



## SPARK INFRASTRUCTURE GROUP REMUNERATION AND NOMINATION COMMITTEE CHARTER

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### Introduction

Spark Infrastructure RE Limited (the "Company") is the responsible entity and trustee of the Spark Infrastructure Trust (the "Trust"). The Company operates a managed investment scheme (the 'Scheme'). The Board of the Company, as responsible entity of the Trust, has formally constituted a committee called the Remuneration and Nomination Committee (the "Committee").

### Role

The role of the Committee is to support and advise the Board on remuneration and remuneration related matters as set out in this Charter and to make decisions under delegated authority of the Board. In addition, the role of the Committee is to support and advise the Board on the composition of the Board.

### Responsibilities

The Responsibilities of the Committee in respect of remuneration matters include the following.

- a) Review and recommend contractual arrangements for executive directors and senior management, including contract terms.
- b) Review and recommend the remuneration, recruitment, retention, succession planning and termination policies for executive directors and senior management.
- c) Review major changes and developments in the Company's human resources policies and procedures for executive directors and senior management, including any changes consistent with the Board's Diversity Policy.
- d) Review the senior management performance assessment processes and annual results as they reflect the capability of management to realise the business strategy.
- e) Review and approve short term incentive strategy and performance targets, short term incentive payments, bonus payments and changes to annual remuneration for all senior management excluding the Managing Director whose incentive payments and remuneration are reviewed and approved by the Board.
- f) Review and recommend to the Board major changes and developments to the Company's long term incentive plan ("LTIP").
- g) In respect of the Company's LTIP:
  - o review and determine the performance hurdles applicable to the executive directors and senior management;
  - o review and approve the proposed terms of offer to eligible employees of the Company, including determining the eligibility criteria applying in respect of an offer, in respect of a financial year and authorise the making of those offers;
  - o review and approve, within the parameters of the LTIP, amendments to the terms of existing plan;
  - o review and approve the terms of any trust deed applying in relation to the LTIP and of any amendment to any such trust deed, including authorising the execution of any such trust deed or amending deed on behalf of the Company; and

- o administer the operation of the plans, including but not limited to determining disputes and resolving questions of fact or interpretation concerning the various plans.
- h) Review and recommend to the Board the remuneration arrangements for the Board Chairman and the non-executive directors of the Board, including fees, travel and other benefits.
- i) Appoint, instruct and receive advice from remuneration advisers directly.
- j) Be satisfied that the Board and management have available to them sufficient information and advice to ensure informed decision-making regarding remuneration.
- k) Review and recommend to the Board the remuneration report prepared in accordance with the Corporations Act 2001 (Cth) for inclusion in the annual directors' report.
- l) Review and facilitate securityholder and other stakeholder engagement in relation to the Company's remuneration policies and practices.

The Responsibilities of the Committee in respect of matters related to Board composition include the following.

- m) Review and recommend to the Board the size and composition of the Board, including review of Board succession plans including the succession of the Board Chairman and Managing Director, having regard to the objective that the Board comprise directors with a broad range of skills, expertise and experience from a broad range of backgrounds, including gender in a manner consistent with the Board's Diversity Policy.
- n) Review and recommend to the Board the criteria for Board membership, including the necessary and desirable competencies of Board members and the time expected to be devoted by non-executive directors in relation to the Company's affairs.
- o) Review and recommend to the Board membership of the Board, including:
  - o managing the retirement of Independent or Non-executive Directors by rotation at annual general meetings of the Company in accordance with the Company's Constitution, including making recommendations for the re-election of Independent or Non-Executive Directors, subject to the principle that a Committee member must not be involved in making recommendations to the Board in respect of themselves; and
  - o assisting the Board as required to identify individuals who are qualified to become Board members (including in respect of the Managing Director and any other executive directors), in accordance with the Nomination Policy outlined below; and
  - o regularly reviewing the time contribution required by non-executive directors and confirming that directors remain in a position to dedicate sufficient time to the Board's activities, in light of information provided by non-executive directors regarding their external commitments (including directorships of other listed entities or any other positions requiring a significant time commitment.)
- p) Assist the Board as required in relation to the performance evaluation of the Board, its committees and individual directors, and in developing and implementing plans for identifying, assessing and enhancing director competencies.
- q) Review the effectiveness of the induction process in place for newly appointed directors [and continuing professional development training for all directors] of the Company.
- r) On an annual basis:
  - o review the effectiveness of the Board Diversity Policy by assessing the Company's progress towards the achievement of the measurable objectives and any strategies aimed at achieving the objectives and reporting to the Board recommending any changes to the measurable objectives, strategies or the way in which they are implemented.
  - o in accordance with the Board Diversity Policy, review the relative proportion of women and men employed across the Group and submit a report to the Board outlining the Committee's findings.



## Remuneration Policy

In discharging its role, the Committee will have regard to the following policy objectives.

- a) That the Company's remuneration structures are equitable and aligned with the long-term interests of the Company and its securityholders having regard to relevant Company policies.
- b) To attract and retain skilled executives.
- c) To structure short and long term incentives that are challenging and linked to the creation of sustainable securityholder returns.
- d) That any termination benefits are justified and appropriate.
- e) No executive should be directly involved in determining their own remuneration.
- f) The Committee must at all times have regard to, and notify the Board as appropriate of, all legal and regulatory requirements, including any necessary securityholder approvals.
- g) The Committee chair or if they are not available, a Committee member should attend the Annual General Meeting and make themselves available to answer any questions from securityholders shareholders about the Committee's activities or, if appropriate, the Company's remuneration arrangements.

## Nomination Policy

The Committee must have regard to the following considerations and procedures when reviewing a potential candidate for Board appointment:

- a) the skills, experience, expertise and personal qualities that will best complement Board effectiveness;
- b) the existing composition of the Board, having regard to the factors outlined in the Board Diversity Policy and the objective of achieving a Board comprising Directors from a diverse range of backgrounds;
- c) the capability of the candidate to devote the necessary time and commitment to the role (this involves a consideration of matters such as other Board or executive appointments); and
- d) potential conflicts of interest, and independence.
- e) Detailed background information in relation to a potential candidate should be provided to all directors.
- f) The identification of potential director candidates may be assisted by the use of external search organisations as appropriate. The identification of potential director candidates should be assisted by the use of pre-appointment external checks as appropriate, for example criminal record, bankruptcy, education and character reference checks.]
- g) An offer of a Board appointment must be made by the Board Chairman only after having consulted all directors, with any recommendations from the Committee having been circulated to all directors.
- h) All new Board appointments should be confirmed by letter in the standard format as approved by the Board or the Committee from time to time.

Each year in preparation for the Annual General Meeting and as otherwise required, the Committee will prepare a report for the Board outlining the following details of the Board selection process with a view to including either the report or a summary of the report in the annual report:

- i) the process by which candidates are identified and selected, including whether external search organisations are used;
- j) the steps taken to ensure that a diverse range of candidates are considered; and
- k) the factors taken into account in the selection process, including whether a board skills matrix is used to identify any 'gaps' in the skills and experience of the directors on the Board.

## Composition of the Committee



The Committee must consist of only non-executive directors with a minimum of 3 members, the majority being independent directors and an independent director as chair appointed by the Board.

The Board may appoint such additional directors to the Committee or remove and replace members of the Committee by resolution. Members may withdraw from membership by written notification to the Board.

Non-committee members, including members of management may attend all or part of a meeting of the Committee at the invitation of the Committee chair.

The secretary of the Committee must attend all Committee meetings and will be the Company Secretary, or such other person as nominated by the Committee.

### **Procedures**

The Committee will meet as often as the Committee members deem necessary in order to undertake its role effectively. However, it is intended that the Committee will meet at least twice a year. A quorum for any meeting will be two members. The Committee chair does not have a casting vote.

The Company Secretary will be responsible for coordinating meetings of the Committee. Any member of the Committee may convene a meeting of the Committee. If a member of the Committee requests a meeting, the Company Secretary will inform the Committee Chairman of that request and the Committee Chairman will determine whether to convene the meeting.

The proceedings of all meetings will be minuted by the Company Secretary and signed by the chair of the Committee. As soon as practicable after the meeting, the Company Secretary will circulate the minutes to the members of the Committee for approval. The minutes will then be distributed to all directors and included in the Board papers for noting by the Board at the next Board meeting following approval.

The Committee chair should report to the Board after each Committee meeting concerning the proceedings of the Committee and all matters relevant to the Committee's role, responsibilities and duties.

The Committee has the right of access to adequate internal and external resources in order to perform its role and may obtain outside legal or other professional advice, upon notifying the Board or the chair of the Board, at the cost of the Company. In particular, the Committee is authorised to appoint and instruct remuneration advisers directly without reference to management.

All engagements of and interaction with external remuneration advisers must comply with the Corporations Act for the engagement and utilisation of remuneration advisers (as amended from time to time). Where a remuneration recommendation is obtained from an external adviser, the Committee will take appropriate measures to ensure recommendations are free from undue influence and will procure an undue influence declaration from the adviser.

The Board will review the membership and charter of the Committee to determine its adequacy for prevailing circumstances from time to time and in any event at least annually.

**Approved by the Board - 13 December 2013**