Remuneration and Nomination Committee Charter

Liberty Financial Group Limited (ABN 59 125 611 574)

1. Introduction

1.1 The Remuneration and Nomination Committee (**Committee**) has been established as a committee of the board of directors of Liberty Financial Group Limited (ABN 59 125 611 574) (**Company**) (the **Board**).

1.2 This Charter sets out the role, authority, responsibilities, composition and procedural requirements of the Committee.

1.3 The ordinary shares in the Company and the ordinary units in the Liberty Group Financial Trust (**Trust**) are stapled together and quoted on the ASX.

1.4 The Company is the employer of all staff (including the Chief Executive Officer and the Chief Financial Officer) that provide services to Liberty Fiduciary Ltd (ABN 80 119 884 623) as responsible entity of Trust (**RE**) and the Trust under a Service Agreement between the Company and the RE as a responsible entity for the Trust.

2. Role and objectives

2.1 The Committee's role and objectives are to support and advise the Board in fulfilling its responsibilities to securityholders and staff members of the Company, by:

(a) endeavouring to ensure that:

(i) the directors and senior executives of Liberty are remunerated fairly and appropriately;

(ii) the remuneration policies and outcomes of Liberty strike an appropriate balance between the interests of the Company's securityholders, and rewarding and motivating the executives and staff in order to secure the long term benefits of their energy and loyalty;

(iii) the human resources policies and practices are consistent with and complementary to the strategic direction and objectives of Liberty as determined by the Board;

(iv) short and long term incentives are challenging and linked to the creation of sustainable securityholder returns; and

(v) any termination benefits are justified and appropriate;

(b) reviewing and advising the Board on the composition of the Board and its Committees and the necessary and desirable competencies of Board members;

(c) developing a process for the evaluation of the performance of the Board, its committees and individual executive and non-executive directors;

(d) overseeing and advising the Board on Company's organisational culture, leadership behaviours and people practices to support their alignment with the Company's purpose, values, strategic objectives and long-term sustainability;

(e) ensuring that proper succession plans for Board members and senior executives are in place for consideration by the Board; and

(f) advising the Board on induction and continuing professional development programs for directors.

2.2 In order to fulfil its responsibilities, the Committee will have the right:

(a) to obtain information from management, internal audit, risk, compliance and financial control; and

(b) to seek advice from external consultants or specialists where the Committee considers that necessary or appropriate to allow the Committee to make its determinations or recommendations to the Board.

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3. General remuneration responsibilities

3.1 As the securities of the Company are stapled, the stapled securities must trade and otherwise be dealt with together in accordance with the respective Constitution of the Company and the RE and the Stapling Deed between the Company, the RE in its own capacity and the RE as a responsible entity for the Trust. The parties to the Stapling Deed have agreed that any decision relating to equity plans and equity awards to directors, officers, executives and other staff members or persons, must be made in consultation between the Board and the board of the RE.

3.2 In relation to its remuneration function, the Committee is required to review and make recommendations to the Board about (where applicable):

(a) the terms of remuneration for the executive and non-executive directors and other senior executives and persons whose activities may in the Board's opinion affect the financial soundness of the Company from time to time including the criteria and processes for assessing performance;

(b) the process for, and report to the Board on the outcomes of, remuneration reviews for:

(i) each non-executive director;

(ii) the executives collectively; and

(iii) each executive director and other senior executives of the Company;

(c) changes in remuneration, recruitment, retention and termination policies and practices, including superannuation and other benefits, personnel practices, and industrial relations strategies;

(d) compliance with relevant legal and regulatory requirements in relation to any such remuneration, equity plans and termination benefits, including obtaining any securityholder approvals which are necessary;

(e) employee equity plans and allocations under those plans;

(f) the disclosure of remuneration strategies, policies and practices within the Company and, if necessary to the Australian Securities Exchange (**ASX**) and other regulatory authorities;

(g) the preparation and approval of the remuneration report to be included in the Annual Report in accordance with the *Corporations Act 2001* (Cth);

(h) facilitating securityholder and other stakeholder engagement in relation to the Company's remuneration strategies, policies and practices; and

(i) whether there is any gender or other inappropriate bias in remuneration for directors, senior executives or other staff.

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4. Specific remuneration responsibilities

In order to fulfil its responsibilities relating to remuneration, the Committee will (where applicable):

Executive remuneration generally

(a) review and evaluate market practice, trends and rates in remuneration matters;

(b) review and make recommendations to the Board regarding executive remuneration generally including, but not limited to, base pay, incentive payments, equity awards and service contracts;

(c) consider whether to seek securityholder approval of the executive remuneration and, if securityholder approval is not required, whether to disclose any specific remuneration terms (such as termination payments) to the ASX;

(d) oversee the implementation of executive remuneration within the Company;

Executive directors and senior management

(e) review and make recommendations to the Board on the specific remuneration for each executive director (including base pay, incentive payments, equity awards, termination payments and service contracts), determine whether any securityholder approvals are required and ensure that any equity-based executive remuneration is made in accordance with securityholder approvals;

(f) review and make recommendations to the Board regarding the specific remuneration (including base pay, incentive payments, equity awards, termination payments and service contracts) for each senior executive of the Company and the RE;

Non-executive director remuneration

(g) review and establish the level of remuneration for non-executive directors, including fees, superannuation and other benefits. The level of director remuneration is to be set so as to attract the best candidates for the Board while maintaining a level commensurate with boards of similar size and type;

(h) where necessary recommend that the Board seek an increase in the amount of remuneration for non-executive directors approved by securityholders;

(i) consider if any equity based remuneration is appropriate for non-executive directors;

Equity based and long term incentive plans (LTIs)

(j) review, at least annually, and make recommendations to the Board regarding the design of all equity based and/or LTI plans;

(k) keep all plans under review in the light of legislative, regulatory and market developments and make recommendations to the Board regarding proposed amendments to any such plans;

(l) for each such plan, determine each year whether awards will be made under that plan;

(m) review and make recommendations to the Board regarding proposed aggregate and individual awards under each plan, including determining the applicable eligibility criteria and vesting and exercise conditions;

(n) review and make recommendations to the Board regarding the administration and allocation of individual interests in awards which are held in a trust or similar structure;

(o) review and make recommendations to the Board regarding performance hurdles for such plans, if appropriate;

(p) administer the operation of the plans, including determining disputes and resolving questions of fact or interpretation concerning the plans;

Short term incentives

(q) review, at least annually, and make recommendations regarding short term incentives, performance targets and bonus payments for executives, management, staff members and contractors; and

Performance reviews

(r) review and report to the Board on the performance of executive directors, non-executive directors and senior executives.

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5. Nomination responsibilities

In relation to its nomination function, the Committee is required to:

(a) develop and implement processes for the evaluation of the performance of the Board, its Committees and individual executive and non-executive directors and regularly review those processes;

(b) establish criteria for Board membership;

(c) review and make recommendations to the Board regarding the size and composition of the Board;

(d) develop and review the process for the selection, appointment and re-election of directors;

(e) establish a skills matrix setting out the mix of skills and diversity the Board has or is looking to achieve;

(f) periodically assess the skills, experience and expertise required to discharge the Board's duties, having regard to the strategic direction of Liberty, and make recommendations to the Board about the necessary and desirable competencies of directors, the time expected to be devoted by non-executive directors in relation to the Company's affairs, and plans for enhancing director competencies;

(g) identify and make recommendations to the Board for the appointments of new Board candidates having regard to the policy stated in section 7 below;

(h) inform the Board of the names of directors who are retiring in accordance with the provisions of the Company's Constitution and make recommendations to the Board as to whether the Board should support the re-nomination of that retiring director;

(i) establish and facilitate an induction program for new directors with all such information and advice which may be considered necessary or desirable for the director to commence their appointment to the Board, including information and advice regarding:

  (i) the Company's financial, strategic, operational and risk management position;

  (ii) the rights, duties and responsibilities of the directors;

  (iii) the roles and responsibilities of senior executives; and

  (iv) the role of Board committees;

(j) review nomination practices against measurable objectives for achieving gender diversity;

(k) identify any specific responsibilities of individual Board members, including the Chair;

(l) review the time required to be committed by non-executive directors to properly fulfil their duties and whether non-executive directors meet these requirements;

(m) assist the Board in assessing the independence of each non-executive director;

(n) review succession planning for Board members and provide advice to the Board on whether succession plans are in place to maintain an appropriate balance of skills, experience, expertise and diversity on the Board;

(o) review succession planning for the Chief Executive Officer and other key executives of the Company;

(p) review the performance of the Chair and report results of the evaluation to the Board, excluding the involvement of the Chair if he or she is a member of the Committee; and

(q) review the membership and performance of other Board committees and make recommendations to the Board.

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6. Board approvals

Before implementing any of the following proposals the Board will request the Committee to review the proposal and make a recommendation to the Board in relation to it:

(a) any change to the remuneration or contract terms of the executive directors and any other senior executives of the Company;

(b) any amendment to any short term incentive scheme adopted by the Company and allocation of sums under the short term incentive scheme to directors and senior executives;

(c) the design of any new equity or share plan or executive incentive or option plan, or the amendment of any existing equity or share plan or executive incentive or option plan;

(d) the total level of award proposed from equity or share plans or executive incentive or option plans; and

(e) any proposed termination payment to the executive directors and any other senior executives of the Company which has not been previously reviewed and recommended by the Committee. A termination payment to any other departing executive must be reported to the Committee at its next meeting.

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7. Selection and appointment of new directors

7.1 Factors to be considered when reviewing a potential candidate for appointment as a director include:

(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 objective that the Boards should comprise a mix of executive and non-executive directors and comprise directors with a broad range of skills, knowledge, expertise and experience 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);

(d) potential conflicts of interest;

(e) the independence of the candidate, with reference to the criteria for an independent director set out in the Board Charter; and

(f) the Board's commitment to promoting diversity on the Board.

7.2 Detailed background information in relation to a potential candidate should be provided to all directors.

7.3 Appropriate checks should be undertaken before appointing a potential candidate or putting forward a candidate to securityholders for approval, which should include checks as to the person's character, experience, education, criminal record and bankruptcy history.

7.4 The identification of potential candidates may be assisted by the use of external search organisations as appropriate.

7.5 The Committee will report to the Board outlining the following details of the director selection process:

(a) the process by which candidates are identified and selected, including whether an external search organisation was used and their recommendations; and

(b) the factors taken into account in the selection process, and the reasons why the Committee is recommending the appointment of the candidate as a director.

7.6 A written agreement will be entered into for each director and senior executive setting out the terms of their appointment. For directors, this will include the benefit of the Company's standard Deed of Access, Indemnity and Insurance which provides ongoing access to Board papers and, at the Company's expense, Directors and Officers insurance for seven years after the director leaves the Board.

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8. Composition

8.1 The Committee will initially comprise a minimum of three members, all of whom must be non-executive directors.

8.2 It is intended that any future Committee will also comprise a minimum of three members, all of whom will be non-executive directors and the majority of whom should be independent directors.

8.3 Members of the Committee must have sufficient skill and technical expertise so that the Committee has an appropriate understanding of industry requirements.

8.4 If the Chair of the Board is a non-executive director, the Chair of the Board will be the Chair of the Committee.

8.5 Otherwise, the Board will nominate the Chair of the Committee from time to time. The Chair of the Committee must be an independent director.

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9. Procedural requirements

9.1 The Committee will meet as often as it considers necessary.

9.2 A quorum of the Committee will comprise two members, one of whom must be the Chair or, in the absence of the Chair, an independent director.

9.3 If the Chair is absent from a meeting and no acting Chair has been appointed, the members present may choose one of them to act as Chair for that meeting.

9.4 Meetings of the Committee may be held or participated in by conference call or similar means, and decisions may be made by circular or written resolution.

9.5 Each member of the Committee will have one vote.

9.6 The Chair will not have a casting vote. If there is a tied vote, the motion will lapse.

9.7 A member must not be present for discussions at a Committee meeting on, or vote on a matter regarding, their own election, re-election, removal, remuneration or a specific remuneration policy that affects them. However, a member who is a non-executive director may be present and vote in relation to the remuneration of all non-executive directors.

9.8 Any member of the Committee may, with the Chair's prior approval, invite any non-member to attend and participate in a meeting of the Committee. Any such invitee will not have any vote.

9.9 Following each meeting the Chair will report to the Board on any matter that should be brought to the Board's attention, and on any recommendation of the Committee that requires Board approval or action.

9.10 Minutes of meetings of the Committee will be prepared for approval by the Committee and circulated to the members of the Board.

9.11 The Company Secretary will attend all Committee meetings and provide such assistance as may be required by the Chair in relation to preparation of the agenda, minutes or papers for the Committee. Any Committee member may request a matter be put on the agenda for a Committee meeting for consideration.

9.12 The Committee may have access to such internal resources, and seek such advice from any external advisers, consultants or specialists, as it may consider necessary or desirable to fulfil its objectives.

9.13 The Chair or, if the Chair is not available, a Committee member should attend the Annual General Meeting of the Company and be available to answer any questions from securityholders about the Committee's activities or, if appropriate, the Company's remuneration arrangements.

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10. Annual review

10.1 The Committee will prepare and provide to the Board annually:

(a) a self-evaluation of its performance against its Charter, goals and objectives;

(b) recommended goals and objectives for the coming year; and

(c) recommended changes or improvements to its Charter if necessary.

10.2 The annual review may be done by way of an oral report to the Board by the Chair of the Committee.

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11. Revisions of this Charter

11.1 The Committee is responsible for reviewing the effectiveness of this Charter and the operations of the Committee on an annual basis and to make recommendations to the Board of any amendments.

11.2 Any amendment to this Charter must be approved by the Board.