-executive directors;

- (d) requirements for non-executive directors and the setting of a transparent process to review whether those requirements have been met; and
- (e) the necessary and desirable competencies of the Board and Board Committees.

5.2 Remuneration

The Committee is responsible for developing, recommending and reviewing remuneration practices and policies.

6. Duties and Responsibilities

In order to fulfil its responsibilities, the Committee will:

- (a) **Executive remuneration policy**
 - (i) review and make recommendations regarding the Company's policy for determining executive remuneration;
 - (ii) maintain the contemporary relevance of such policy, consistent with the objective of retaining and attracting quality personnel in a competitive executive market; and
 - (iii) oversee the implementation of executive remuneration policy within the Company;
- (b) **Executive director and senior management remuneration**
 - (i) make recommendations to the Board regarding the remuneration of the CEO;
 - (ii) make recommendations to the Board regarding the remuneration of executive directors and direct reports to the CEO; and
 - (iii) make recommendations to the Board on specific superannuation or retirement arrangements for executive directors, the CEO and direct reports to the CEO.
- (c) **Executive incentive plans**
 - (i) make recommendations to the Board regarding the design of all executive incentive plans;
- (d) **Non-executive Director remuneration**
 - (i) distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives and make recommendations to the Board regarding the framework and level of remuneration for non-executive directors, consistent with the objective of retaining and attracting suitable candidates for the Board while maintaining a level of remuneration commensurate with boards of a similar size and type;
- (e) **Performance measurement policies and procedures**
 - (i) ensure that the recommended remuneration of the CEO, executive directors and direct reports to the CEO comprises a suitable balance between fixed and incentive pay, reflecting short and long-term objectives relevant to the Company's business objectives; and
 - (ii) make recommendations to the Board regarding performance management policies and procedures, consistent with incentive-based remuneration practices, for the CEO, executive directors and direct reports to the CEO;

- (f) **Termination Policies and Procedures**
 - (i) make recommendations to the Board regarding termination policies for the CEO, executive directors and direct reports to the CEO;
- (g) **Equity Based Plans**
 - (i) make recommendations to the Board to ensure the adequacy and contemporary relevance of equity based and share option plans; and
 - (ii) ensure that equity based and share option plans operate within their stated limits and within the limits prescribed by the Listing Rules;
- (h) **Nomination duties**
 - (i) develop criteria for selection of candidates for the Board in the context of the Board's existing composition and structure;
 - (ii) make recommendations to the Board on the appointment and removal of directors;
 - (iii) develop a succession plan for the Board; and
 - (iv) ensure that there is an appropriate induction program in place for new directors; and
- (i) **Disclosure**
 - (i) review all public disclosures to ensure that both the levels and process of setting the remuneration for directors, the CEO and senior executives are to be fully and fairly reported as required by law and consistent with common practice.

7. Related Party Transactions

Related party transactions between a director (or directors) and the Company are regulated by the Corporations Act and the Listing Rules.

Before the Committee approves a related party transaction without prior shareholder approval having been obtained, it must be determined that:

- (a) an exemption under Chapter 2E of the Corporations Act applies; and
- (b) Chapter 10 of the Listing Rules does not apply.

The Company also discloses related party transactions in its financial report as required under relevant Accounting Standards. The Committee must ensure that all related party transactions are disclosed to the Company's auditors in a timely and complete manner.

8. Compliance with disclosure obligations

The Committee will review all reporting by the Company of its nomination and remuneration policies and practices, including the Company's annual remuneration report, to ensure that the Company meets its disclosure obligations as required under the Listing Rules and the Corporations Act.

9. Approval

This Charter was approved by the Board on 10 May 2013. The Board may change this Charter by resolution.

10. Disclosure of Charter

This Charter will be made available on the Company's website (www.gpsalliance.com.au) in a clearly marked "Corporate Governance" section and be updated as required.