

Purpose

The purpose of the Remuneration and Nomination Committee is to provide formal and transparent procedures for both the appointment of new directors to the board and for developing policy on remuneration packages for individual directors and executives.

In relation to the Board, the Committee will devise a criterion for Board membership in order to identify specific candidates who will best complement the Board to fill vacant or additional board positions. The Committee will periodically review and make recommendations regarding the size of the Board, committee structures, the program for and effectiveness of Board Meetings

In terms of remuneration, the Committee has been established to avoid potential conflicts of interest and to advise the Board on remuneration policies and practices generally and will be responsible for making specific recommendations on remuneration packages and terms of employment for directors and executives.

The Committee will also design a remuneration policy which motivates directors and management to pursue the long-term growth and success of the company within an appropriate controlled framework which demonstrates a clear relationship between key executive performance and remuneration.

Objectives

Remuneration objectives of the Committee are to:

1. remunerate board members fairly and appropriately.
2. annually review executive remuneration and terms of employment with regard to performance, relative comparative information and independent expert advice. The review should encompass all facets of the remuneration package including the base salary, superannuation, performance-related bonuses and fringe benefits;
3. ensure remuneration packages are set at levels designed to attract and retain executives capable of managing the consolidated entity's global operations;
4. formalise in service agreements the remuneration and other terms of employment for the CEO, executive and non-executive directors.
5. ensure the remuneration of non-executive directors is determined by the Board; and
6. review any transaction between the consolidated entity and directors, to ensure the structure and the terms of the transaction are in compliance with the Corporations Law and are appropriately disclosed.
7. ensure that members of the executive management of the company are provided with appropriate incentives to encourage enhanced performance by fairly and responsibly rewarding their individual contributions to the success of the company;

Nomination objectives of the Committee are to:

1. establish and maintain a board which continues to add value to the company, through an effective composition, size and commitment level.

Duties

Remuneration duties of the Committee are:

1. determine and agree with the Board the framework or broad policy for the remuneration of the company's or group's Chief Executive, the Chairman of the company and such other members of the executive management as it is designated to consider taking into account all factors deemed necessary. The remuneration of non-executive directors shall be a matter for the executive members of the Board. No director or manager shall be involved in any decisions as to his or her own remuneration;
2. determine targets for any performance-related pay schemes operated by the company;
3. within the terms of the agreed policy, determine the total individual remuneration package of each executive manager including, where appropriate, bonuses, incentive payments and share options;

4. determine the policy for and scope of superannuation arrangements, service agreements for the executive management team, termination payments and compensation commitments;
5. in determining such packages and arrangements, give due regard to the comments and recommendations of the Best Practice Recommendations, ASX Listing Rules and associated guidance;
6. oversee any major changes in employee benefit structures throughout the company or group;
7. annually review/audit the expenses of the CEO and Chairman to ensure accountability and transparency;
8. ensure that provisions regarding disclosure of remuneration are fulfilled; and
9. produce an annual report of the Committee's remuneration policy which will form part of the company's Annual Report and Accounts.

Nomination duties of the Committee are to:

1. regularly review the structure, size and composition of the Board and make recommendations to the Board with regard to any adjustments that are deemed necessary;
2. be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
3. keep under review the leadership needs of the organisation with a view to ensuring the continued ability to compete effectively in the organisation's marketplace; and
4. keep up-to-date and fully au fait with strategic issues and commercial changes affecting the company and the market in which it operates.

It shall also make recommendations to the Board:

1. as regards plans for succession, in particular, of the Chairman and the Chief Executive;
2. as regards the re-appointment of any non-executive director at the conclusion of his or her specified term of office;
3. for the continuation (or not) in service of any director who has reached the age of 72;
4. concerning the re-election by shareholders of any director under the 'retirement by rotation' provisions in the company's Constitution;
5. concerning any matters relating to the continuation in office as a director of any director at any time; and
6. concerning the appointment of any director to executive or other office other than to the positions of Chairman and Chief Executive, the recommendation for which would be considered at a meeting of all the directors.

Membership

1. The Committee shall comprise of at least three members, each of whom shall be appointed by the Board;
2. the majority of the members of the Committee shall be non-executive directors who are independent of management and free from any business or other relationship which could interfere with the exercise of their independent judgment; and
3. The Board should appoint a non-executive Committee Chairman and determine the period for which they shall hold office. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting.
4. If a regular member is unable to act due to absence, illness or any other cause, the Chairman of the Committee may appoint another director of the company to serve as an alternate member. Where possible this will be a non-executive director.

Quorum

The quorum necessary for the transaction of business shall be two of whom at least one must be a non-executive director. 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 or exercisable by the Committee

Secretary

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

Meetings

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

Notice of Meetings

1. Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of any member thereof
2. Unless otherwise agreed, Notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, no fewer than five working days prior to the date of the meeting
3. The Chief Executive shall have the right to attend and speak at the meeting of the Committee; others may be called upon or shall be able to speak by prior arrangement with the Chairman of the Committee.

Minutes of Meetings

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

Annual General Meeting

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

Authority

1. 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
2. In connection with its duties, the Committee is authorised by the Board to obtain, at the company's expense, any outside legal or other professional advice including the advice of independent remuneration consultants, to secure the attendance of external advisers at its meetings if it considers this necessary, and to obtain reliable, up-to-date information about remuneration in other companies
3. The Committee shall put all resolutions through to the Board for approval prior to implementing them.