

1. INTRODUCTION

- 1.1 The Remuneration Committee does not remove from the full board of directors any of its responsibilities and legal obligations. Rather it is a working group established to assist the board in the conduct of its responsibilities and hence will report back to the full board on all material matters and issues requiring decisions in principle and formal sign-offs unless a prior delegation by the board has been made. Against this background the role of the Remuneration Committee as set out in this charter will apply.
- 1.2 The principal role of the committee is to oversee and regulate compensation and organization matters affecting the company, including remuneration and benefits policies, performance and remuneration of the company's senior executives, management development and succession planning for the chief executive and direct reports to the chief executive, and major organization changes providing a more focused and streamlined process where board approval would otherwise be required.

2. CONSTITUTION AND MEMBERSHIP

- 2.1 The committee shall be appointed by the board from amongst the non-executive directors of the company and shall consist of not less than two members.
- 2.2 The chairman of the board shall be an ex-officio member of the remuneration committee, and shall be given notice of all meetings of the committee, and may attend and participate fully in any meetings of the committee.
- 2.3 The chair shall be appointed by the board and the chief executive officer shall nominate an executive to act as the secretary of the committee.
- 2.4 A quorum shall be two members.
- 2.5 The committee may have in attendance such members of management and such other persons as it may deem necessary to provide appropriate information, explanations or advice.

3. AUTHORITY

- 3.1 The committee is authorised by the board to investigate any activity covered by its role. It is authorised to seek any information it requires from any employee, and all employees will be directed to cooperate with any request made by the committee.
- 3.2 The committee has the authority of the board to obtain independent professional advice, independent research, and generally to engage such advisors and involve such consultants as it considers necessary for its function.

- 3.3 The committee shall provide quality assurance in respect of remuneration policies and practice, with a primary emphasis on remuneration of senior executives. In particular, it shall be responsible for:
- (a) definitions of materiality hurdles at which management must make recommendation to the committee on proposed changes to remuneration and employee benefit policies;
 - (b) remuneration policies (including incentive schemes and any other forms of reward);
 - (c) alignment of remuneration with the company's objectives and performance;
 - (d) retirement, termination, retention, and redundancy policies;
 - (e) recruitment policies and practices;
 - (f) ensuring appropriate succession planning practices are in place for the chief executive and direct reports to the chief executive.
- 3.4 The committee shall monitor and report on "best practice", including trends and proposals in employment conditions and employee remuneration. This includes:
- (a) any material changes in the law affecting such conditions and remuneration;
 - (b) the establishment, and periodic review, of all policies governing remuneration.
- 3.5 Reviews shall be in the context of the company's strategic goals as established in the strategic plan.
- 3.6 The committee shall submit a regular report to the board at such intervals as the board chairman and the committee chairman shall determine, but in any event will submit a report annually covering inter alia:
- (a) a summary of material changes in employee benefit practices in the last 12 months;
 - (b) a summary of senior executive remuneration and benefit changes in the last 12 months;
 - (c) a summary of succession planning and management development activities in the last 12 months.
- 3.7 The remuneration package and employment contract of the chief executive shall be the responsibility of the company chairman, who shall consult with the remuneration committee as appropriate and shall be submitted to the full board for approval.

4. DELEGATED RESPONSIBILITIES

- 4.1 The committee shall ensure that there is a policy for senior executive remuneration, shall gain approval from the board for that policy, and shall approve senior executive remuneration within the terms of that policy.

- 4.2 Subject to direction by the board, the committee shall follow such procedure as it shall determine.
- 4.3 The committee chairman, in consultation with the secretary, will prepare an agenda for each committee meeting. Management will prepare committee papers and will circulate these and the agenda to all directors prior to each meeting. The committee secretary shall keep minutes of the committee's meetings which shall be circulated to all directors.
- 4.4 Meetings of the committee shall be as required.
- 4.5 The committee shall meet formally at least twice in each year. One meeting shall include the annual remuneration review and be held two months before that review is completed.