

REMUNERATION POLICY

AMAERO INTERNATIONAL LIMITED ("Company")

Version: 1
Approved by the Board: 18 October 2019

1 Introduction

Remuneration is overseen by the board of directors of Amaero International Limited (the **Company** and, together with its controlled entities, the **Group**).

The objective of this Policy is to ensure that the Group:

- has coherent remuneration policies and practices to attract, motivate and retain executives and directors who will create value for shareholders and who are appropriately skilled and diverse;
- observes those remuneration policies and practices;
- fairly and responsibly rewards executives having regard to Group and individual performance, the performance of the executives and the general external pay environment; and
- will integrate human capital and organisational issues into its overall business strategy.

2 Principles

In setting remuneration, the Board must take into consideration appropriate remuneration that will:

- motivate the directors and management to pursue the Group's long-term growth and success without rewarding conduct that is contrary to the Group's values or risk appetite;
- demonstrate a clear relationship between the Group's overall performance and the performance of individuals; and
- comply with all relevant legal and regulatory provisions.

3 Executive Director and Senior Management Remuneration Packages

Remuneration may incorporate fixed and variable components with both a short-term and long-term focus.

In respect of executive remuneration, remuneration packages should include an appropriate balance of fixed and performance-based remuneration and may contain any or all of the following:

- Fixed remuneration

Any fixed remuneration component should:

- be reasonable and fair;
- take into account the Group's legal and industrial obligations and labour market conditions;
- be relative to the scale of the Group's business; and

- reflect core performance requirements and expectations;
- Performance-based remuneration

Any performance-based remuneration should:

 - take into account individual and corporate performance; and
 - be linked to clearly-specified performance targets, which should be:
 - aligned to the Group's short and long-term performance objectives; and
 - appropriate to its circumstances, purpose, strategic goals, values and risk appetite;
 - not be used to reward conduct that is contrary to the Group's values or risk appetite;
- Equity-based remuneration

Equity-based remuneration can include options or performance shares and is especially effective when linked to hurdles that are aligned to the Group's short, medium and longer-term performance objectives. However, they should be designed so that they do not lead to 'short-termism' on the part of senior executives or the taking of undue risks; and
- Termination payments

Termination payments should be agreed in advance, and any agreement should clearly address what will happen in the case of early termination. There should be no payment for removal for misconduct.

4 Non-Executive Director Remuneration Packages

In respect of non-executive director remuneration:

- Remuneration packages could contain cash fees, superannuation contributions and non-cash benefits in lieu of fees (such as salary sacrifice into superannuation or equity) and may contain any or all of the following:
 - Fixed remuneration – this should reflect the time commitment and responsibilities of the role;
 - Equity-based remuneration – non-executive directors can receive an allocation of fully-paid ordinary securities if shareholders have approved such an allocation in accordance with the ASX Listing Rules. However, non-executive directors generally should not receive performance shares as part of their remuneration as it may lead to bias in their decision-making and compromise their independence.
- Remuneration packages should not include:
 - Performance-based remuneration –as it may lead to bias in their decision-making and compromise their independence;
 - Termination payments – non-executive directors should not be provided with retirement benefits other than superannuation.

5 Remuneration Reviews

Remuneration will be reviewed with consideration given to individuals' performance and their contribution to the Company's success (against measurable key performance indicators), external market relativities, shareholders' interests and desired market positioning.

6 Assessing Remuneration

The Board will review remuneration of executives having regard to various factors including performance and any recommendations made by the Chief Executive Officer of the Company and its executives, compensation consultants and internal and external legal, accounting or other advisers.

In making recommendations regarding the remuneration of non-executive directors, it is recommended that advice must be obtained by compensation consultants and/or internal and external legal, accounting or other advisers.

7 Review and Changes to this Policy

The Committee will review this Policy as often as it considers necessary.