




Remuneration and Nomination Committee Charter

Emeco Holdings Limited

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1 Introduction

The remuneration and nomination committee (**Committee**) has been established by the board of directors (**Board**) of Emeco Holdings Limited (**Emeco**). The Committee's functions are to:

- 1.1 support and advise the Board in fulfilling its responsibilities to shareholders, employees and other stakeholders of Emeco and its subsidiaries (**Emeco Group**), by endeavouring to ensure that:
 - (a) the directors and senior management of the Emeco Group are remunerated fairly and appropriately;
 - (b) the remuneration policies and outcomes of Emeco Group strike an appropriate balance between the interests of Emeco's shareholders, and rewarding and motivating the executives and employees in order to secure the long term benefits of their energy and loyalty; and
 - (c) the human resources policies and practices are consistent with and complementary to the strategic direction and objectives of Emeco as determined by the Board;
- 1.2 review and advise the Board on the composition of the Board and its committees;
- 1.3 review the performance of the Board, the chair and the individual executive and non-executive directors; and
- 1.4 ensure that proper succession plans are in place for consideration by the Board.


2 Remuneration responsibilities

The Committee is required to review and make recommendations to the Board about (where applicable):

- 2.1 the general remuneration strategy for Emeco, so that it motivates the executives and employees to pursue the long term growth and success of Emeco and establishes a fair and transparent relationship between individual performance and remuneration;
- 2.2 the terms of remuneration for the Managing Director and Chief Executive Officer and other senior management of the Emeco Group from time to time, including the criteria for assessing performance;
- 2.3 the outcomes of remuneration reviews for executives collectively, and the individual reviews for the Managing Director and Chief Executive Officer, and other senior management of the Emeco Group;
- 2.4 remuneration reviews for directors of Emeco;
- 2.5 changes in remuneration policy and practices, including superannuation and other benefits; and
- 2.6 employee equity plans and allocations under those plans to the Managing Director and Chief Executive Officer and other senior management of the Emeco Group.

3 Specific responsibilities

In order to fulfil its responsibilities to the Board, the Committee will (where applicable):

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Executive remuneration

- 3.1 Review and make recommendations to the Board regarding executive remuneration including, but not limited to, pension rights and remuneration payments.
- 3.2 Consider whether to seek shareholder approval of the executive remuneration.
- 3.3 Oversee the implementation of executive remuneration within the Emeco Group.

Executive directors and senior management

- 3.4 Consider and make recommendations to the Board on the entire specific remuneration for the Managing Director and Chief Executive Officer (including base pay, incentive payments, equity awards and service contracts), determine whether any shareholder approvals are required and ensure that any equity-based executive remuneration is made in accordance with shareholder approvals.
- 3.5 Review and make recommendations to the Board regarding the proposed remuneration (including incentive awards, equity awards and service contracts) for senior management of the Emeco Group.

Employee share, option and other equity based plans

- 3.6 Review and make recommendations to the Board regarding the design of all equity based plans.
- 3.7 Keep all plans under review in the light of legislative, regulatory and market developments.
- 3.8 For each such plan, determine each year whether awards will be made under that plan.
- 3.9 Review and make recommendations to the Board regarding proposed aggregate and individual awards under each plan.
- 3.10 Review and make recommendations to the Board regarding the administration and allocation of individual interests in awards which are held in a trust or similar structure.
- 3.11 Review, make recommendations to the Board and keep under review performance hurdles for each equity based plan.

Non-executive Director remuneration


- 3.12 Review and establish the level of remuneration, including superannuation, for non-executive directors. The level of director remuneration is to be set so as to attract the best candidates for the Board while maintaining a level commensurate with boards of similar size and type.
- 3.13 Where necessary recommend that the Board seek an increase in the amount of remuneration for non-executive directors approved by shareholders.
- 3.14 The Committee may request management or external consultants to provide necessary information upon which the Board may make its determination.

Diversity

- 3.15 On an annual basis, assess and report to the Board on Emeco's progress towards achieving its measurable objectives on diversity as approved by the Board.

Approvals

- 3.16 Before implementing any of the following proposals, the Board will request the Committee to review the proposal and make a recommendation to the Board in relation to it:

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- (a) any change to the remuneration or contract terms of the Managing Director and Chief Executive Officer and any senior management of the Emeco Group;
- (b) the design of any new equity or share plan or executive incentive or option plan, or the amendment of any existing equity or share plan or executive incentive or option plan;
- (c) the total level of award proposed from equity or share plans or executive incentive or option plans; and
- (d) any termination payment to the Managing Director and Chief Executive Officer and any other senior management of the Emeco Group. A termination payment to any other departing executive must be reported to the Committee at its next meeting.


4 Nomination responsibilities

In relation to its nomination function, the Committee is required to:

- 4.1 critically review the performance and effectiveness of the Board and its individual members;
- 4.2 establish criteria for Board membership;
- 4.3 review the size and composition of the Board;
- 4.4 periodically assess the skills required to discharge the Board's duties, having regard to the strategic direction of Emeco;
- 4.5 propose candidates for directorships for consideration by the Board having regard to the desired composition as stated in the Board charter;
- 4.6 inform the Board of the names of directors who are retiring in accordance with the provisions of Emeco's constitution and make recommendations to the Board as to whether the Board should support the renomination of that retiring director. In order to make these recommendations, the Committee will review the retiring director's performance during the period in which the director has been a member of the Board;
- 4.7 establish and facilitate an induction program for new directors with all such information and advice which may be considered necessary or desirable for the director to commence their appointment to the Board;
- 4.8 identify any specific responsibilities of individual Board members, including the chair;
- 4.9 review succession planning for the executive directors and other senior management (if any) of the Emeco Group and provide advice to the Board on progress; and
- 4.10 review the membership and performance of other Board committees and make recommendations to the Board.

5 Composition

- 5.1 The Committee will comprise a minimum of three directors, including a majority of independent non-executive directors.
- 5.2 The Board will nominate the chair of the Committee (**Committee Chair**) from time to time. The chair must be an independent non-executive director.

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6 Procedural requirements


- 6.1 The Committee will meet as required but not less than once a year.
- 6.2 A quorum of the Committee will comprise two members, one of whom must be the Committee Chair or, in the absence of the Committee Chair, another independent director.
- 6.3 If the Committee Chair is absent from a meeting and no acting chair has been appointed, the members present may choose one of them to act as chair for that meeting.
- 6.4 Meetings of the Committee may be held or participated in by conference call or similar means, and decisions may be made by circular or written resolution.
- 6.5 Each member of the Committee will have one vote.
- 6.6 The Committee Chair will not have a casting vote. If there is a tied vote, the motion will lapse.
- 6.7 A member must not be present for discussions at a Committee meeting on, or vote on a matter regarding, his or her own remuneration or a specific remuneration policy that affects him or her. However, a member who is a non-executive director may be present and vote in relation to the remuneration of non-executive directors.
- 6.8 The Committee may seek such advice from any external parties or professional advice as it may consider necessary or desirable to fulfil its objectives.
- 6.9 Following each meeting, the Committee Chair will report to the Board on any matter that should be brought to the Board's attention, and on any recommendation of the Committee that requires Board approval or action.
- 6.10 Minutes of meetings of the Committee will be prepared for approval by the Committee and circulated to the members of the Board.
- 6.11 The Company Secretary will provide such assistance as may be required by the Committee Chair in relation to preparation of the agenda, minutes or papers for the Committee.

7 Annual review

- 7.1 The Committee may prepare and provide to the Board annually:
 - (a) any recommended goals and objectives for the coming year; and
 - (b) recommended changes or improvements to this charter if necessary.
- 7.2 The annual review may be by way of an oral report to the Board by the Committee Chair.

8 Revisions of this charter

Revisions to this charter must be approved by the Board.

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