

Nomination and Remuneration Committee Charter

Qube Holdings Limited

ACN 149 723 053

1. Introduction

1.1 Objectives

The objectives of the Qube Holdings Limited (**Qube**) Nomination and Remuneration Committee (**Committee**) are to assist the Board in fulfilling its corporate governance responsibilities in regard to:

- (a) remuneration matters, including:
 - (i) the remuneration framework for Non-Executive Directors;
 - (ii) the remuneration and incentive framework, including any proposed equity incentive awards for the Managing Director, any other Executive Directors and all executives that report directly to the Managing Director (**Senior Executives**);
 - (iii) recommendations and decisions (as relevant) on remuneration and all incentive awards for the Managing Director and other Senior Executives; and
 - (iv) strategic human resources policies; and
- (b) nomination matters, including:
 - (i) Board appointments, re-elections and performance;
 - (ii) Succession planning;
 - (iii) Directors' induction programs and continuing development;
 - (iv) Committee membership;
 - (v) endorsement of Senior Executive appointments; and
 - (vi) diversity obligations.

1.2 Functions

The Committee is to undertake the functions of each of the nomination committee and the remuneration committee set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations with 2010 Amendments 2nd Edition.

2. Membership

2.1 Structure

- (a) The Committee is appointed by the Board in accordance with Clause 6.16 of the Qube Constitution.
- (b) The Committee is to consist of:
 - (i) at least three members; and
 - (ii) only Non-Executive Directors,
(Committee Members).
- (c) The Chairman of the Committee is to be appointed by the Board.

- (d) The Committee may appoint independent expert external advisers on terms determined by the Committee to assist it in performing its duties

2.2 Term

- (a) Committee Members will be appointed for an initial term of up to 2 years with the appointment being subject to review annually or earlier if circumstances dictate.
- (b) The appointment of a Committee Member will cease if that person ceases to be a director of Qube or as otherwise determined by the Board.

2.3 Fees

Committee Members are entitled to receive remuneration as determined from time to time by the Board.

3. Meetings

3.1 Convening meetings

The Committee is to meet as requested by the Committee Chairman, but not less than once a year.

3.2 Quorum

A quorum for a Committee meeting is 2 Committee Members.

3.3 Attendance at meetings

- (a) Directors who are not Committee Members may attend meetings at the invitation of the Committee Chairman.
- (b) The Managing Director, appropriate Qube management and any external adviser are to attend such portion of each meeting as requested by the Committee Chairman. The Managing Director is not to be present when the Committee discusses issues relating to the Managing Director.
- (c) The Company Secretary is to attend Committee meetings, or to otherwise receive an update from the Chairman on proceedings of Committee meetings, to ensure minutes are taken of each meeting.

3.4 Report

- (a) The Committee will report on its meetings to the Board.
- (b) The Committee will annually review and report to the Board on the diversity objectives established by the Qube Group.
- (c) Recommendations of the Committee are to be referred to the Board for approval.

4. Authority

4.1 Seek Information

The Committee is authorised by the Board to seek any information it requires from any employee of the Qube Group in order to perform its duties and all employees must comply with such requests.

4.2 Use of Consultants

In connection with its duties, the Committee is empowered to select, set the terms of reference and appoint such consultants or other advisers as the Committee considers necessary or appropriate, at Qube's expense.

4.3 Remuneration Policies and Practices

The Committee may seek advice from individuals on remuneration policies and practices, but no individual should be directly involved in deciding their own remuneration.

4.4 No Executive Powers

The Committee shall have no executive powers with regard to its findings and recommendations.

5. Responsibilities and Duties – Remuneration Matters

5.1 Responsibilities - general

The Committee is responsible for reviewing, monitoring and making recommendations (referred to in section 5.3) to the Board in respect of the:

- (a) Qube Group remuneration and incentive framework (including ensuring a consistent strategy for, and application of, performance-based measures and the setting of targets) applying to Executive Directors and Senior Executives; and
- (b) associated strategies, systems, policies and processes implemented, and reported on, by Qube management.

5.2 Responsibilities – Short Term Incentive (STI) Plan

Committee

- (a) The Committee will:
 - (i) subject to approval by the Board of the Qube Group STI Plan Pool (as recommended by the Committee), approve the divisional allocation of the Group STI Pool based on the Managing Director's recommendation;
 - (ii) set performance-based measures (financial and non-financial) and targets (e.g. setting Key Performance Indicators) under the STI Plan for all Senior Executives, other than the Managing Director; and
 - (iii) determine performance outcomes and approve awards under the STI Plan for the Key Management Personnel.

Committee Chairman

- (b) The Chairman of the Committee will determine performance outcomes and approve awards under the STI Plan for the Senior Executives other than the KMP.

Board Chairman

- (c) The Chairman of the Board will set performance-based measures and targets, determine performance outcomes and approve awards under the STI Plan for the Managing Director.

Managing Director

- (d) The Managing Director will determine performance outcomes and approve awards under the STI Plan for direct reports to the KMP and divisional business heads.

KMP and divisional business heads

- (e) The KMP and divisional business heads will determine performance outcomes and approve awards under the STI Plan for all other executives and employees in their respective functional areas.

5.3 Recommendations

The Committee will review and make recommendations to the Board on remuneration matters, including:

- (a) reviewing, monitoring and recommending changes to the remuneration and incentive framework (including incentive plans, the equity plan framework and any diversity considerations) for Executive Directors and Senior Executives;
- (b) the remuneration of Non-Executive Directors;
- (c) the fixed remuneration levels and incentive awards for the Managing Director and any other Executive Directors;
- (d) the actual Qube Group STI Plan Pool in respect of each financial year to be awarded based on Qube's financial performance against budget financial metrics calculated in accordance with the Board-approved methodology;
- (e) performance-based measures (financial and non-financial), targets and performance outcomes under incentive plans for any Executive Directors, other than the Managing Director; and
- (f) approval of pools of annual grants of equity and any other individual equity offers to the Managing Director, Executive Directors, Senior Executives and other Executives.

5.4 Reliance

Committee Members are entitled to rely on Qube management for matters within their responsibility and on the expertise of external professionals. Committee Members may assume the accuracy of the information provided by such persons, so long as the Committee Members are not aware of any reasonable grounds upon which such reliance or assumption may not be appropriate.

5.5 Remuneration and Incentive Framework

The Committee's objectives in determining the remuneration and incentive framework, policies and practices are to:

- (a) ensure the framework, policies and practices are aligned with the strategic objectives of the Board;
- (b) motivate the Executive Directors and Senior Executives to pursue the long-term growth and success of the Qube Group;
- (c) demonstrate a clear relationship between performance and remuneration;
- (d) involve an appropriate balance between fixed and incentive remuneration, reflecting the short and long-term performance objectives of Qube;

- (e) differentiate between higher and lower performers through the use of a performance management framework; and
- (f) be compliant with all relevant laws and regulations and have regard to shareholder expectations.

5.6 Remuneration for Non-Executive Directors

In assisting the Board, the Committee will review and make recommendations to the Board on remuneration for Non-Executive Directors (including fees, travel and other benefits). In making its recommendations, the Committee should take into account the following guidelines:

- (a) Non-Executive Directors should be remunerated by way of fees — in the form of cash, non-cash benefits, superannuation contributions or salary sacrifice into equity;
- (b) Non-Executive Directors should not participate in schemes designed for remuneration of Executives;
- (c) Non-Executive Directors should not receive options or bonus payments;
- (d) Non-Executive Directors should not be provided with retirement benefits other than statutory superannuation and certain travel entitlements which are usual in the logistics industry and are disclosed in the Annual Report; and
- (e) the Minimum Shareholding Guideline as approved by the Committee.

5.7 Remuneration for Managing Director and Other Senior Executives

In assisting the Board, the Committee will review and make recommendations to the Board on the remuneration and incentives awards for the Managing Director and other Executive Directors, and will review and approve the remuneration and incentive awards for Senior Executives, including:

- (a) fixed remuneration levels (including superannuation) and short and long-term incentive awards;
- (b) any termination payments (which are to be agreed in advance and include provisions in case of early termination); and
- (c) offers of equity under Board approved employee equity plans. Any issue of Qube shares and offer of rights made to Executive Directors are to be placed before shareholders for approval.

5.8 Other Executives

The Managing Director and other Senior Executives (as relevant) will review the remuneration of all other Executives not otherwise specified in this Charter.

5.9 Human Resources Policies

The Committee will review strategic human resource policies and practices for Qube.

5.10 Other

The Committee will consider any other remuneration matters referred to the Committee by the Board.

6. Responsibilities and Duties – Nomination Matters

6.1 Selection, Appointment, Re-election and Performance of Directors

- (a) In assisting the Board in the appointment, re-election and performance of Directors, the Committee will:
 - (i) assess the necessary and desirable competencies of Directors;
 - (ii) assess that Directors have the appropriate mix of competencies to enable the Board to discharge its responsibilities effectively;
 - (iii) develop Board succession plans so that an appropriate balance of skills, experience, expertise and diversity is maintained;
 - (iv) make recommendations to the Board relating to the appointment, re-election and retirement of Directors;
 - (v) review the time commitment required from Non-Executive Directors and whether Directors are meeting that commitment; and
 - (vi) schedule regular Board performance reviews.
- (b) In reviewing the composition and performance of the Board, the Committee will consider the term served by Non-Executive Directors so that, over time, new Directors are appointed to challenge existing approaches and to incorporate new ideas and energy.
- (c) In selecting and recommending the appointment of new Directors, the Committee will:
 - (i) adopt a skills matrix to identify any deficient competencies in the skills and experience of the Board;
 - (ii) assess candidates with regard to the diversity objectives of the Qube Group;
 - (iii) engage external consultants where necessary to assist in the selection process of suitable candidates; and
 - (iv) recommend candidates who have the appropriate range of skills, experience and expertise that will best complement Board effectiveness.
- (d) In addition, any candidate must confirm that they have the necessary time to devote to their Qube Board position. In support of this confirmation, the candidate must provide the Committee with details of other commitments and an indication of time involved.

6.2 Induction and Continuing Development of Directors

- (a) The Committee should ensure each new Director undertakes an induction program which enables them to gain an understanding of:
 - (i) the logistics industry and the Qube Group's operations;
 - (ii) the Qube Group's financial, strategic, operational and risk management position;
 - (iii) the culture and values of the Qube Group;
 - (iv) their rights, duties and responsibilities and those of Qube management;

- (v) Board and Committee meeting arrangements, including the role of Board Committees; and
 - (vi) constructive and respectful relations between Board members, and between the Board, Qube management and other stakeholders.
- (b) The Committee will review that Directors have access to appropriate continuing education to update and enhance their skills and knowledge (including key developments in Qube and within the logistics industry).

6.3 Committee Membership

When it is considered appropriate, the Committee is to review the composition of Committees and submit recommendations to the Board for changes to those Committees.

6.4 Executive Appointments

The Committee is to review and endorse recommendations made by the Managing Director for Executive appointments.

6.5 Other

The Committee will consider any other nomination matters referred to the Committee by the Board.

7. Committee Performance

To determine whether it is functioning effectively, once each year the Committee shall:

- (a) review this Charter; and
- (b) undertake an evaluation of its performance.