

---

## REMUNERATION COMMITTEE CHARTER

### 1. INTRODUCTION

- 1.1 The Board maintains remuneration policies aimed at attracting and retaining a motivated workforce and management team. The intention is to align the reward system to the performance of the Company and ultimately to the long-term value received by our shareholders.
- 1.2 To facilitate this objective, it is proposed to establish a Remuneration Committee which will conduct its activities in accordance with a written charter to be adopted by the Board.
- 1.3 In particular, the Committee is to undertake the functions of the Remuneration Committee and Nomination Committee referred to in the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Best Practice Recommendations*.

### 2. MEMBERSHIP

- 2.1 The members of the Remuneration Committee are:
- Pieter Greeff (Chairman)
  - Malcolm Hancock
- 2.2 The Committee is to consist of:
- (a) at least two Directors of the Company;
  - (b) not more than one of whom shall be an executive Director; and
  - (c) a majority of independent non-executive Directors.
- 2.3 The Chairman of the Committee shall be an independent non-executive director and is to be appointed by the Board.
- 2.4 The membership of the Committee, and the Chairman of the Committee, shall be as determined by the Board from time to time.
- 2.5 At least one member of the Committee shall retire annually.
- 2.6 All Directors are welcome to attend Committee meetings.

### 3. MEETINGS

- 3.1 The Committee shall meet as the Chairman of the Committee determines necessary. At a minimum, the Committee should meet at least twice per year. Committee meetings may however be requested by any member.
- 3.2 Any two members shall constitute a quorum and may validly conduct the business of the Committee.
-

3.3 The Company Secretary of RMC will be Secretary of the Committee and will be responsible for maintaining:

- (a) minutes of the Committee meetings; and
- (b) records of any Committee reports or recommendations.

3.4 Executive management are to attend such portion of Committee meetings as requested by the Chairman.

#### **4. REPORTING**

4.1 The Chairman of the Committee shall provide a report to the next meeting of the Board of Directors following any meeting of the Committee, on the business of the Committee at that meeting.

4.2 At the discretion of the Chairman of the Committee, any relevant matters may be referred to a meeting of the Board of Directors for noting or decision.

#### **5. REMUNERATION COMMITTEE ROLE - POWERS AND DUTIES**

5.1 The Remuneration Committee's purpose is:

- to review, approve and monitor remuneration policies and practices;
- to approve the remuneration package for the Chief Executive and all Executive Directors;
- to make recommendations to the Board of Directors in relation to the remuneration of all directors and to distinguish the structure of Non Executive Director's remuneration from that of Executive Directors and senior executives; and
- to consult with the Managing Director and Chief Executive Officer in setting remuneration packages of any direct reports of the Managing Director and Chief Executive who are not directors of the Company.

5.2 The Remuneration Committee of the Board shall:

- Make detailed recommendations to the Board on remuneration of, including granting of cash bonuses, share options or other equity based remuneration to, the Company's Managing Director and Chief Executive Officer and any Executive or Non-Executive Directors.
  - Make recommendations to the Board in relation to the remuneration of Directors generally (both Non-Executive or Executive and the differences in nature between such roles).
  - Exercise the powers of any future employee share, option and other equity based plans (Equity Plans), (but not to the exclusion of the Board or of any other person to whom any powers may be delegated).
  - Approve the allotment and issue of shares, other securities that are convertible into shares or the grant of options over issued or unissued shares of the Company in connection with any of the above, PROVIDED THAT, where such securities are to be
-

allotted, issued or granted for less than full consideration, the Committee must first be satisfied that:

- ✦ the Company will receive or derive a benefit from allotting, issuing or granting those securities.
  - ✦ the primary purpose of allotting, issuing or granting those securities is to benefit the Company.
  - ✦ any financial assistance to be provided by the Company in allotting, issuing or granting those securities will not materially prejudice the interests of the Company or its shareholders or the Company's ability to pay its creditors.
- Approve individual remuneration packages, short-term incentive allocations and proposed awards of shares or options to the Managing Director and Chief Executive Officer and to any Executive Directors subject to any shareholder approvals required.
  - Receive and review periodic reports on management succession planning for group executive positions.
  - Receive and review, at least annually, a report on remuneration and benefits policy and practice.
  - Make annual recommendations to the full Board regarding rules for, and the effectiveness of, performance based remuneration packages including superannuation arrangements, equity participation schemes and options plans.

## **GENERAL REMUNERATION POLICIES**

### **6. NON-EXECUTIVE DIRECTORS' REMUNERATION**

- 6.1 Non-Executive Directors' fees are paid within an aggregate limit, which is approved by the shareholders from time to time. Each Non-Executive Director is paid fees of A\$30,000 per annum and the Chairman receives an additional A\$20,000 per annum.
- 6.2 Non-Executive Directors serve in accordance with a standard service contract, drafted by the Company's lawyers, which sets out remuneration arrangements. Retirement payments are agreed to be determined in accordance with the rules set out in the Corporations Act as at the time of the Director's retirement or termination.

### **7. EXECUTIVE REMUNERATION**

- 7.1 Senior executives, including Executive Directors, are engaged under the terms of individual employment contracts. Such contracts are based upon standard terms drafted by the Company's lawyers.
- 7.2 Executive Directors do not receive any directors' fees in addition to their employment salary and remuneration arrangements.
- 7.3 The monetary package is divided between a base salary and an incentive portion. Base salary is set to reflect the market salary for a position and individual of comparable responsibility and experience. Base salary is regularly compared with the external market by participation in industry salary surveys and during recruitment activities generally.

- 7.4 It is the policy of the Company to maintain a competitive salary structure to ensure continued availability of experienced and effective management and staff. The incentive portion is payable based upon attainment of objectives related to the executive's job responsibilities. The objectives vary, but all are targeted to relate directly to the Company's business and financial performance and thus to shareholder value.

**8. CASH BONUS, INCENTIVE, SHARE AND OPTION PLANS**

- 8.1 Executive Directors may be eligible and entitled to participate in any cash bonus plans, share and option plans or other incentive plans approved by the Board from time to time. Any payment or other benefit to any Executive Directors as a result of participation in any such cash bonus, share, option or incentive plan shall be governed entirely by the rules of such plans as they may exist from time to time. Such payments or other benefits received by any Executive Directors shall be in addition to any other remuneration to which that Executive Director may be entitled.
- 8.2 Non-executive Directors are ineligible to participate in any cash bonus plans, share and option plans or other incentive plans approved by the Board from time to time.

**9. COMMITTEE PERFORMANCE**

To determine whether it is functioning effectively, the Committee shall:

- (a) review this Charter annually; and
- (b) undertake an evaluation of its performance at intervals considered appropriate by the Chairman.

