

Nominations and Remuneration Committee Charter



December 2019

The role of Nominations and Remuneration Committee (**Committee**) is to:

- review Board composition and Board succession planning. This includes, but is not limited to, finding, evaluating and recommending candidates for the Board. The Committee also oversees and recommends to the Board the appointment of directors to the boards of the subsidiaries of Lion Energy Limited; and
- enable proper controls to apply in the remuneration of Directors, senior executives and staff and to be a forum for the discussion of new initiatives in the area of remuneration generally.

The Committee operates principally in a review and/or advisory capacity except where decision making authority is specifically delegated by the Board.

The ultimate responsibility for matters falling within the Committee's ambit remains with the full Board of Lion Energy Limited.

Composition

The Committee will consist of at least three members appointed by the Board, of which a majority must be independent Directors.

The Chair of the Committee shall be appointed by the Board and must be an independent Director.

For purposes of decision making powers a quorum of the Committee will consist of two members.

The Managing Director (or equivalent) will be invited to meetings of the Committee as required to discuss management performance and remuneration packages.

Responsibilities

The Committee responsibilities will include reviewing and making recommendations to the Board on:

- Board and senior executive succession planning;
- the size and composition of the Board, including assessing the necessary and desirable competencies of Board members, having regard to the depth and breadth of operations and applicable costs, and developing and regularly reviewing a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership;
- the appointment of Directors and senior executives, including evaluating Board and senior executive candidates, undertaking appropriate background checks, and recommending to the Board individuals for Board or senior executive appointment or election/re-election of Directors by shareholders;
- reviewing induction, education and professional development programmes to ensure Board members are up to date with the Company's operation and relevant external developments effecting Lion and are able to discharge their responsibilities effectively;
- providing that the roles and responsibilities of Board members promote Board accountability to the Company, its shareholders and key stakeholders;
- developing and implementing an appropriate process for evaluating the performance of the Board, its committees and Directors;
- overseeing and recommending to the Board the appointment of directors to the board of subsidiaries of Lion Energy Limited;



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- making recommendations to the Board on Directors' fees and the remuneration framework for Directors, including the process by which any pool of Directors fees approved by shareholders is allocated to Directors;
- making recommendations to the Board on remuneration packages for the Managing Director (or equivalent) and senior executives and staff;
- considering and approving management's recommendations with respect to annual salaries, bonus budgets and individual reviews;
- making recommendations to the Board on the Company's recruitment, retention and termination policies for senior executives;
- ensuring remuneration packages are competitively set to attract the necessary qualified Directors and senior executives;
- making recommendations to the Board on annual remuneration policy guidelines;
- making recommendations to the Board regarding all aspects of Directors and officers indemnity insurance;
- making recommendations to the Board on policy for share and option plans and other equity based incentive schemes;
- making recommendations to the Board on policy for superannuation arrangements for Directors, senior executives and other employees;
- making recommendations to the Board in relation to whether there is any gender or other inappropriate bias in remuneration for Directors, senior executives or other employees; and
- assessing the performance of the Managing Director (or equivalent) annually.

Criteria for Evaluating Candidates

In its evaluation of candidates for the Board, the Committee will have regard to the appropriate skill and characteristics necessary for the Board to maximise its effectiveness, taking into account the Company's current and future needs. Attributes to be considered may include, without limitation, the following:

- the ability to exercise sound business judgement and ethical standards;
- a position of leadership or prominence in a specified field;
- absence of conflicts of interest or other legal impediments to serving on the Board;
- willingness to, and ability of, the candidate to devote the required time and availability to attend Board and other committee meetings;
- compatibility with the existing Board;
- appropriate industry experience, experience in the geography within which the Company operates and/or professional qualifications and a sound understanding of the oil and gas business; and
- appropriate vetting of references, including professional qualifications, police and bankruptcy checks and a search of ASIC records to ascertain whether the candidate has been prosecuted under the Corporations Act.

In approaching candidates, the Committee may give due consideration to the appointment of outside professional consultants. Any fees payable are to be approved by the Managing Director (or equivalent) and Chairman.

Where a new non-executive Director of the Company is appointed, a letter of appointment will be provided setting out their responsibilities, rights, term of appointment and any other matters deemed necessary by the Committee for them to fulfil their role. This letter will be countersigned by the non-executive Director to indicate his/her agreement to the terms of appointment. Executive Directors shall enter into an executive service agreement with the Company.



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Election of Board Members

In submitting the names of candidates for election as a Board member, the Committee should ensure that shareholders are provided sufficient information to make an informed decision on their election, including:

- biographical details, including competencies, qualifications and any other information necessary to enable shareholders to make an assessment of the independence of the candidate;
- details of relationships between the candidate and the Company and the candidate and existing Board members;
- Board memberships held, including those Board memberships required by law and any other Board memberships relevant to an assessment of independence;
- particulars of other positions which involve significant time commitments;
- the term of office currently served by any Board members subject to re-election; and
- any other particulars required by law.

Term of Board Membership

Board members (other than the Managing Director) shall retire from the Board no later than the longer of:

- the third annual general meeting; or
- three (3) years.

In addition, one third of Board members (rounded down to the nearest whole number and excluding the Managing Director) must retire from the Board at each AGM. Any appointment, retirement and/or re-election of a Board member shall be subject to the relevant provisions of the ASX Listing Rules and Corporations Act and otherwise in accordance with the Company's Constitution.

Composition of Subsidiary Boards

The Committee will have regard to the following in assessing the board composition of subsidiary companies of Lion Energy Limited:

- the skills, knowledge and experience necessary having regard to the business activities of the relevant company; and
- the industry experience, board experience, professional experience skills, leadership skills, strategic ability and personal qualities of the candidates.

The Board has determined that, as a general policy, non-executive Directors should not sit on the boards of subsidiary companies. The appointment of non-executive directors to subsidiary boards must be approved by the Lion Energy Limited Board.

All other appointments to the boards of subsidiary companies are to be approved by the Managing Director (or equivalent) /Chief Executive Officer and noted by the Board at least annually.

For Australian domiciled subsidiaries, the directors are the Managing Director (or equivalent) / Chief Executive Officer and Chief Financial Officer.



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Meetings

The Committee will meet at least once per year to recommend the fees for non-executive Directors and the remuneration package for senior executives and staff and annual remuneration policy guidelines and at such additional times as the Chairman of the Committee shall decide in order to fulfil its duties.

Advice

The Committees or individual Directors who are members of the Committee may seek independent external professional advice as considered necessary to discharge their obligations as Directors, at the expense of the Company, subject to prior consultation with the Chair. Subject to the Code of Conduct – Director Conflicts, a copy of any such advice received is to be made available to all members of the Board.

Review of Charter

The Board will review this Nominations and Remuneration Committee Charter at least annually, and update it as required.