

# TIL LOGISTICS GROUP LIMITED

(TIL Logistics)

## Governance and Remuneration Committee Charter

The board of directors of TIL Logistics (the Board) has on 6 December 2017 adopted the following Governance and Remuneration Committee Charter

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The Governance and Remuneration Committee is responsible for ensuring a formal and transparent process is followed for the remuneration of directors and senior executives of TIL Logistics.

### 1. Purpose of the Governance and Remuneration Committee

The purpose of the Governance and Remuneration Committee is to:

- (a) identify and recommend individuals to the Board for nomination as members of the Board and its committees and the terms, if any, of such membership; and
- (b) oversee and regulate compensation and organisation matters affecting TIL Logistics, including remuneration and benefits policies, performance and remuneration of TIL Logistics' directors and senior executives, management development and succession planning for the Chief Executive Officer and direct reports to the Chief Executive Officer, and major organisation changes providing a more focused and streamlined process where Board approval would otherwise be required.

### 2. Duties and responsibilities of the Governance and Remuneration Committee

In addition to the responsibilities set out above, the duties and responsibilities of the Governance and Remuneration Committee are:

- (a) to make recommendations to the Board from time to time as to changes to the Board composition to ensure that the Board is comprised of members who provide the required breadth and depth of experience, diversity and knowledge to achieve the objectives of the Board;
- (b) to develop and use a skills matrix to help ensure the correct mix of skills is achieved when considering appropriate appointments for the Board;

- (c) to identify individuals believed to be qualified to become Board members, and to recommend to the Board the nominees to stand for election as directors at the annual shareholders' meeting. In the event of a vacancy in the office of a director, the committee shall recommend to the Board an individual to fill such vacancy. In nominating candidates, the committee shall take into consideration the terms of reference for the directors and such other factors as it deems appropriate;
- (d) to review director nominations from shareholders and to provide recommendations to the Board in respect of such nominations;
- (e) to identify Board members qualified to fill vacancies on any committee of the Board. In nominating a candidate for committee membership, the committee shall:
  - (i) ensure that proper background checks are carried out in respect of Board candidates;
  - (ii) if the director is being elected by the Board, provide all material information regarding a Board candidate, including negative information, to the Board; and
  - (iii) take into consideration any other factors set forth in the Governance and Remuneration Committee Charter, including the skills matrix, as well as any other factors it deems appropriate;
- (f) to provide quality assurance in respect of remuneration policies and practice, with a primary emphasis on remuneration of senior executives. In particular, the Governance and Remuneration Committee shall be responsible for:
  - (i) setting the materiality threshold at which management must make recommendations to the committee on proposed changes to remuneration and employee benefit policies;
  - (ii) remuneration policies (including incentive schemes and any other forms of reward);
  - (iii) alignment of remuneration with TIL Logistics' objectives and performance;
  - (iv) retirement, termination, retention, and redundancy policies;
  - (v) recruitment policies and practices; and
  - (vi) ensuring appropriate succession planning practices are in place for the Chief Executive Officer and direct reports to the Chief Executive Officer.
- (g) to monitor and report on "best practice", including trends and proposals in employment conditions and employee remuneration. This includes:
  - (i) any material changes in the law affecting such conditions and remuneration; and
  - (ii) the establishment, and periodic review, of all policies governing remuneration.
- (h) any other duties or responsibilities expressly delegated to the committee by the Board from time to time relating to the nomination of Board and committee members; and

- (i) to make recommendations, and ensure that adequate procedures are in place for the review of the performance of the Board as a whole, its committees and the contribution of directors.

The Governance and Remuneration Committee shall submit a regular report to the Board at such intervals as the Chair of the Board shall determine, but in any event will submit a report annually covering:

- (a) a summary of material changes in employee benefit practices in the last 12 months;
- (b) a summary of senior executive remuneration and benefit changes in the last 12 months; and
- (c) a summary of succession planning and management development activities in the last 12 months.

### **3. Constitution and membership**

The Governance and Remuneration Committee shall be appointed by the Board from the independent directors of TIL Logistics.

The Board shall appoint a Chair for the Governance and Remuneration Committee from among the members of the Governance and Remuneration Committee. The Chair of the Governance and Remuneration Committee shall nominate an executive to act as the secretary of the committee.

The Governance and Remuneration Committee shall have not less than three members.

A quorum shall be two members.

The Governance and Remuneration Committee may have in attendance such members of management and such other persons as it may deem necessary to provide appropriate information, explanations or advice. Management should only attend Governance and Remuneration Committee meetings at the invitation of the Governance and Remuneration Committee.

### **4. Procedure**

Subject to direction by the Board, the Governance and Remuneration Committee shall follow such procedure as it shall determine.

The Chair of the Governance and Remuneration Committee, in consultation with the secretary, will prepare an agenda for each committee meeting. Management will prepare committee papers and will circulate these and the agenda to all directors prior to each meeting. The committee secretary shall keep minutes of the committee's meetings which shall be circulated to all directors.

Meetings of the Governance and Remuneration Committee shall be as required, subject to the requirement that the Governance and Remuneration Committee shall meet formally at least twice in each year. One meeting shall include the annual remuneration review and be held two months before that review is completed.

### **5. Authority**

The Governance and Remuneration Committee is not a decision-making body. The Committee does not have the power or authority to make a decision in the Board's name or on its behalf.

The Governance and Remuneration Committee has the authority of the Board to obtain any information and to investigate any matter within its terms of reference. All employees will be directed to cooperate with any request made by the committee.

The Chair of the Governance and Remuneration Committee has the authority of the Board to obtain independent professional advice and research and generally to engage such advisers and involve such consultants as the committee considers necessary for its function.

The Governance and Remuneration Committee shall ensure that there is a policy for Chief Executive Officer and senior executive remuneration, shall gain approval from the Board for that policy, and shall approve senior executive remuneration within the terms of that policy.

The remuneration package and employment contract of the Chief Executive Officer shall be the responsibility of the Chair of the Board, who shall consult with the Governance and Remuneration Committee as appropriate and shall be submitted to the full Board for approval.

**6. Review of the Governance and Remuneration Committee**

The Governance and Remuneration Committee will undertake an annual self-review of its purpose, duties and responsibilities. Such purpose, duties and responsibilities will also be reviewed (as against the Governance and Remuneration Committee Charter) by the Board, the Chief Executive Officer and any other person the Board considers appropriate.

Any reviews undertaken by the committee pursuant to the Governance and Remuneration Committee Charter shall be in the context of TIL Logistics' strategic goals.

The Governance and Remuneration Committee will regularly review this Charter and make recommendations on any changes to the Board.

**7. Review and Approval of the Governance and Remuneration Committee Charter**

Reviewed and Approved: By the Board      6 December 2017

Next review date                                      6 December 2019