

## Purpose

The Remuneration Committee is a committee of the Board. The Committee's purpose is to:

- review and make recommendations to the Board on remuneration packages and policies applicable to senior management and Directors including recruitment, retention and termination;
- define levels at which the Managing Director must make recommendations to the Committee on proposed changes to remuneration and employee benefit policies;
- ensure that remuneration packages and policies attract, retain and motivate high calibre executives; and
- ensure that remuneration policies demonstrate a clear relationship between key executive performance and remuneration.

## Duties

The Committee reviews and makes recommendations to the Board on remuneration packages and policies applicable to senior management and Directors.

The specific matters the Committee may consider include the review of:

- senior management and Directors' remuneration, including the link between company and individual performance;
- current industry best practice;
- different methods for remunerating senior management and Directors including superannuation arrangements;
- existing or proposed share option schemes or other incentive schemes;
- retirement and termination benefits and payments for senior management;
- professional indemnity and liability insurance policies.

## Membership and Structure

- The Committee consists of three non-executive directors and is comprised of a majority of independent directors, namely GDW Curlewis (Chairman), KM Hoggard and DG McGauchie.
- The Chairman of the Committee has been appointed from the members of the Committee and is an independent non-executive director.
- The Chairman of the Committee is responsible for arranging all meetings of the Committee and for providing members of the Committee with a written agenda.
- The Company Secretary, or his appointee, will act as secretary of the Committee and will circulate minutes of the meetings.

## **Meetings**

- Any member of the Committee may call a meeting of the Committee.
- As a minimum, the Committee will meet twice a year in order to review and make recommendations to the Board on remuneration packages and policies applicable to senior management and Directors. This takes place at least one month prior to the date on which any change to remuneration packages or to the membership of the Board is to become operative.
- The Chairman of the Committee, or delegate, reports to the Board following each meeting.
- A member of the Committee is not entitled to be present at a meeting of the Committee when his own remuneration package is being evaluated.
- The Committee may invite any executive management team members or other individuals to attend meetings of the Committee, as it considers appropriate.
- The Committee has direct access to the Company's officers and advisers, both external and internal, and has the authority to seek whatever independent, professional or other advice it requires in order to assist it in meeting its responsibilities from outside the Company.

## **Quorum and Voting**

- A quorum comprises any two Committee members. In the absence of the Committee Chairman, or appointed delegate, the members will elect one of their number as Chairman for that meeting.
- Each member shall have one vote.
- The Chairman of the Committee will not have a second or casting vote.

## **Non Hedging Policy**

Senior Management are not permitted to hedge any shares issued to them under the Company's Executive Share Plan.