



Section E - Remuneration Committee Charter

E.1 Committee Members

(a) The Board has established a Remuneration Committee. The guidelines for membership of the Remuneration Committee are as follows:

- (1) members may be executive or non-executive Directors, with a preference for a majority of non-executive Directors (where available);
- (2) preference will be given to an Independent Chairperson, although a non-independent Director with appropriate qualifications may be chosen; and
- (3) the Remuneration Committee will have not less than three members.

(b) The initial members of the Remuneration Committee are:

Jeremy Barlow (Chairman)
Robert Johansen
David Graham

The Company Secretary and other Directors may be invited to form part of the Remuneration Committee from time to time.

(c)

E.2 Purpose

- (a) The Charter sets out the role, responsibilities, composition, authority and membership requirements of the Remuneration Committee of the Company.
- (b) Key features of the Charter will be outlined in the Annual Report. The Charter is available to shareholders of the Company upon request.

E.3 Definition and Objectives of the Committee

- (a) The Remuneration Committee (the **Committee**) is a Committee of the Board.
- (b) The Committee is responsible for reviewing the remuneration policies and practices of the Company and making recommendations to the Board in relation to:
 - (1) executive remuneration and incentive plans:
 - (A) including, but not limited to, pension rights and compensation payments and any amendments to that policy proposed from time to time by Management;
 - (B) review of the on-going appropriateness and relevance of the executive remuneration policy and other executive benefit programs;
 - (C) consideration of whether to seek shareholder approval of the executive remuneration policy;
 - (D) overseeing the implementation of the remuneration policy; and
 - (E) review and approval of the total proposed payments from each executive incentive plan.



In respect of such executive remuneration, review the competitiveness of the Company's executive compensation programmes to ensure:

- (F) the programmes are attractive, with a view to ensuring the retention of corporate officers;
 - (G) the motivation of corporate officers to achieve the Company's business objectives; and
 - (H) the alignment of the interests of key leadership with the long term interests of the Company's shareholders.
- (2) the remuneration packages for Management, Directors and the Chief Executive Officer or Managing Director (if any):
- (A) consider and make recommendations to the Board on the entire specific remuneration for each individual of Management (including fixed pay, incentive payments, equity awards, retirement rights, service contracts) having regard to the executive remuneration policy; and
 - (B) consider whether shareholder approval will be required;
- (3) non-executive Director remuneration:
- (A) in developing the structure, consider the *Corporate Governance Principles and Recommendations*, Recommendation 8.2, in that:
 - (i) non-executive directors should normally be remunerated by way of fees (in the form of cash, non-cash benefits, superannuation contributions or equity);
 - (ii) non-executive directors should not participate in schemes designed for the remuneration of executives; and
 - (iii) non-executive directors should not receive options or bonus payments or retirement benefits (other than statutory superannuation),

[It is acknowledged however that whilst consideration will be given to these principles, it may be necessary and appropriate in certain cases not to comply with these requirements, considering the particular circumstances of the Company]
 - (B) ensure that the fees for non-executive members of the Board are within the aggregate amount approved by shareholders;
 - (C) overview the application of the Retirement Allowance for non-executive members of the Board; and
 - (D) provide, in the corporate governance section of the Annual Report, any departures from Recommendation 8.2 if necessary;
- (4) the Company's recruitment, retention and termination policies and procedures for senior management;
- (5) incentive plans and share allocation schemes:
- (A) review and approve the design of all equity based plans;



- (B) keep all plans under review in light of legislative, regulatory and market developments;
 - (C) for each equity based plan, determine each year whether awards will be made under that plan;
 - (D) ensure that the equity based executive remuneration is made in accordance with the thresholds set in plans approved by shareholders;
 - (E) review and approve total proposed awards under each plan;
 - (F) in addition to considering awards to executive Directors and direct reports to the Managing Director, review and approve proposed awards under each plan on an individual basis for executives as required under the rules governing each plan or as determined by the Committee; and
 - (G) review, approve and keep under review performance hurdles for each equity based plan,
- (6) superannuation arrangements;
 - (7) remuneration of members of other Committees of the Board.

E.4 Remuneration Policies

- (a) The Committee should design the remuneration policy in such a way that it:
 - (1) motivates directors and management to pursue the long-term growth and success of the Company within an appropriate control framework; and
 - (2) demonstrates a clear relationship between key executive performance and remuneration.
- (b) In performing its role, the Committee is required to ensure that:
 - (1) the remuneration offered is in accordance with prevailing market conditions, and that exceptional circumstances are taken into consideration;
 - (2) contract provisions reflect market practice; and
 - (3) targets and incentives are based on realistic performance criteria.
- (c) The Committee will also:
 - (1) overview the application of sound remuneration and employment practices across the Company; and
 - (2) ensure the Company complies with legislative requirements related to employment practices.

E.5 Approval

- (a) The Committee must approve the following prior to implementation:
 - (1) changes to the remuneration or contract terms of Executive Directors and direct reports to the Managing Director;



- (2) the design of new, or amendments to current, equity plans or executive cash-based incentive plans;
- (3) total level of award proposed from equity plans or executive cash-based incentive plans; and
- (4) termination payments to Executive Directors or direct reports to the Managing Director, including consideration of early termination, except for removal for misconduct, termination payments to other departing executives should be reported to the Committee at its next meeting.

E.6 Reporting

- (a) Proceedings of all meetings of the Committee are to be minuted and signed by the Chairperson.
- (b) The Committee, through its Chairperson, is to report to the Board at the earliest possible Board meeting after the Committee meeting. Minutes of all Committee meetings are to be circulated to the Board. The report should include but is not limited to:
 - (1) the minutes of the Committee and any formal resolutions;
 - (2) information about the review process undertaken by the Committee;
 - (3) an assessment of:
 - (A) executive remuneration and incentive plans;
 - (B) remuneration packages for senior management, directors and the managing director (if any);
 - (C) non-executive director remuneration;
 - (D) the Company's recruitment and retention and termination policies and procedures for senior management;
 - (E) incentive plans and share allocation schemes;
 - (F) superannuation arrangements; and
 - (G) remuneration of members of other Committees of the Board;
 - (4) recommendations for setting remuneration levels for directors, senior managers and Committees;
 - (5) any matter that in the opinion of the Committee should be brought to the attention of the Board and any recommendation requiring Board approval and/or action; and
 - (6) at least annually, a review of the formal written Charter and its continuing adequacy, and an evaluation of the extent to which the Committee has met the requirements of the Charter.
- (c) In addition, the Chairperson of the Committee must submit an annual report to the Board (at the Board meeting at which the year end financial statements are approved) summarising the Committee's activities during the year. The report (and where appropriate, any interim report) must include:



- (1) a summary of the Committee's main authority, responsibilities and duties;
- (2) biographical details of the Committee's members, including expertise, appointment, dates and terms of appointment;
- (3) details of meetings, including the number of meetings held during the relevant period and the number of meetings attended by each member;
- (4) explanation of any departure from Recommendations 8.1, 8.2 and 8.3 of the *Corporate Governance Principles and Recommendations*; and
- (5) details of any change to the Independent status of each member during the relevant period, if applicable.

E.7 Meetings

- (a) Despite the Standing Rules, there is no requirement that the Remuneration Committee meet a set number of times or intervals during a year. Rather, the Committee will meet at such intervals as required to fulfil its obligations.
- (b) In addition, the Chairperson is required to call a meeting of the Committee if requested to do so by any Committee member, the internal or external auditors, the Chairperson of the Board or other Board member.
- (c) The Committee shall have access to employees of the Company and appropriate external advisers. The Committee may meet with these external advisers without Management being present.
- (d) The Committee may also seek input from individuals on remuneration policies but no individual should be directly involved in deciding his/her remuneration.

E.8 Attendance at Meetings

Other Directors (executive and non-executive) have a right of attendance at meetings. However, no Director is entitled to attend that part of a meeting at which the remuneration of that Director or a related party of that Director is being discussed.

E.9 Application of Standing Rules

The Standing Rules for Committees apply to, and are deemed to be incorporated into this Charter, save where the Standing Rules conflict with any of the terms in this Charter.