



Brickworks Limited

Remuneration and Nomination Committee Charter

1. The Role of the Committee

1.1. The Board is responsible to shareholders for ensuring that Brickworks Limited:

- Has a process for the selection of new Directors, the nomination of Directors for re-election, succession planning for the Board and evaluation of the performance of the Board and the Directors;
- Has coherent remuneration policies and practices which are consistent with Brickworks' strategic goals and human resources objectives and which enable Brickworks to attract and retain executives and Directors who will create value for shareholders;
- Equitably, consistently and responsibly rewards executives having regard to the performance of Brickworks, the performance of the executive and the general pay environment; and
- Complies with statutory and regulatory requirements including the ASX Listing Rules and the Corporations Act.

1.2. The primary purpose of the committee is to support and advise the Board in fulfilling these responsibilities to shareholders by:

Remuneration

- Reviewing and approving executive remuneration policy;
- Determining the remuneration of executive directors;
- Reviewing and approving the remuneration of direct reports to the Managing Director and, as appropriate, other senior executives;
- Overseeing the preparation and content of the Remuneration Report to be put to shareholders at the Annual General Meeting;

Nomination

- Determining the necessary and desirable competencies of Directors;
- Reviewing the process for the selection of non-executive Directors;
- Appointing Directors and considering whether Directors should be nominated to stand for re-election;
- Developing Board succession plans (including the appointment of the Chairman);
- Overseeing succession plans for the CEO and other senior executives;
- Developing and implementing a process for the evaluation of the performance of the Board and Directors; and
- Considering induction and continuing professional development programs for directors.

2. *Membership and Meetings of the Committee*

- 2.1. The Board appoints the members and the Chairman of the Committee;
- 2.2. The Committee has at least three members all of whom must be Non-executive Directors
- 2.3. The Committee Chair is to be an independent Director (as determined by the Board).
- 2.4. A majority of members must be independent directors;
- 2.5. The Chairman of the Committee may be the Chairman of the Board;
- 2.6. A quorum will comprise two members of the Committee.
- 2.7. The Committee may invite executive management team members or other individuals to attend meetings of the committee, as they consider appropriate.
- 2.8. Members of the Board who are not members of the Committee and others may attend meetings at the invitation of the Committee Chair.
- 2.9. Committee members are to excuse themselves from meetings while their nomination for re-election is being considered.
- 2.10. The Company Secretary is secretary to the Committee unless the Board specifies otherwise.
- 2.11. The Secretary will keep minutes of proceedings and resolutions of the Committee together with copies of Committee papers.
- 2.12. A meeting of the Committee can be held in person, by telephone, by teleconference or by other electronic means or any combination thereof, so long as a quorum of members can hear the proceedings of the meeting at all times.
- 2.13. The Committee will meet as frequently as required but not less than two times in any year.

3. *Process for the selection of new directors*

- 3.1. The following process will generally be applied by the Committee when seeking new Directors:
 - Prospective Directors will be assessed based on their skills and experience irrespective of background or difference (refer to Diversity Policy).
 - The skills, expertise and experience of the existing Board will be compared to the current and expected future needs of the Company in order to establish the target skills and experience set to be sought from a new Director.
 - An initial list of candidates will be compiled by an external recruitment consultant based on the target profile established above. The consultant will be made aware of, and instructed to select candidates in compliance with, the Company's Diversity Policy.
 - Any Committee member with a personal or professional association with a candidate will be required to disclose that relationship. The Committee member may be required to excuse themselves from the discussion of that candidate.
 - The Committee will screen the initial list of candidates to identify those candidates who best suit the target profile.

- Whenever possible the Chair and one or more Committee members will conduct the interviews with the selected candidates.
 - The other commitments of the candidates will be considered to ensure they are in a position to commit sufficient time to their Board duties.
 - The Committee or the recruitment consultant will conduct appropriate checks (eg criminal record, bankruptcy, education, character reference) to ensure the candidate is a fit and proper person.
 - The Committee shall consider whether the candidate has any interest, position, association or relationship that might influence their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of Brickworks and its shareholders generally.
 - The results of the interviews will be presented to the Committee and the Committee will make a recommendation to the Board.
- 3.2. The same assessment of the skills required on the Board will be performed when considering a nomination by a shareholder.

4. *Remuneration Responsibilities of the Committee*

In order to fulfil its responsibilities to the Board the Committee shall:

4.1. Executive Remuneration and Incentive Policy

- Review and approve Brickworks' policy for the recruitment, appointment, retention and termination of executives, including determining executive remuneration and incentives, and any amendments to that policy proposed from time to time by management;
- Review the on-going appropriateness and relevance of the executive remuneration policy and other executive benefit programs; and
- Oversee the consistent implementation of this policy within Brickworks.

(Note: The remuneration policy should motivate management to pursue the long-term growth and financial success of Brickworks Group within an appropriate control framework and demonstrate a clear relationship between key executive performance and remuneration.)

4.2. Executive Directors and Senior Management Remuneration

- Consider and make recommendations to the Board on the remuneration framework for executive directors, and the entire specific remuneration of each Executive Director (including base pay, incentive payments, retirement benefits, service contracts) having regard to the executive remuneration policy;
- Determine whether any shareholder approvals are required;
- Review and approve the proposed entire remuneration for the Managing Director and direct reports to the Managing Director;
- Review the recruitment retention and termination policies for senior management; and
- Review the balance between fixed and incentive pay, and between short and long term incentive pay.

4.3. Superannuation arrangements

- Review superannuation arrangements for Non-executive directors and senior management.

4.4. Non-executive Director Remuneration

Provide the Board with advice in relation to the framework for and nature and amount of Non-executive Director remuneration.

4.5. Other

The Committee shall perform other duties and activities that it or the Board considers appropriate in the context of the overall Charter.

5. **Disclosure**

- 5.1. The Committee shall ensure that there is effective disclosure of the Brickworks remuneration policy and practice to enable investors to understand the costs and benefits of those policies and the link between remuneration paid to key executives and Board members and corporate performance.
- 5.2. This disclosure will include all requirements of applicable Corporations Law and Accounting Standards.
- 5.3. Specifically, the Committee shall confirm to the Board that the Remuneration Report contained within the Annual Report, to be voted on at the Annual General Meeting, accurately reflects the remuneration practices of the Company.
- 5.4. The committee will ensure that the Board, management and the committee itself are all provided with sufficient information to ensure informed decision making on remuneration issues.

6. **Authority of the Committee**

The Committee has delegated authority from the Board to:

- Obtain any information or explanation from any employee, or any relevant external party;
- Require any member of staff to attend any Committee meeting; and
- Seek independent advice and any information it considers necessary to fulfil its duties, such as obtaining appropriate external advice from recruitment consultants or other independent experts at Brickworks' expense including undertaking for remuneration benchmarking, research and assessment and performing initial interviews of potential candidates.

7. **Review**

- 7.1. The Committee is to periodically review this Charter to keep it up to date with the responsibilities and objectives of the Committee.
- 7.2. Amendments to this Charter are to be made by the Board.

8. **Publication**

This Charter is to be made available on Brickworks' website.