

1. Remuneration

- 1.1 The Remuneration and Nomination Committee (the **Committee**) is responsible, amongst other things, for assisting the Board to determine the appropriate remuneration for Directors and senior management.

2. Principles

- 2.1 In order to fulfil the role of the Committee, the members shall refer to the following principles when developing recommendations to the Board regarding remuneration:
- (a) ensure that coherent remuneration policies and practices are observed which enable the attraction and retention of directors and senior management who will create value for shareholders;
 - (b) fairly and responsibly reward directors and senior management having regard to the Company's performance, the performance of the senior management and the general pay environment;
 - (c) clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior management; and
 - (d) comply with all relevant legal and regulatory provisions.

3. Remuneration packages

- 3.1 Remuneration may incorporate fixed and variable pay performance elements with both a short term and long term focus.
- 3.2 Remuneration packages may contain any or all of the following:
- (a) annual base salary - with provision to recognise the value of the individuals' personal performance and their ability and experience;
 - (b) rewards, bonuses, special payments and other measures available to reward individuals and teams following a particular outstanding business contribution;
 - (c) share participation via employee share and option schemes;
 - (d) other benefits such as holidays, sickness benefits, superannuation payments and long service benefits; and
 - (e) reimbursement for any expenses incurred in the course of the personnel's duties.

4. Assessing remuneration

- 4.1 The Committee will make a recommendation to the Board regarding the remuneration of executive directors and senior management having regard to various factors including performance and any recommendations made by the CEO, senior management,

compensation consultants, and internal and external legal, accounting or other advisors. The Committee will also make a recommendation to the Board regarding the remuneration of non-executive directors having regard to, amongst other things, any recommendations made by compensation consultants, and internal and external legal, accounting or other advisors.

5. General

- 5.1 Any reference in this Policy to the “**Company**” is a reference to Tlou Energy Limited ACN 136 739 967 and any reference to the “**Group**” is a reference to the Company and its subsidiaries.
- 5.2 Any reference to the “**Board of Directors**” is a reference to the Board of the Company and any reference to “**Directors**” is a reference to the Directors of the Board of the Company.
- 5.3 All Directors, senior executives, employees, consultants, contractors and professional advisors must familiarise themselves with and comply with this Policy.
- 5.4 The Company will review this Policy regularly to take into account any legislative changes and best practices relating to the Policy. Any amendment to this Policy must be authorised by the Board of Directors. The Company Secretary will communicate any amendments to all relevant parties.
- 5.5 Any queries regarding the application of this Policy should be referred to the Company Secretary.

APPROVAL

This Policy was adopted by the board on 5 June 2012



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Chair of Tlou Energy Limited