

CORPORATE GOVERNANCE – REMUNERATION COMMITTEE CHARTER

The Remuneration Committee is established by resolution of the Board.

Membership

The Remuneration Committee is appointed by the Board from among the non-executive Directors of the Company and consists of not less than two members, with one member being an independent Director. Due to the small size of the Company's operations, the Company and hence the Board, Directors who are appointed to the Nomination Committee have also been appointed to the Remuneration Committee. The Company does not foresee a conflict of interest with this procedure.

Chairperson

The Remuneration Committee appoints an independent Director as Chairperson of the committee.

Secretary

The Company Secretary is secretary of the Remuneration Committee.

Quorum

A quorum shall be two members.

Meeting frequency

Remuneration Committee meetings will be held not less than once a year, to enable the committee to undertake its role effectively.

Reporting procedures

The secretary will circulate the minutes of meetings of the Remuneration Committee to all members of the committee for comment and change before being signed by the chairperson of the committee and circulated to the Board, with the Board papers, for the next Board meeting. The minutes are to be tabled at the Board meeting following the Remuneration Committee meeting, along with any recommendations of the Remuneration Committee.

Duties

The duties of the Remuneration Committee are as follows.

Remuneration duties

- Assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and policies, including incentive policies for Directors and senior executives.
- Assess the market to ensure that senior executives are being rewarded commensurate with their responsibilities.
- Obtain the best possible advice in establishing salary levels.
- Set policies for senior executives' remuneration.
- Review the salary levels of senior executives and make recommendations to the Board on any proposed increases.
- Propose, for full Board approval, the terms and conditions of employment for the Managing Director.
- Review the Company's recruitment, retention and termination policies and procedures for senior management.
- Review and make recommendations to the Board on the Company's incentive schemes.
- Review and make recommendations to the Board on the Company's superannuation arrangements.
- Review Company policy in respect of the tenure, remuneration and retirement of Directors.
- Assess any potentially inappropriate bias in remuneration for Directors, senior executives and employees.

Diversity reporting

The Company's Annual Report will include a summary of objectives, and progress towards the diversity objectives.

Incentive plans

Ultimately, the Company's shareholders must approve any incentive plans; however, the Board is to:

- 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, the Board will administer equity-based and employee benefit plans and, as such, will discharge any responsibilities under those plans, including making and authorising issues of equity, in accordance with the terms of those plans;

- ensure that incentive plans are designed around appropriate and realistic performance targets that measure relative performance and provide rewards when they are achieved, and
- continually review, and if necessary improve, any existing benefit programmes established for employees.

Authority and resources

The Board may seek input from individuals on remuneration policies, but no individual should be directly involved in deciding their own remuneration. The Board may, when it considers it necessary or appropriate, obtain advice from external consultants or specialists in relation to remuneration-related matters.

Review

The Board will formally review this policy no less than every three (3) years or when certain milestones of the Company are approaching.