



REMUNERATION AND NOMINATION COMMITTEE CHARTER

1. PURPOSE

The Board of Directors ("**Board**") of Buru Energy Limited ("**Buru**" or "**the Company**") has established the Remuneration Committee by resolution of the Board. The Remuneration Committee has been designated the specific powers as set out in this charter.

The Remuneration Committee's objective is to assist the Board with its responsibilities relating to remuneration of Directors, executives and senior managers.

2. ROLE

The role of the Remuneration Committee is to assist the Board in developing Buru's remuneration, recruitment, retention and termination policies. The Committee is accountable to the Board.

- a) In fulfilling its responsibilities the Committee must consider ASX Corporate Governance Council's guidelines in respect of executive remuneration packages and non-executive director remuneration set out under Principle 8 of the ASX Corporate Governance Principles and Recommendations'; and
- b) ensuring that both cash and equity-based remuneration is structured in accordance with the thresholds and restrictions under Buru's constitution, the ASX Listing Rules and the Corporations Act.

3. AUTHORITY

Within the scope of its duties and responsibilities, the Committee is generally authorised to:

- Consult with and seek any information from Key Management Personnel or employee of Buru or any external party;
- Obtain, at Buru's expense, financial, legal or other professional advice from external consultants or specialists it considers necessary to assist the Committee in meeting its responsibilities
- Require the attendance of any Buru employee at Committee meetings.

The Board has delegated power to the Committee pursuant to Buru's Constitution in relation to:

- Senior executive remuneration changes and contractual amendments not required to be recommended to the Board;
- the establishment of any new, and amendment of the terms of any existing, LTI's or employee share plans for employees below senior executive level;
- oversight of the annual performance review of senior executives, including the short term incentive scheme;
- approval of the key performance indicators for senior executives for the relevant approved performance period;
- approval of the annual salary budget for the overall business;

- review and approval of the organisational structure reporting to the Executive Chairman, including review and approval of appointment or removal of executives who report to the Executive Chairman;
- review of the cultural performance of the business to achieve and deliver strategic outcomes, this will be incorporated into part of the performance assessment process for the Executive Chairman and senior executives; and
- setting and administering human resources and remuneration policies (where appropriate) within the overall remuneration policy approved by the Board.

4. MEMBERSHIP

The Remuneration Committee shall consist of:

- at least three members, all of which are Non-executive Directors;
- a majority of independent directors; and
- an independent chairman, who is not the chairman of the Board.

Presently, there are only two Non-executive Directors and therefore the Remuneration and Nomination Committee will consist of two Non-executive Directors and one Executive Director until such time as a third Non-Executive Director is appointed to the Board.

All members of the Committee are to be nominated by the Board and the Board may add to or remove Committee members by resolution.

The Chairperson of the Committee must have leadership experience and a strong management background. All persons appointed to the Committee must have sufficient professional expertise, knowledge and understanding to enable them to discharge their responsibilities.

Members of the Committee will be considered independent if they meet the definition of an 'Independent Director' in accordance with the ASX Corporate Governance Council Corporate Governance Principles and Recommendations.

The Committee Chairperson may invite Management to attend meetings. Management personnel cannot be appointed onto the Committee, other than the one Executive Director member currently required.

5. CONDUCT OF MEETINGS

The Remuneration and Nomination Committee will meet at least three times a year and as often as required as determined by the Chairperson of the Committee. Any Committee member may convene a meeting of the Committee and two Committee members shall constitute a quorum.

The Committee has the right to access management and seek information from any employee of Buru to assist in the discharge of its duties and may engage independent professional advisers as the Committee requires to assist it to discharge its purpose and responsibilities.

The Company Secretary will be the Secretary of the Remuneration and Nomination Committee. The minutes of Board meetings will be circulated, approved and signed by the Chairperson within twenty one days.

6. ROLE AND RESPONSIBILITIES

The role and responsibilities of the Remuneration Committee are set out in this section. The Board may delegate other responsibilities and functions to the Committee.

6.1. Remuneration

- Review and approve executive remuneration policy for Key Management Personnel that:
 - Balances the desire to attract and retain Key Management Personnel against the desire to not pay excessive remuneration;
 - Provide an appropriate balance between fixed and incentive pay, reflecting short and long term performance objectives appropriate to Buru's circumstances and goals;
 - Motivate Key Management Personnel to pursue the long term growth and success of Buru; and
 - Demonstrate a clear relationship between Key Management Personnel performance and remuneration.
- Review and monitor the ongoing appropriateness and relevance of the remuneration policy.
- Reviewing and making recommendations to the Board for approval, on the advice of the Executive Chairman, of the remuneration package of Key Management Personnel, other than the Executive Chairman.
- Reviewing and making recommendations to the Board for approval of the Executive Chairman's remuneration package.
- Reviewing the level of remuneration for Non-Executive Directors. Director remuneration is to be at a level required to attract the best candidates for the Board while maintaining a level comparable to Boards of similar companies.
- Establishing and reviewing remuneration policies and procedures including short and long term incentive schemes and equity based plans, for Key Management Personnel, senior managers and as submitted by the Executive Chairman for approval by the Board.
- Appointing remuneration consultants and receiving, reviewing and considering their recommendations in order for the Committee to discharge its responsibilities in relation to remuneration of senior executives.
- Ensuring Buru's compliance with the remuneration recommendations in relation to Key Management Personnel.
- Reviewing and making recommendations to the Board on Buru's recruitment, training and development, retention, promotion, review and appraisal of performance and termination of employment policies for senior management; including the review of recommended candidates for appointment to senior executive positions reporting to the Executive Chairman.
- Making recommendations of candidates to be appointed to the Board for approval by the Board.
- Recommending to the Board any changes to the overall Buru policy regarding remuneration.
- Oversee the establishment and implementation of appropriate human resource policies and specific remuneration policies (within the overall policy approved by the Board) for Buru, including for example: succession planning, employee relations, culture and diversity.
- Oversee management's preparation of the annual remuneration report for inclusion in the Buru annual report, and recommend the report to the Board for approval.
- The implementation of, and amendment of, any executive long term incentive plans (LTI's);
- The implementation of, and amendment of, any executive short term incentive plans (STI's)
- Annual performance review of the Executive Chairman, including short term incentive participation and performance outcomes; and
- Other matters referred to the Committee by the Board.

6.2. Nomination

- Assessing the competencies of Board members in accordance with the Company's Board Renewal and Performance Evaluation Policy.
- Reviewing and making recommendations to the Board in relation to Board composition, size, diversity, competencies, succession planning, induction programs and development.
- Ensuring that there is a robust and effective process for evaluating the performance of the Board, the committees of the Board and individual Directors.
- Reviewing and making recommendations in relation to Board appointments, re-elections and terminations.
- Recommending ways to assess the effectiveness of Board members in accordance with the Company's Board Renewal and Performance Evaluation Policy.
- Monitoring progress of succession planning at Buru and making recommendations to the Board for approval.
- Reviewing and making amendments to the Board Renewal and Performance Evaluation Policy, for approval by the Board as appropriate.
- Reviewing and making amendments to the Company's Diversity policy, for approval by the Board as appropriate.
- Receiving periodic reports as to assess the effectiveness of the Diversity Policy.

6.3. Termination

The Committee will review termination payments to Key Management Personnel to ensure they are consistent with the rules of any incentive scheme and remuneration policy and that any payments are fair to the individual and to Buru.

7. DISCLOSURE

In order to maintain remuneration transparency, both the levels and process of setting the remuneration for Directors and key management personnel are to be fully and fairly reported in the Remuneration Report included within the Company's Annual Report.

The Remuneration Report will be prepared in accordance with the Corporations Act 2001, International Financial Reporting Standards, and the ASX Corporate Governance Council Corporate Governance Principles and Recommendations.

8. REPORTING

The Chairperson of the Committee will report to the Board any significant matters arising out of the previous meeting of the Committee. This can be done verbally. Once the minutes of Committee Meetings have been approved by the Committee Chairperson, they will be included in the papers for the next Board Meeting.

9. COMMUNICATION

This Charter will be communicated and promoted at all levels of Buru's business and will be disclosed on Buru's website for reference by external stakeholders.

10. REVIEW

The Board will annually review this charter and the membership of this Committee. The Committee may make recommendations to the Board in relation to the Committee's membership, purpose and responsibilities. The Committee shall evaluate its own performance on a regular basis, but not less than every two years.

Approved by the Board

Date: 8 November 2016