



EMPIRE OIL & GAS NL

Remuneration Committee Charter



Empire Oil & Gas NL

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Purpose and Objectives

This Charter sets out the role, responsibilities, membership and operation of the Remuneration Committee (**Committee**).

The Committee is a Committee of the Board, established pursuant to Article 57 of the Empire Oil & Gas NL (**Empire**) Constitution.

The Committee may adopt such rules and regulations as it deems appropriate for the conduct of its affairs, provided only that they are not inconsistent with Empire's Constitution, this Charter, ASX Listing Rules, the Corporations Act or any resolution of the Board.

The Committee is accountable to the Board for its performance.

Role of the Committee

The Committee assists and makes recommendations to the Board on Remuneration policies, strategies and practices for the Board, its Committees, the Chief Executive Officer/Managing Director, the direct reports to the Chief Executive Officer/Managing Director, Senior Executives and other management as appropriate in order to:

- attract, motivate and retain highly skilled Directors and executives;
- be fair and appropriate having regard to the performance of Empire and the relevant Director, Executive or Employee;
- motivate Directors and executives to pursue the long term growth and success of Empire;
- demonstrate a clear relationship between individual performance and remuneration;
- recommending to the Board the remuneration of Executive and Non-Executive Directors, and Senior Executives;
- review Empire's recruitment, retention and termination policies and procedures for senior management;
- review and approve the remuneration of direct reports to the Chief Executive Officer/Managing Director, and as appropriate other Senior Executives; and
- review and approve any equity based plans and other incentive plans.

Responsibilities of the Committee

The Committee is responsible for developing, reviewing and making recommendations to the Board regarding:

- the remuneration framework for the Chairman, its Committees and the Non-Executive Directors;
- the on-going appropriateness and relevance of the executive remuneration policy and other executive benefit programs;
- remuneration policies, to ensure that it fairly and responsibly reward executives having regard to the performance of Empire, the performance of the executive and prevailing remuneration expectations in the market;
- Empire's policy on remuneration for the Chief Executive Officer/Managing Director, direct reports to the Chief Executive Officer/Managing Director and Senior Executives and any changes to the policy;
- the remuneration for each Executive Director (including base pay, incentive payments, equity awards, retirement rights, service contracts) having regard to the executive remuneration policy; and
- termination payments to Executive Directors or direct reports to the Chief Executive Officer/Managing Director (termination payments to other departing executives should be reported to the Committee at its next meeting).

In regards to Executive incentive plans (including equity based plans), the Committee is responsible for the following:

- developing, reviewing and making recommendations on any executive incentive plans and/or executive equity based plans (**Plans**), if appropriate, for the Chief Executive Officer/Managing Director, direct reports to the Chief Executive Officer/Managing Director and Senior Executives;
- reviewing and approving any Plans that may be introduced in light of legislative, regulatory and market developments;
- for each Plan, determining each year whether awards will be made under that Plan;

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- reviewing and approving total proposed awards under each Plan;
- in addition to considering awards to Executive Directors and direct reports to the Chief Executive Officer/Managing Director, reviewing and approving proposed awards under each Plan on an individual basis for executives as required under the rules governing each Plan or as determined by the Committee;
- reviewing, approving and keeping under review performance hurdles for each Plan;
- review, manage and disclose the policy (if any) under which participants to a Plan may be permitted (at the discretion of Empire) to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the Plan; and
- having regard to the remuneration policy, the total remuneration package for the Chief Executive Officer/Managing Director's direct reports (including base pay, incentive payments, equity based awards, superannuation and other retirement rights, employment contracts), any changes to remuneration packages and recommending proposed bonus performance awards after performance evaluation procedures.

The Committee, in making recommendations to the Board in respect of remuneration, shall take into consideration and determine whether any shareholder approvals are required and if so, ensure the relevant remuneration is made in accordance with that shareholder approval.

The Committee shall perform other duties and activities that it or the Board considers appropriate.

The Committee shall obtain external expert advice from time to time in respect of Empire's remuneration strategies, policies and practices.

The Committee will also undertake to functions as a remuneration committee as set out in the ASX Principles.

Composition of the Committee

Membership

The Committee is to consist of at least two members, a majority of whom are independent, Non-Executive Directors.

Members will be determined by the Board and changed at the discretion of the Board.

The Board may appoint such additional Non-Executive Directors to the Committee or remove and replace members of the Committee by resolution.

The effect of ceasing to be a Director of the Board is the automatic termination of appointment as a member of the Committee.

Chairman

The Board shall appoint one of the members of the Committee to be the Chairman of the Committee. Should the Chairman of the Committee be absent from any meeting of the Committee, the members of the Committee present at that meeting shall appoint one of their number to be Chairman of that meeting.

Secretary

The Company Secretary is the secretary of the Committee.

Skills Development

If the Board Chairman pre-approves, a Committee member may attend seminars or training related to the functions and responsibilities of the Committee at Empire's expense.

Commitment of Committee Members

Committee members must devote the necessary time and attention for the Committee to carry out its responsibilities.

Committee Meetings and Process

Meetings

Meetings and proceedings of the Committee are governed by the provisions of Empire's Constitution.

Meetings of the Committee may be held face-to-face or through any technological means by which members can participate in a discussion.

Frequency

The Committee shall meet at least once a year and additionally as required to undertake its role and responsibilities effectively.

Meetings are called by the Company Secretary as directed by the Board or at the request of the Chairman of the Committee.

Quorum and Voting

A quorum will comprise any two Committee members.

Each member shall have one vote.

The Chairman of the Committee shall not have a second or casting vote.

Agenda

The Committee shall develop and agree an annual program capable of fulfilling its responsibilities.

The Chairman will develop the agenda for each meeting on the basis of the annual program and any other matters deemed to be relevant to the particular meeting.

Attendance

In addition to the members of the Committee, such Executives and/or external parties as the Chairman and members of that Committee think fit may be invited to attend Committee meetings.

Other Non-Executive Directors of the Board are also entitled to attend Committee meetings.

Access to Information and Advisers

Members of the Committee have rights of access to the books and records of Empire to enable them to discharge their duties as Committee members, except where the Board determines that such access would be adverse to Empire's interests.

The Committee will have the appropriate resources to discharge its duties and responsibilities, including authority to engage counsel, accountants or other experts as it considers appropriate. Any costs incurred as a result of the Committee consulting an independent expert will be borne by Empire.

The Committee shall, in accordance with the law, obtain external expert advice from time to time in respects of Empire's remuneration strategies, policies and practices.

If the Committee enters into an arrangement or commissions advisers on matters relating to remuneration these arrangements will be disclosed in the Corporate Governance section of the ASX annual report to shareholders.

Reliance on Information or Professional or Expert Advice

Each member of the Committee is entitled to rely on information, or professional or expert advice, to the extent permitted by law, given or prepared by:

- an Empire Employee whom the member believes on reasonable grounds to be reliable and competent in relation to the matters concerned;
- a professional adviser or expert in relation to matters that the member believes on reasonable grounds to be within the person's professional or expert competence; or
- another Director or officer of Empire in relation to matters within the Director's or officer's authority.

Report to the Board

The Committee will regularly update the Board about Committee activities and make appropriate recommendations. The Chairman of the Committee (or delegate) will report to the Board, at the Board meeting next, following a meeting of the Committee, on any matters under consideration by it.

The Committee must brief the Board promptly on all urgent and significant matters.

Minutes

The Committee Secretary shall prepare Minutes of proceedings and resolutions of the Committee.

Minutes shall be distributed to all Committee members by Empire Company Secretary after the preliminary approval has been given by the Chairman of the Committee.

Minutes of meetings shall be submitted to the next meeting of the Committee.

Resolutions

Apart from passing resolutions at actual Committee meetings, the Committee may also pass resolutions in accordance with Article 59 of Empire's Constitution.

Review of the Charter

The Board will conduct an annual review of the membership to ensure that the Committee has carried out its functions in an effective manner, and will update the Charter as required or as a result of new laws or regulations.

The Charter may be amended by resolution of the Board.

Who to Contact

Any questions relating to the interpretation of this Charter should be forwarded to the Company Secretary.

Publication of Policy

A copy of this Policy is available at www.empireoil.com.au.

Glossary

Term	Definition
ASX	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
ASX Principles	Means the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 3rd Edition.

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Term	Definition
Board	means Empire's board of directors.
Chairman	means the person appointed as the chairman of the Board from time to time.
Charter	means this document or any amending or replacement document.
Chief Executive Officer	means the person appointed as Chief Executive Officer of Empire from time to time.
Company Secretary	means the person appointed as the company secretary of Empire from time to time.
Corporations Act	means the Corporations Act 2001 (Cth).
Director	means the persons appointed as directors of Empire from time to time.
Empire	means Empire Oil & Gas NL ABN 55 063 613 730.
Employee	means any person employed by Empire or who otherwise acts as an agent of Empire or performs work for Empire as an independent contractor, including the Chief Executive Officer/Managing Director and other Senior Executives.
Managing Director	means the person appointed as Managing Director of Empire from time to time.
Senior Executives	means the senior management team (excluding Board members but including the Chief Executive Officer) of Empire, being those who have the opportunity to materially influence the integrity, strategy and operation of Empire and its financial performance.