

# REMUNERATION COMMITTEE CHARTER

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## 1. COMPOSITION

The full Board carries out the functions that would ordinarily be carried out by a Remuneration Committee.

The Board will monitor on an on-going basis whether formation of a separate sub-committee is required or otherwise in the best interests of the Company, and will form a separate sub-committee as applicable.

References to the Remuneration Committee in this Charter shall be read to mean the Board convening in its capacity as the Remuneration Committee under this Charter.

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## 2. ROLE

The function of the Remuneration Committee is to review and make appropriate recommendations on:

- (a) remuneration packages of executive Directors, non-executive Directors and senior executives;
  - (b) the process for periodically evaluating the performance of its senior executives; and
  - (c) employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.
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## 3. OPERATIONS

The Remuneration Committee will meet as often as it considers necessary and at least half yearly.

Where the Remuneration Committee includes an executive director, that director will not be involved in decisions that relate to their own remuneration.

Minutes of all meetings of the Remuneration Committee are to be kept. The minutes and a report of actions taken or recommended are to be given at each subsequent meeting of the full Board.

Committee meetings will be governed by the same rules as set out in the Company's constitution, as they apply to meetings of the Board.

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## 4. RESPONSIBILITIES

- (a) Executive Remuneration and Incentive Policies

The Committee is to make decisions with respect to appropriate remuneration and incentive policies for executive Directors and senior executives which:

- (i) will motivate executive Directors and senior executives to pursue long term growth and success of the Company within an appropriate control framework;
- (ii) demonstrate a clear correlation between key performance and remuneration;
- (iii) will align the interests of executive Directors and senior executives with the long-term interests of the Company's shareholders; and
- (iv) may apply clawback provisions authorising the Company to recover, reduce or cancel performance based remuneration in the event of serious misconduct by executive Directors or senior executives, or material misstatement in the Company's financial statements.

- (b) Executive Remuneration Packages

The Committee is to ensure that:

- (i) executive remuneration packages involve a balance between fixed and incentive pay, reflecting short and long term performance objectives appropriate to the Company's circumstances and objectives;

- (ii) a proportion of executives' remuneration is structured in a manner designed to link reward to corporate and individual performances; and
- (iii) recommendations are made to the Board with respect to the quantum of bonuses to be paid to executives.

To the extent that the Company adopts a different remuneration structure for its non-executive Directors, the Committee shall document its reasons for the purpose of disclosure to stakeholders.

(c) Non-Executive Directors

The Committee is to ensure that:

- (i) fees paid to non-executive Directors are within the aggregate amount approved by shareholders and make recommendations to the Board with respect to the need for increases to this aggregate amount at the Company's AGM;
- (ii) non-executive Directors are remunerated by way of fees (in the form of cash and/or superannuation benefits);
- (iii) non-executive Directors are not provided with retirement benefits other than statutory superannuation entitlements; and
- (iv) non-executive Directors are not entitled to participate in equity-based remuneration schemes designed for executives without due consideration and appropriate disclosure to the Company's shareholders.

To the extent that the Company adopts a different remuneration structure for its non-executive Directors, the Committee shall document its reasons for the purpose of disclosure to stakeholders.

(d) Incentive Plans and Benefits Programs

The Committee is to:

- (i) review and make recommendations concerning long-term incentive compensation plans, including the use of share options and other equity-based plans. Except as otherwise delegated by the Board, the Committee will act on behalf of the Board to administer equity-based and employee benefit plans, and as such will discharge any responsibilities under those plans including making and authorising grants, in accordance with the terms of those plans;
- (ii) ensure that incentive plans are designed around appropriate and realistic performance targets that measure relative performance and provide rewards when they are achieved;
- (iii) continually review and if necessary improve any existing benefit programs established for employees; and
- (iv) ensure that participants in equity-based plans are not permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of any unvested entitlements under any equity-based remuneration scheme currently in operation or which is to be offered in the future.

(e) Remuneration Report

The Remuneration Committee reviews and recommends to the Board for approval the Remuneration Report contained within the Annual Report. The Committee provides oversight and management is responsible for ensuring that disclosure meets the requirements of the Corporations Act, the ASX Listing Rules and the *ASX Corporate Governance Principles and Recommendations* (3<sup>rd</sup> edition).

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## 5. AUTHORITY AND RESOURCES

The Remuneration Committee:

- (a) may seek any information or advice it considers necessary to fulfil its responsibilities;
- (b) may have access to management to seek explanations and information; and

- (c) will have the authority, as it deems necessary or appropriate, to retain independent legal, accounting or other external advisers relevant to performing its duties under this Charter.

Where the Company engages a remuneration consultant, the Remuneration Committee will have regard to the Corporations Act requirements in making such an appointment.

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**6. REVIEW**

This Remuneration Committee Charter shall be reviewed by the Remuneration Committee at least annually, and updated as required.