

NANOPAC INNOVATION LTD

ARBN 168 591 848

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The Manager

National Stock Exchange of Australia Ltd

384 Hunter Street

NEWCASTLE NSW 2300

#### CREATION OF AUDIT AND REMUNERATION COMMITTEES

Nanopac Innovation Ltd has today resolved to create an Audit Committee and Remuneration Committee.

The members of each committee are Mr Tung Ken Tang (Director) and the Chief Financial Officer of the company's main operating subsidiary, Nanopac (M)Sdn Bhd, Mr Tony Hoo Swee Seong Mun. Mr Tung Ken Tang will chair each committee.

Copies of the charter of each Committee accompany this announcement and will be available for inspection on the Company's website.

# NANOPAC INNOVATION LIMITED

## REMUNERATION COMMITTEE CHARTER

### Scope and Purpose

The Remuneration Committee ("**Committee**") provides assistance to the Board in relation to:

- Remuneration policies and practices.
- Remuneration of the Chief Executive Officer, other senior executives, and non-executive directors.

### Composition

- Membership: Minimum of two (comprised of directors and/or company secretary or other person).
- At least one member of the committee shall be a Director other than the Chairman.
- Chair: A director (and if possible an independent non-executive director), is to be Chairman of the Board.
- Secretary: The Company Secretary

### Responsibilities

The Remuneration Committee reviews and recommends to the Board:

- Remuneration and incentives policies for the Company having regard to performance and market conditions.
- Design and application of equity based incentive plans requiring shareholder approval.
- Remuneration of the Chief Executive Officer and other executive directors, including linkages to specific goals and objectives.
- Remuneration policy guidelines for other senior executives.
- Recruitment, retention and termination policies and procedures for senior management.
- Superannuation policies.
- Remuneration of non-executive directors.
- Adequacy and effectiveness of the Company's remuneration disclosures.

### Processes

- The Committee may conduct any special reviews deemed necessary to fulfil its responsibilities.
- Upon notification to the Chairman of the Board, the Committee may engage the services of independent experts to assist in its deliberations.
- The Committee meets at least annually, and more frequently as necessary. A quorum will be at least two Members.
- Minutes of each meeting are presented by the Board at its next regularly scheduled meeting.
- The Committee is authorized by the Board to obtain outside legal or professional advice if it considers it necessary.

# NANOPAC INNOVATION LIMITED

## AUDIT COMMITTEE CHARTER

### Purpose

The Audit Committee ("**Committee**") is a committee of the Nanopac Innovation Limited Board created to assist the Board in the effective discharge of its statutory and fiduciary responsibilities for external reporting of financial information, financial accounting practices, internal control systems and the external audit function.

### Membership

The Committee will consist of at least two members, at least one of whom shall be a director. The Committee may include the Company Secretary or other person considered appropriate by the Board..

The Committee members must be appropriately financially literate and at least one member must have accounting or associated financial management experience.

The Chairman, members, and term of appointment of each member shall be determined by the Board.

The Chairman of the Committee must not be the Chairman of the Board .

### Meetings

The Committee shall meet as frequently as required but not less than two times a year.

The Chairman of the Committee or the Secretary may call a meeting.

Two members of the Committee shall constitute a quorum.

The Committee will meet with the external auditors without members of management being present whenever it is deemed appropriate by the Chairman of the Committee.

### Role and Responsibilities

To review and report to the Board on the following:

- (a) the annual and half yearly financial reporting carried out by the 8common Group;
- (b) the accounting policies of the Nanopac Innovation Limited Group;
- (c) the scope of audit programmes by the external auditors and any material issues arising from these audits;
- (d) overseeing the independence of external auditors and determining procedures for the rotation of audit partners;
- (d) the effectiveness of the nanopac Innovation Limited Group's systems of accounting and internal controls, and
- (e) the sufficiency of and compliance with Group policies affecting corporate governance, financial reporting and corporate control, and compliance with laws and external regulations.

In addition the Committee will recommend to the Board the appointment of external auditors and the level of their fees.

The Chairman of the Committee will report to the Board following each Committee meeting. The Committee's Terms of Reference shall be reviewed and updated as required.

### Authority

In carrying out its duties the Committee shall have the authority to discuss directly with management and/or the external auditors any issue within its remit and to request reports, explanations and information of any of the activities, procedures or accounts of the Nanopac Innovation Limited Group. The Committee is authorised by the Board to obtain outside legal or other professional advice if it considers this necessary.