

# Charter of the Remuneration Committee

## 1. Introduction

- 1.1 This Charter governs the composition, membership, roles and responsibilities of the remuneration committee of the Company (**Committee**).
- 1.2 The operation of the Committee is also governed, where applicable, by the constitution of the Company.

## 2. Objectives

- 2.1 The purpose of the Committee is to provide the board of directors of the Company (**Board**) with advice and recommendations which enable the Board to;
  - (1) set in place remuneration policies which are designed to attract and retain senior managers and directors with the expertise to enhance the performance and growth of the Company; and
  - (2) ensure that the level and composition of remuneration packages are fair, reasonable and adequate and, in the case of executive directors and senior managers, display a clear relationship between the performance of the individual and the performance of the Company.

## 3. Composition

### 3.1 Members

The Committee must consist of a minimum of 2 members, with the majority of members being non-executive directors.

The members of the Committee will be appointed and removed by the Board.

### 3.2 Expertise

Members of the Committee must have an appropriate level of understanding of:

- (1) the principles of corporate governance, including knowledge of the Australian Stock Exchange Limited's (**ASX**) Principles of Good Corporate Governance and Best Practice Recommendations;
- (2) the disclosure requirements under the Corporations Act 2001 and the ASX Listing Rules in respect to executive and director remuneration; and

- (3) the complexities involved in negotiating and determining executive remuneration packages.

### 3.3 **Chairperson and Secretary**

The Committee must be chaired by a non-executive director (**Chair**).

The Company Secretary will be the secretary of the Committee (**Secretary**) unless determined otherwise by the Board.

### 3.4 **Liaison**

The principle liaison between executive management and the Committee will be the Chief Executive Officer

## 4. **Meetings**

### 4.1 **Frequency**

The Committee will meet as frequently as required but must, at a minimum, meet once a year.

The Secretary must call a meeting of the Committee if requested to do so by any member of the Committee.

### 4.2 **Agenda and notice**

The Secretary will be responsible, in conjunction with the Chair, for drawing up the agenda (supported by any necessary explanatory documentation) and circulating it to Committee members prior to each meeting. The Secretary must notify members of the Committee of the date, time and location of Committee meetings as far in advance as possible, but not less than 3 days before the meeting.

### 4.3 **Quorum**

A quorum for Committee meetings will be at least 2 members, save that 1 of the members of the quorum must be a non-executive director.

### 4.4 **Minutes**

The Secretary is responsible for taking minutes of each meeting and distributing them to Committee members as soon as practicable.

### 4.5 **Attendance**

The Committee may invite any person to attend part or all of any meeting of the Committee as it considers appropriate. Voting at Committee meetings are restricted to Committee members.

## 5. **Objectivity**

- 5.1 No member of the Committee will be directly responsible for providing

advice or recommendations concerning the level or composition of his or her remuneration to the Board.

- 5.2 The Committee has the right to seek internal and external advice when it considers such advice necessary in order to fulfil its responsibilities.
- 5.3 The Committee must ensure that it obtains sufficient information to enable it to make informed decisions with respect to the advice and recommendations it provides to the Board.

## **6. Roles and responsibilities**

### **6.1 Executive remuneration policy**

The Committee is responsible for providing the Board with advice and recommendations regarding the ongoing development of an executive remuneration policy that:

- (1) is designed to attract, maintain and motivate directors and senior management with the aim of enhancing the performance and long-term growth of the Company; and
- (2) clearly sets out the relationship between the individual performance and remuneration.

The Committee must review the remuneration policy and other relevant policies on an ongoing basis and recommend any necessary changes to the Board.

The Committee is also responsible for providing the Board with advice and recommendations regarding the Company's policies on recruitment, retention and termination.

### **6.2 Executive remuneration packages**

The Committee is responsible for reviewing and providing recommendations to the Board with respect to the remuneration packages of senior management and executive directors.

The Committee must ensure that the remuneration packages of senior management and executive directors:

- (1) display a balance between fixed and incentive pay which is tailored to the Company's short and long-term performance objectives;
- (2) provide for a link between rewards and the performance of the Company and individual; and
- (3) are consistent with the Company's remuneration policy and any other relevant Company policies.

The fixed component of each executive remuneration package should be based on the core performance requirements and expectations of the individual. The performance based component of each executive

remuneration package must be clearly linked to specified performance targets.

The Committee must ensure that, where applicable, any payments of equity-based remuneration are made in accordance with any thresholds set in plans approved by the Company's shareholders. Committee members must be aware at all times of the limitations of equity-based remuneration.

The Committee is also responsible for advising and providing recommendations to the Board with respect to executive superannuation arrangements.

### 6.3 **Incentive schemes**

The Committee is responsible for reviewing and providing recommendations to the Board with respect to:

- (1) the Company's policies with respect to incentive schemes; and
- (2) the incentive schemes of senior managers and executive directors.

The Committee will assist the Board in the development of appropriate benchmarks for use in designing incentive schemes.

### 6.4 **Non-executive remuneration**

The Committee is responsible for providing advice to the Board with respect to non-executive directors' remuneration.

The remuneration packages of non-executive directors should generally be fee based and the Committee must ensure that:

- (1) there is a clear distinction between the structure of non-executive directors' and executive directors' remuneration; and
- (2) non-executive directors do not:
  - (a) participate in remuneration schemes designed for executive directors; or
  - (b) receive bonus payments or retirement benefits other than statutory superannuation.

### 6.5 **Termination payments**

The Committee is responsible for providing advice and recommendations to the Board on the Company's termination and redundancy policies and the payments made to outgoing directors and senior managers. The Committee should ensure that termination payments:

- (1) are fair to the individual and the Company; and
- (2) do not reward failure.

Where applicable termination payments must be agreed in advanced and must contain clearly defined provisions regarding the consequences of early termination. The termination payments of the Company's chief executive officer must always be agreed in advance.

## **7. Reporting**

### **7.1 Reporting to the Board**

The Committee must report to the Board, at the first Board meeting subsequent to each Committee meeting, regarding the proceedings of each Committee meeting, the outcomes of the Committee's reviews and recommendations and any other relevant issues.

### **7.2 Annual report**

The Committee must provide the Board with advice and recommendations regarding the appropriate material and disclosures to be included in the corporate governance section of the Company's annual report which relates to the Company's remuneration policies and procedures.

### **7.3 Public availability of materials**

The Committee must ensure that a copy of this Charter is made publicly available on the Company's website in a clearly marked corporate governance section.

## **8. Review of the Charter**

- 8.1 This Charter shall be reviewed annually and revised by the Board as required.