

## Policies & Standards

# CHARTER OF THE COMPENSATION COMMITTEE

### 1. Role

The role of the Committee is to provide oversight of the Company's remuneration and compensation plans, policies and practices on behalf of the Board and Shareholders to ensure that:

- Shareholders' interests and employee interests are in alignment.
- The Company is able to attract, develop and retain superior talent.
- The integrity of the Company's reward program is maintained.

The Committee will review the remuneration strategy and plans of the Company, compare the strategy and plans with community and industry standards and, where possible, verify the appropriateness of the strategy and plans by reference to information and advice external to the Company.

Where remuneration advice in relation to key management personnel is obtained from a consultancy, the Committee will ensure appropriate independence and quality by:

- selecting the consultant
- briefing the consultant; and
- receiving the report directly from the consultant,

which shall include following the "Procedures for Using Remuneration Consultants", annexed to this Charter.

### 2. Composition

The Board shall determine the composition of the Committee. The Committee shall consist solely of Non Executive Directors of the Company assisted as necessary by the Chief Executive Officer (CEO) in an advisory capacity. The Committee may appoint a Secretary to assist it, however, if the Secretary is an employee of the Company, the Secretary shall not be a member of the Committee.

### 3. Authorities and responsibilities

#### 3.1. Salaries and Benefits

- 3.1.1. Review overall remuneration philosophy, strategy, plans, policies and practices (including performance management methodology) for the Company. Review and approve corporate goals and objectives relevant to CEO compensation.
- 3.1.2. Review the annual salary and benefits budget for the Company.
- 3.1.3. Determine and approve the CEO's salary and benefits based on an evaluation of the CEO's performance in relation to approved corporate goals and objectives relevant to CEO compensation and the terms (or any variation) of the CEO's employment contract (including the structure of any payments to be made upon termination of the CEO's employment).
- 3.1.4. Review and approve the CEO's recommendations in regard to the salaries and benefits of executives reporting directly to him.
- 3.1.5. Review of and recommendation to the board on recruitment, retention and termination policies and remuneration by gender.

#### 3.2. Short Term Incentive Plan

- 3.2.1. Review incentive plan design or modification to ensure appropriate alignment of executive performance with Company strategy.
- 3.2.2. Set the performance measures, targets and incentive opportunity for the CEO; and the actual level of incentive payment at the end of the measurement period.

- 3.2.3. Review the performance measures, targets and incentive opportunity for the direct reports to the CEO; and the actual level of incentive payments at the end of the measurement period.
- 3.2.4. Generally overview the functioning of the short term incentive plan to ensure its overall effectiveness in achieving Company objectives.

### **3.3. Long Term Incentive Plans and Employee Equity Participation Plans**

- 3.3.1. Recommend to the Board concepts for long term incentive plans and employee participation in equity ownership.
- 3.3.2. Review plan design or modification.
- 3.3.3. Approve the participants and terms of specific offers under the plans.
- 3.3.4. Approve vesting or actual payments (as appropriate) under any formula-based incentive plan.
- 3.3.5. Generally overview the functioning of the plans to ensure overall effectiveness in achieving company objectives.

### **3.4. Remuneration of Non-Executive Directors**

- 3.4.1. Review and recommend to the Board the remuneration structure for the Non Executive Directors of the Company whether by way of annual fees, committee fees and/or deferred benefits.
- 3.4.2. Recommend to the Board the policy to be adopted with respect to Non Executive Directors holding and acquiring shares in the Company, including whether a proportion of annual fees is to be paid in Company shares. Non Executive Directors shall not be eligible for inclusion in any short or long term incentive plans and shall not be eligible for inclusion in any Company Share schemes other than a Non-Executive Director fee-sacrifice plan.

### **3.5. Succession Planning**

- 3.5.1. Review the Succession Plans for the position of CEO.
- 3.5.2. Review the Succession Plans for the positions which report directly to the CEO and for the Senior Executive positions of the Company.

### **3.6. Disclosure**

- 3.6.1. Review the disclosure in the Company's annual report and/or financial statements of remuneration of the Company's directors and employees to ensure it complies with relevant laws and good corporate governance practices.
- 3.6.2. Specifically, review the reported amounts, and the statement of executive remuneration policy including linkage to performance.

**Undertake annually a performance evaluation and review of the Committee's objectives and duties.**