

METGASCO LIMITED

**NOMINATION AND REMUNERATION
COMMITTEE CHARTER**

1. Role

The Nomination and Remuneration Committee provides advice and recommendations to the Board regarding the composition of the Board and the remuneration of Executives and Directors with the objectives that the Company:

- a) Established procedures for the selection and recommendation of candidates suitable for appointment to the Board;
- b) Has an appropriate mix of skills, experience and expertise on the Board;
- c) Has coherent remuneration policies and practices which are observed and which enable it to attract and retain Executives and Directors who will create value for shareholders;
- d) Fairly and responsibly rewards Executives having regard to the performance of the Company, the performance of the executive and the general pay environment; and
- e) Complies with all relevant legal and regulatory provisions.

2. Duties and Responsibilities

Board Nomination Role

This involves assisting the Board to ensure it is comprised of Directors with the appropriate mix of skills, experience and expertise to discharge its mandate effectively. In this regard the Committee is responsible for:

Director Competencies:

- Periodically reviewing the size and composition of the Board to ensure that it is structured to make appropriate decisions with a variety of perspectives and skills in the best interests of the Company as a whole;
- Assessing and advising the Board of the time necessary for Non-executive Directors to effectively discharge their responsibilities and reviewing the other commitments of Non-Executive Directors that impact on this; and
- Reviewing induction procedures for newly appointed Directors.

Evaluation of Board Performance

- Undertaking an annual assessment of the effectiveness of the Board (prior to 30 September each year) including:
 - An assessment of the range of skills, experience and expertise on the Board;
 - Identifying whether there are any areas where the skill set requires supplementing;
 - Recommending to the Board how the skill set of existing Non-Executive Directors can be enhanced; and
 - An assessment of the effectiveness of the various Committees established by the Board;

Recommendations for Appointment and Removal of Directors

- Selecting and recommending candidates for the Board when circumstances warrant the appointment of a new Director;
- Advising the Board of the names of the Non-executive Directors to retire in accordance with the Company's Constitution and recommending whether the Board should support the re-nomination of those retiring Directors.

Board Succession Planning

- Establish and review Board succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board.

Remuneration Role

Executive Remuneration

Review and make recommendations to the Board on the Company's policy for determining executive remuneration and any amendments to that policy proposed from time to time by management.

Review the ongoing appropriateness and competitiveness of the executive remuneration policy and other executive benefits programs.

Oversee the implementation of this remuneration policy within the Company's Executive Directors and senior management.

Consider and make recommendations to the Board on the entire specific remuneration for each Executive Director (including base pay, incentive payments, performance rights, equity awards, retirement rights, and service contracts) having regard to the executive remuneration policy.

Executive Incentive Plans

Review and make recommendations to the Board on the design of all executive incentive plans.

Review and make recommendations to the Board on the total proposed payments under each executive incentive plan.

Equity Based Plans

Review and make recommendations to the Board on the design of all equity based plans.

Keep all plans under review in the light of legislative, regulatory and market developments.

For each equity based plan, determine each year whether awards will be made under that plan.

Review and make recommendations to the Board on total proposed awards under each plan.

In addition to considering awards to Executive Directors review, approve and report to the Board on proposed awards under each plan on an individual basis for executives as required under the rules governing each plan or as determined by the Committee.

Review and make recommendations to the Board on performance hurdles for each equity based plan not less than once per year.

Non-Executive Director Remuneration

Review and provide recommendations to the Board regarding remuneration of non-executive Directors.

3. Composition

The Committee will consist of:

- a) At least 3 members;
- b) A majority of the Committee members must be non-executive directors; and
- c) An independent chairperson

Membership of a Committee ceases when the member ceases to be a Director of the Company.

4. Meetings

The Committee will meet as frequently as considered necessary by the Committee Chairman for it to discharge its role effectively and must meet at least 2 times per financial year.

The Committee Chairman is responsible for:

- a) Creating and circulating the agenda for meetings; and
- b) Keeping the minutes of meetings and circulating them to the Committee and other Board members.

Any Nomination and Remuneration Committee member may call a meeting of the Committee

A notice confirming the date, time, venue and agenda must be forwarded to each member of the committee at least a week prior to the date of the committee meeting. The notice must include all relevant supporting papers for the agenda items to be discussed.

A quorum for a meeting consists of two members of the Committee. A motion will be passed by a simple majority of votes cast in favour by members present and eligible to vote. In the event of an equal number of votes being cast for and against a motion, the motion will be referred to the Board for resolution (ie the Chairman of the Committee does not have a casting vote.)

The Chairman of the committee will report the deliberations of each meeting of the Committee to the subsequent Board meeting.

Where practicable, copies of agreed minutes of the Committee will be circulated to all Directors.

The Committee may invite any executive management team members or other individuals to attend meetings of the Committee as the Committee sees appropriate.

5. Resources

The Committee will have unlimited access to senior management and may seek any information it considers necessary to carry out its duties.

The Committee may engage external advisors as appropriate.

6. Duration

This charter will be reviewed annually by the committee and the Board.