



carbon**energy**

NOMINATION COMMITTEE CHARTER

CARBON ENERGY LIMITED
ADOPTED IN MAY 2014

NOMINATION COMMITTEE CHARTER

Carbon Energy Limited (“COMPANY”)

1. Overview

The Board has established a Nomination Committee to assist in discharging its responsibilities in relation to the selection and appointment practices of the Company.

In particular, the Committee is to undertake the functions of the Nomination Committee referred to in the ASX Corporate Governance Council’s *Corporate Governance Principles and Recommendations*.

This Nomination Committee Charter (Charter) sets out the functions and responsibilities of the Committee and details the manner in which the Committee will operate.

2. Duties and Responsibilities

The Committee will:

- (a) review the size and composition of the Board and its Committees, including desirable mix of skills and diversity;
- (b) assess the necessary and desirable competencies of directors and propose candidates for directorships using a structured approach to identify a pool of appropriately qualified candidates;
- (c) review the Company’s *GOV-MP-05 Procedure for the Selection and (Re)Appointment of Directors* to ensure it is transparent and promotes investor understanding and confidence in process;
- (d) ensure the directors have the appropriate mix of competencies to enable the Board to discharge its responsibilities effectively;
- (e) oversee the implementation of the directors’ induction program;
- (f) develop a process for and carry out an evaluation of the performance of the CEO;
- (g) ensure that directors have access to appropriate continuing education and professional development to update and enhance their skills and knowledge including education concerning key developments in the Company and in the industry and environment within which it operates;
- (h) develop Board succession plans to ensure an appropriate mix of skills, experience, expertise and diversity is maintained;
- (i) review the time commitment required from non-executive directors and whether directors are meeting that commitment; and
- (j) oversee the process for evaluation of the collective performance of the Board, the Chair of the Board, the individual performance of all the directors and senior management.

3. Access to Information and Advice

The Company is to provide the Committee with sufficient resources to undertake its duties.

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

The Committee has the authority, as it deems necessary or appropriate, to obtain advice from external consultants or specialists in relation to remuneration related matters.

4. Composition of the Nomination Committee

The Nomination Committee shall comprise the full Board and, unless a conflict exists, will be chaired by the Chair of the Board.

From time to time, non Committee members may be invited by the Committee to attend meetings of the Committee, if it is considered appropriate.

5. Administration

5.1 Meetings

The Committee will meet at least once a year and otherwise as required.

The Company Secretary or their designate shall be the secretary of the Committee.

Any Committee member may convene a Committee meeting. A Committee meeting may also be convened by the Company Secretary, if requested by a Committee member.

Reasonable notice must be given to every Committee member of every Committee meeting, however acknowledgment of receipt of notice by all members is not required before the meeting can be validly held.

All Committee members and relevant senior management have the right to contribute to the agenda for any Committee meeting.

5.2 Quorum and Voting

A quorum consists of two Committee members. Each member will have one vote. The Chairperson will not have a casting vote where there is a tied vote. In the case of a tied vote, the motion will lapse.

5.3 Minutes and Reporting

Minutes of all meetings of the Committee are to be kept by the secretary.