

Remuneration and Nomination Committee Charter

Grays eCommerce Group Limited (ACN 125 736 914) (**Grays** or **Company**)

Adopted by the Board on 30 July 2015

1. Introduction

The purpose of this Remuneration and Nomination Committee Charter is to specify the authority delegated to the Remuneration and Nomination Committee (**Committee**) by the Board and to set out the role, responsibilities, membership and operation of the Committee.

The Committee is a committee of the Board and is authorised by the Board to assist it in fulfilling its statutory, fiduciary and regulatory responsibilities. It has the authority and power to exercise the role and responsibilities set out in this charter and granted to it under any separate resolutions of the Board from time to time.

2. Role of the Committee

2.1 Remuneration

The Committee assists and advises the Board on remuneration policies and practices for the Board, the Chief Executive Officer (**CEO**), the Chief Financial Officer (**CFO**), senior executives and other persons whose activities, individually or collectively affect the financial soundness of Grays. The policies and practices are designed to:

- (a) enable Grays to attract, retain and motivate directors, executives and employees who will create value for shareholders within an appropriate risk management framework, by providing remuneration packages that are equitable and externally competitive;
- (b) be fair and appropriate having regard to the performance of Grays and the relevant director, executive or employee; and
- (c) comply with relevant legal requirements.

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2.2 Nomination

The Committee also assists and advises the Board on:

- (a) director selection and appointment practices;
- (b) director performance evaluation processes and criteria;
- (c) Board composition; and
- (d) succession planning for the Board and senior executives,

to ensure that the Board is of a size and composition conducive to making appropriate decisions, with the benefit of a variety of perspectives and skills and in the best interests of Grays as a whole.

3. Remuneration Responsibilities

3.1 General

- (a) The Committee is responsible for developing, reviewing and making recommendations to the Board on:
 - (i) the ongoing appropriateness and relevance of the remuneration framework for the Chairman and the non-executive directors;
 - (ii) Grays' policy on remuneration for the CEO and senior executives, any changes to the policy and the implementation of the policy;
 - (iii) the total remuneration packages for the CEO and senior executives (including base pay, incentive payments, equity based awards, superannuation and other retirement rights, employment contracts), any changes to remuneration packages and recommending proposed awards after performance evaluation procedures;
 - (iv) overseeing annual performance evaluation of the CEO and senior executives;
 - (v) Grays' recruitment, retention and termination policies for the CEO and senior executives and any changes to those policies;
 - (vi) incentive schemes, if appropriate, for the CEO and senior executives; and
 - (vii) equity based plans, if appropriate for the CEO, senior executives and other employees.
- (b) The Committee is also responsible for monitoring and providing input to the Board regarding:

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- (i) legislative, regulatory or market developments likely to have a significant impact on Grays and legislative compliance in employment issues;
- (ii) the remuneration trends across Grays, including
 - (A) the trends in base pay for senior management relative to that of all Grays employees; and
 - (B) remuneration by gender; and
- (iii) major changes to employee benefits structure in Grays.

3.2 Incentive Schemes and Equity Based Remuneration

For any incentive schemes or equity based plans which are adopted, the Committee is responsible for:

- (a) reviewing their terms (including any performance hurdles);
- (b) overseeing their administration;
- (c) considering whether shareholder approval is required or desirable for the schemes or plans and for any changes to them; and
- (d) ensuring that payments and awards of equity are made in accordance with their terms and any shareholder approval.

4. Nomination Responsibilities

The Committee is responsible for:

- (a) identifying and making recommendations regarding the necessary and desirable competencies of directors;
- (b) making recommendations regarding the size of the Board so that the size encourages efficient decision making;
- (c) developing and reviewing the process for the selection, appointment and re-election of directors;
- (d) ensure that appropriate checks are carried out before appointing a person or putting them forward to shareholders for election as a director;
- (e) identifying and making recommendations to the Board for the appointment of new Board candidates, having regard to their skills, experience and expertise;
- (f) development and maintenance of a director skills matrix;
- (g) coordinating with the Board to ensure that Grays meets its commitment to becoming a diverse and inclusive workplace;

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- (h) identifying ways to promote a culture supportive of diversity including recruitment from a diverse pool of candidates;
- (i) reviewing nomination practices against measurable objectives for achieving gender diversity;
- (j) developing and reviewing induction procedures for new appointees to the Board to enable them to effectively discharge their duties, including increasing their knowledge about Grays and the industry within which Grays operates;
- (k) ensuring that each director is engaged pursuant to a written appointment letter that outlines director responsibilities, practicalities around the operation of the board, remuneration, and any other aspects of the appointment as deemed necessary.
- (l) developing, implementing and reviewing continuing education measures to enhance director competencies and to update and enhance directors' knowledge and skills including on key developments affecting Grays and the industry and environment in which it operates;
- (m) overseeing the development and implementation of a process for the evaluation of the performance the Board, Board committees, and directors individually, using both measurable and qualitative indicators;
- (n) reviewing the time required to be committed by non-executive directors to properly fulfill their duties to Grays and whether non-executive directors are meeting these requirements;
- (o) reviewing Board and senior executive succession plans and processes, including for the CEO and other senior executive positions and being conscious of each director's tenure, to maintain an appropriate balance of skills, experience, expertise and diversity; and
- (p) reviewing the performance of the chairperson and reporting the results of the evaluation to the Board.

5. Reporting and Disclosure

The Committee will liaise with the Board in relation to Grays' remuneration related reporting in the financial statements and remuneration report required by the *Corporations Act 2001* (Cth).

The Committee will approve an annual remuneration report containing information on Grays' remuneration policy, practices, attendance at and frequency of Committee meetings and make recommendations to the Board for the inclusion of the remuneration report in Grays' annual report.

The Committee will make recommendations to the Board regarding the process for evaluating performance of the Board, its committees and the directors.

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The Committee will ensure that all applicable governance, accounting and legal requirements regarding disclosure of remuneration, in all forms, are complied with.

The Committee chairman will attend Grays' annual general meetings prepared to respond to any shareholder questions on the Committee's activities.

6. Membership

6.1 Composition and Size

The Committee shall consist of at least three members, a majority of whom are independent, non-executive directors. The Board reserves the right to appoint external advisors to this Committee.

Each member must be free from any interest, business or other relationship which, in the opinion of the Board, could, or could reasonable be perceived to, materially interfere with the exercise of his or her independent judgment as a member of the Committee.

The term of service of Committee members will be reviewed by the Chairperson at least annually with a view to rotating members periodically, but without losing the continuity of experience and knowledge gained by the members of the Committee.

6.2 Chairman

The Chairman of the Committee shall be an independent non-executive director. The Chairman of the Committee will be appointed by the Board. If, for a particular Committee meeting the Committee Chairman is not present within 10 minutes of the nominated starting time of the meeting, the Committee may elect a chairman for that meeting.

6.3 Company Secretary

The Company Secretary of the Board shall be the Company Secretary of the Committee.

7. Committee Meetings and Process

7.1 Meetings

The Committee will meet as frequently as required to perform its functions, but not less than two times per year. The chairman must call a meeting of the Committee if requested by any member of the Committee, the external auditor or the Chairman of the Board.

7.2 Quorum

Two members of the Committee constitute a quorum for meetings of the Committee.

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7.3 Attendance by Management and Advisers

The Committee Chairman may invite the CEO, CFO, other senior executives, directors who are not members the Committee and external advisers to attend meetings of the Committee.

7.4 Conflicts

No member of the Committee will participate in the determination of their own remuneration or the specific remuneration policies that are applicable to them.

7.5 Notice, Agenda and Papers

Unless otherwise agreed or considered necessary by the Chairman, notice of each meeting confirming the venue, date and time together with an agenda of items to be discussed and supporting papers, will be circulated by the Company Secretary to each Committee member and any other individual invited to attend, not less than five business days before the meeting.

7.6 Minutes

The Company Secretary will keep minute books to record the proceedings and resolutions the Committee meetings.

The Chairman of the Committee, or delegate, will report to the Board after each Committee meeting.

The Committee must refer any matter of significant importance to the Board for its consideration and attention.

7.7 Access to Information and Advisers

The Committee has direct and unlimited access to all resources necessary to discharge its duties and responsibilities. This may include requesting management or engaging external remuneration consultants, to provide information to the Committee.

The Committee also has the authority to conduct or direct any investigation required to fulfill its responsibilities.

8. Committee's Performance and Review and Publication of Charter

The Committee will review its performance on an annual basis, or earlier if circumstances dictate. The performance evaluation will have regard to the extent to which it has met its responsibilities in terms of this charter.

This charter shall be reviewed on an annual basis and can be amended by resolution of the Board.

This charter will be available on Grays' website and the key features will be published in the Corporate Governance Statement.