



## REMUNERATION COMMITTEE CHARTER

### 1.0 Remuneration Committee

Apart from meeting as required to fulfil its duties, the Committee shall meet at least once each year prior or close to the year-end; to prepare the Remuneration Report to be submitted to shareholders as part of the Company's Annual Report. The Chairman of the Committee should attend the Annual General Meeting (AGM) and be prepared to respond to any questions that may be raised by shareholders on the Committee's report or other matters within the Committee's area of responsibility.

### 1.1 Membership

The membership of the Remuneration Committee shall consist of:

- At least two and up to three members, each of whom shall be appointed by the Board. ASX recommends a minimum of three but the Board's present small size makes this a goal only.
- All members of the Committee shall be independent Directors. Due to the Board's current size and composition this is not achievable at present.
- The Board should appoint the Committee Chairman and determine the period for which they shall hold office. The Chairman of the Company shall not be eligible to be appointed as Chairman of the Committee.
- In order to minimise the risk of any conflict of interest that might be seen to give rise to an unacceptable influence, the Chairman and members of the Committee should be rotated on a regular basis where this is possible.

#### (i) Secretary

The Company Secretary or their nominee shall act as the Secretary of the Committee.

#### (ii) Quorum

The quorum necessary for the transaction of business shall be two. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

**(iii) Meetings**

The Committee shall meet not less than once a year and at such other times as the Chairman of the Committee or the Board shall require.

**(iv) Notice of Meetings**

Meetings of the Committee shall be convened by the Secretary of the Committee at the request of any member thereof.

**(v) Minutes of Meetings**

- The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- Minutes of Committee meetings shall be circulated to all members of the Committee and to all members of the Board.

**(vi) Annual General Meeting**

The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

**(vii) Duties**

The Committee shall:

- Determine and agree with the Board the framework or broad policy for the Remuneration of the following:
  - The Chairman of the Company
  - The Managing Director and other Executive Directors
  - Non-Executive Directors
  - The Key Executives (MD's direct reports)
  - Such other employees as it is designated to consider by the Board
- Determine targets for any performance related pay schemes operated by the Company and asking the Board, when appropriate, to seek shareholder approval for any long term incentive arrangements;
- Within the terms of the agreed policy, determine the total individual remuneration package of each Executive Director and Key Executive as set out above, including, where appropriate, bonuses, incentive payments, termination payments and share options;
- Review competitor companies but ensure that automatic increases are not implemented, thereby avoiding the "ratchet" effect;
- Be aware of and oversee any major changes in employee benefit structures throughout the company or group;

- Review and authorise the reimbursement of any claims for expenses from the Managing Director and Chairman of the Company (any one member of the Committee);
- Ensuring no Director or manager shall be involved in any decisions as to his or her own remuneration except as noted above.
- Take into account all factors that it deems necessary in determining the Company's remuneration policy. The objective of such policy shall be to ensure that members of the executive management of the Company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the company.

#### **(viii) Authority**

The Committee is authorised by the Board to seek any information it requires from any employee of the Company in order to perform its duties.

In connection with its duties the Committee may select, set the terms of reference for and appoint Remuneration Consultants, at the Company's expense.

Although the Committee can seek the advice and assistance of any of the Company's executives, it needs to ensure that this role is clearly separated from their role within the business.

#### **(ix) Differentiating Remuneration**

The structure of non-executive Directors' remuneration shall be clearly distinguished from that of executives.

- Non-executive Directors will be remunerated by way of fees (in the form of cash, non-cash benefits, superannuation contributions or equity). They may receive options but will not otherwise participate in schemes designed for the remuneration of executives.
- Non-executive Directors should not receive bonus payments or profit share.

#### **(x) Equity Based Remuneration**

The Remuneration Committee will ensure that any equity-based executive remuneration is made in accordance with thresholds set in plans already approved by shareholders.