



# Fatfish Internet Group Limited (FFG)

## Remuneration Committee Charter

24 April 2015

### Objectives

1. The objectives of the FFG Remuneration Committee are to assist the Board in fulfilling its corporate governance responsibilities in regard to remuneration matters, including:
  - a. the remuneration framework for Non-Executive Directors;
  - b. the remuneration and incentive framework, including any proposed equity incentive awards for the Chief Executive Officer, any other Executive Directors, direct reports to the Chief Executive Officer (Executive Management) and Senior Executives (Relevant Executives);
  - c. recommendations and decisions (as relevant) on remuneration and all incentive awards for the Chief Executive Officer, any other Executive Directors and Executive Management; and
  - d. strategic human resources policies.
2. In particular, the Committee is to undertake the functions of a remuneration committee set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 3rd Edition (ASX Principles).

### Membership

3. The Committee is appointed by the Board in accordance with the FFG Corporate Governance Statement.
4. The Committee is to consist of:
  - a. only Board Directors;
  - b. at least three members; and
  - c. a majority of independent Non-Executive Directors.
5. The Chairman of the Committee is to be an Independent Non-Executive Director and is to be appointed by the Board.
6. The Company Secretary is to attend all Committee Meetings to ensure minutes are taken of the Meetings.

### Meetings

7. The Committee is to meet as requested by the Committee Chairman.

8. As required by the FFG Constitution, a quorum for a Committee Meeting is two Members.
9. Directors who are not Committee members may attend Meetings.
10. The Chief Executive Officer, appropriate FFG Management and any External Advisers are to attend such portion of each Meeting as requested by the Committee Chairman. The Chief Executive Officer is not to be present when the Committee discusses issues relating to the Chief Executive Officer.
11. The Committee will report on its Meetings to the Board.
12. Recommendations of the Committee are to be referred to the Board for approval with the exception of matters detailed in Clauses 24 and 25.

### **Access to Information, Independent Advice and Continuing Development**

13. The Committee has the authority to seek any information it requires from any employee of the FFG Group and all employees must comply with such requests.
14. The Committee may seek advice from individuals on remuneration policies and practices, but no individual should be directly involved in deciding his/her own remuneration.
15. The Committee may appoint independent expert External Advisers on terms determined by the Committee to assist it in performing its duties.
16. The Committee may take such independent legal, financial, remuneration or other advice as it considers necessary or appropriate.
17. The Committee should understand the FFG Group's structure and operations and key developments relevant to the Committee and may receive periodic presentations from subject matter experts to assist in achieving such an understanding.

### **Responsibilities and Duties**

18. The Committee is responsible for:
  - a. the review and monitoring of the FFG Group remuneration and incentive framework applying to Non-Executive Directors and Relevant Executives and the associated strategies, systems, policies and processes implemented, and reported on, by FFG Management;
  - b. approving the remuneration and incentive awards of Executive Management based on the recommendations of the Chief Executive Officer; and
  - c. approval of individual equity offers to Senior Executives and other Executives (as outlined in this Charter).
19. The Committee will review and make recommendations to the Board on remuneration matters, including:
  - a. the review and monitoring and recommendation of changes to the remuneration and incentive framework (including the equity plan framework and any diversity considerations) for Non-Executive Directors and Relevant Executives;

- b. the remuneration of Non-Executive Directors within the pool of Directors' fees approved by shareholders;
- c. the fixed remuneration levels and incentive awards for the Chief Executive Officer and any other Executive Directors; and
- d. performance based measures (financial and non-financial), targets and performance outcomes under incentive plans for the Chief Executive Officer, any other Executive Directors and Executive Management.

20. Committee members are entitled to rely on FFG Management on matters within their responsibility and on the expertise of external professionals. Committee members may assume the accuracy of the information provided by such persons, so long as the members are not aware of any reasonable grounds upon which such reliance or assumption may not be appropriate.

#### **FFG Remuneration Framework**

21. The Committee's objectives in determining the remuneration and incentive framework, policies and practices are to:

- a. motivate Relevant Executives to pursue the growth and success of the FFG Group both in the short term and over the longer term, without taking undue risks;
- b. demonstrate a clear relationship between performance and remuneration;
- c. involve an appropriate balance between fixed and incentive remuneration, reflecting the short and long-term performance objectives of FFG and differentiate between higher and lower performers through the use of a performance management framework; and
- d. comply with all relevant laws and regulations and have regard to shareholder expectations.

#### **Remuneration for Non-Executive Directors**

22. In assisting the Board, the Committee will review and make recommendations to the Board on remuneration for Non-Executive Directors (including fees, travel and other benefits). In making its recommendations, the Committee should take into account the following guidelines:

- a. Non-Executive Directors should be remunerated by way of fees invoiced to the Company – in the form of cash, non-cash benefits, superannuation contributions or salary sacrifice into equity;
- b. Non-Executive Directors should not receive performance based remuneration; and
- c. Non-Executive Directors should not be provided with retirement benefits other than statutory superannuation.

#### **Remuneration for Chief Executive Officer and any other Executive Directors**

23. In assisting the Board, the Committee will review and make recommendations to the Board on the remuneration (including travel and other benefits) and incentive awards for the Chief Executive Officer and any other Executive Directors, including:

- a. fixed remuneration levels (including superannuation), non-cash benefits and short and long-term incentive awards;

b. any termination payments (which are to be agreed in advance and include provisions in case of early termination); and

c. equity offers under Board approved employee equity plans. Any issue of FFG shares and offer of Rights under any FFG long-term incentive plan made to Executive Directors are to be placed before shareholders for approval.

#### **Remuneration for Executive Management**

24. The Committee will review and approve the remuneration and incentive awards for Executive Management and Executive Management Designates based on the recommendations of the Chief Executive Officer, including:

a. fixed remuneration levels (including superannuation), non-cash benefits and short and long-term incentive awards;

b. any termination payments (which are to be agreed in advance and include provisions in case of early termination); and

c. equity offers under Board approved employee equity plans not otherwise delegated by the Board to any other person, except equity offers that require the issue of shares (which are to be referred to the Board).

#### **Equity Based Plans**

25. The Committee will review and approve:

a. individual equity offers to Senior Executives and other Executives under Board approved employee equity plans not otherwise delegated by the Board to any other person, except equity offers that require the issue of shares (which are to be referred to the Board); and

b. the exercise of functions and discretions or granting of powers to persons for the effective administration associated with equity offers made under Board approved employee equity plans including the approval and variation of terms and conditions and any other employee equity plan governance documentation not otherwise delegated by the Board to any other person. The Board is to be notified of any variations to employee equity plan terms and conditions and other equity plan governance documentation approved by the Committee prior to the implementation of any such variations.

26. The Chief Executive Officer:

a. and Executive Management (as relevant) will review the remuneration of all other Executives not otherwise specified in this Charter; and

b. subject to delegation by the Board:

i. will approve individual equity offers to Senior Executives and other Executives under Board approved employee equity plans, except equity offers that require the issue of shares (which are to be referred to the Board); and

ii. exercise functions and discretions or grant powers to persons for the effective administration associated with equity offers made under Board approved employee equity plans including the

approval and variation of terms and conditions and any other employee equity plan governance documentation. The Board is to be notified of any variations to employee equity plan terms and conditions and other equity plan governance documentation approved by the Chief Executive Officer prior to implementation of any such variations.

#### **Human Resources Policies**

27. The Committee will review strategic human resources policies and practices for the FFG Group.

#### **Other**

28. The Committee will consider any other matters referred to the Committee by the Board.

#### **Committee Performance**

29. To determine whether it is functioning effectively, once each year the Committee shall:

- a. review this Charter; and
- b. undertake an evaluation of its performance.

#### **Charter History**

7 April 2015

Remuneration Committee established. Chairman's Committee functions split and separate Remuneration Committee and Nominations Committee established.