

Melbourne IT

Human Resources Remuneration and Nomination Committee Charter

Introduction

- 1) The Board of Directors of Melbourne IT Limited (“the Board”) shall establish a Human Resources Remuneration and Nomination Committee (HRRNC). The Human Resources Remuneration and Nomination Committee shall be guided by the following Charter in conjunction with the Constitution of the Company, so far as it is relevant.

Authority

- 2) This Charter sets out the specific responsibilities delegated by the Board to the Human Resources Remuneration and Nomination Committee and provides support for the manner in which the Human Resources Remuneration and Nomination Committee will operate.

Objectives

- 3) The primary objective of the Human Resources Remuneration and Nomination Committee is to assist the Board discharge its responsibilities, in particular with regard to the following areas:
 - reviewing Board composition, evaluating Board performance and developing Board succession planning. This includes identifying, evaluating and recommending candidates for appointment as director
 - recommending to the Board the compensation and key performance targets for the CEO and assisting in the CEO’s annual performance review, and
 - ensuring that proper and appropriate human resource management and remuneration policies are developed and followed by the company.

Composition of the Human Resources Remuneration and Nomination Committee (HRRNC)

- 4) The Human Resources Remuneration and Nomination Committee shall consist of at least three directors. The majority of the Committee shall be independent directors and the CEO will attend each meeting by invitation.
- 5) The Board shall determine the total number of members of the Human Resources Remuneration and Nomination Committee. Members shall be proposed by the Chairman of the Board and approved by the Board.
- 6) Members of the Human Resources Remuneration and Nomination Committee shall be appointed for an initial term of three years, after which time, subject to their continuing appointment as a director of Melbourne IT Limited, shall be eligible for reappointment. Following completion of the first three years of operation of the Human Resources Remuneration and Nomination Committee, the terms of the Human Resources Remuneration and Nomination Committee members shall be staggered so that no more than one third of members shall stand for reappointment annually.

Chairman

- 7) The Chairman of the Human Resources Remuneration and Nomination Committee shall be a nonexecutive director and shall be appointed by the Board. The Chairman of the Board shall not be the Chairman of the Human Resources Remuneration and Nomination Committee.
- 8) The Human Resources (HR) Manager shall be the Secretary to the Human Resources Remuneration and Nomination Committee.

Responsibilities

- 9) The duties and responsibilities of the Human Resources Remuneration and Nomination Committee include (as a Nomination Committee):
 - Assisting in the conduct of an annual performance review of the Board.
 - reviewing the size and composition of the Board at least annually to ensure that the Board has the appropriate range of expertise and experience developing a Board succession plan, and
 - identifying, evaluating and recommending suitable individuals for appointment as director and subsequent election by shareholders.

In evaluating a candidate for appointment to the Board, the Committee considers criteria which include the particular skill sets identified by the Board as being required at the time and then the individual's:

- experience and professional qualifications
- ability to exercise sound business judgement
- leadership ability and/or prominence in a specified field
- integrity and moral reputation
- potential conflicts of interest and legal impediments to serving as a director, and
- willingness and availability to commit the time required to serve as an effective director.

The duties and responsibilities of the Human Resources Remuneration and Nomination Committee include (as a Remuneration Committee):

- reviewing the adequacy of Human Resources policies, approving and ensuring appropriate application of new policies, and revisions to existing policies to ensure best practice
- recommending to the Board the compensation and key performance targets for the CEO
- assisting in the annual performance review of the CEO
- recommending to the Board appropriate compensation policies for the non-executive directors
- approving the compensation programs and performance targets for senior executives reporting directly to the CEO
- succession planning for the CEO and key executives
- managing the company's share option plans
- developing and monitoring the company's superannuation arrangements
- ensuring that the company has appropriate strategies and plans for people management, career development of staff and general human resources policies
- ensuring the adequacy of human resources information systems
- ensuring the existence of an adequate framework to monitor and provide compliance with employment laws and regulations, and
- directing special projects or investigations as required by the Board.

Meetings

- 10) The number of meetings is to be determined by the Human Resources Remuneration and Nomination Committee Chairman so as to allow the Human Resources Remuneration and Nomination Committee to fulfill its obligations, but shall not be less than two each year.
- 11) The quorum for a meeting shall be a minimum of two directors.
- 12) The Chairman is required to call a meeting of the Human Resources Remuneration and Nomination Committee if requested to do so by any Human Resources Remuneration and Nomination Committee member or the CEO.
- 13) The Secretary shall maintain minutes of all meetings of the Human Resources Remuneration and Nomination Committee. The minutes shall be signed by the Chairman once they have been approved by the Committee.

Attendance

- 14) Representatives of Company management may attend all or part of each meeting at the invitation of the Committee.

Non-Consensus

- 15) Where the Human Resources Remuneration and Nomination Committee is unable to reach consensus on a matter, the Chairman of the Human Resources Remuneration and Nomination Committee shall report this to the Board. The Board shall determine whether the matter can be resolved by it or by independent advice.

Access

- 16) The Human Resources Remuneration and Nomination Committee shall have right of access to:
 - The CEO, HR Manager, and
 - as a Committee through them to all staff.

Reporting and Appraisal

- 17) The Chairman of the Human Resources Remuneration and Nomination Committee shall report to the Board subsequent to each Human Resources Remuneration and Nomination Committee meeting on:
 - minutes and formal resolutions, and
 - other key activities and major issues of which the Board should be informed.
- 18) The Chairman of the Human Resources Remuneration and Nomination Committee shall report to the Board on the Human Resources Remuneration and Nomination Committee's performance on an annual basis. The performance of the Human Resources Remuneration and Nomination Committee shall be measured against this Charter and other relevant criteria as approved by the Board.
- 19) The Chairman of the Human Resources Remuneration and Nomination Committee shall be responsible for review and approval of appropriate disclosures to be included in the Company's annual report regarding the Committee's activities and performance.

Charter Review

- 20) The Human Resources Remuneration and Nomination Committee Charter shall be reviewed annually by the Committee and revised as required.