



ATTACHMENT B

B

REMUNERATION AND NOMINATION COMMITTEE CHARTER

Constitution

A Remuneration and Nomination Committee will be established by resolution of the Board

Membership

The Remuneration and Nomination Committee shall be appointed by the Board from among the Directors of the Company and shall consist of not less than two members with the majority, if possible, being independent Directors.

Directors will be appointed to the Remuneration and Nomination Committee for a term of three years or such shorter time as they remain in the office of Director. Directors may serve consecutive terms on the Remuneration and Nomination Committee.

Chairman

The Remuneration and Nomination Committee shall appoint a Chairman of the Committee.

Quorum

A quorum shall be two members.

Meeting Frequency

Remuneration and Nomination Committee meetings will be held not less than four times a year to enable the Committee to undertake its role effectively.

Authority

The Remuneration and Nomination Committee is authorised by the Board to investigate any activity within its charter. It is authorised to seek any information it requires from any employee and all employees are directed to cooperate with any request made by the remuneration committee.

The Remuneration and Nomination Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise at meetings of the Remuneration and Nomination Committee if it considers this necessary.

The Remuneration and Nomination Committee is required to make recommendations to the Board on all matters within the Remuneration and Nomination Committee's charter.

Reporting Procedures

The Secretary shall circulate the minutes of the meetings of the Remuneration and Nomination Committee to all members of the Committee for comment and change before being signed by the Chairman 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 committee meeting along with any recommendations of the Remuneration and Nomination Committee.

Duties

The duties of the Remuneration and Nomination Committee are to:

- **Remuneration**

1. assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and policies including incentive policies for directors and senior executives;
2. assess the market to ensure that senior executives are being rewarded commensurate with their responsibilities;
3. obtain the best possible advice in establishing salary levels;
4. set policies for senior executives remuneration;
5. review the salary levels of senior executives and make recommendations to the Board on any proposed increases;
6. review recommendations from the Chief Executive Officer ("CEO") relating to proposed merit increases for direct reports;
7. propose, for full Board approval, the terms and conditions of employment for the CEO;
8. undertake a review, which will be reported to and confirmed by the full Board, of the CEO's performance, at least annually, including setting with the CEO goals for the coming year and reviewing progress in achieving those goals;
9. set the criteria for negotiating any enterprise bargain agreement;
10. review the Company's recruitment, retention and termination policies and procedures for senior management;
11. review and make recommendations to the Board on the Company's incentive schemes;
12. review and make recommendations to the Board on the Company's superannuation arrangements; and
13. review the remuneration of both executive and non-executive Directors and make recommendations to the Board on any proposed changes; and
14. take independent advice on the appropriateness of compensation packages by reference to trends in comparative companies and company objectives.

- **Nomination**

15. Assessing and enhancing the necessary and desirable competencies of the Board;

16. Reviewing a process for the selection and removal of Directors and reviewing its effectiveness;
17. Recommending the appointment of new Directors to the Board, having regard to the desirable qualifications, experience and domicile for individual new appointees;
18. Overseeing the induction process for new Directors and reviewing its effectiveness;
19. Monitoring and assessing the continuing education program for Directors

REMUNERATION AND NOMINATION POLICY

This policy governs the operations of the Remuneration and Nomination Committee. The Committee shall review and reassess the policy at least annually and obtain approval of the Board of Directors.

Remuneration

Overall Director Remuneration

Shareholder approval must be obtained in relation to the overall limit set for Directors fees. The Directors must set individual Board fees within the limit approved by shareholders.

Further, shareholders must approve the framework for any equity schemes and if a Director is recommended for being able to participate in any equity scheme, this participation must be approved by the shareholders.

Executive Remuneration

Main Principles

The Remuneration Committee's reward policy reflects its obligation to align executive directors' remuneration with shareholders' interests and to engage appropriately qualified executive talent for the benefit of the group.

The main principles of the policy are:

- ♦ Reward reflects the competitive global market in which the Company operates.
- ♦ Individual reward should be linked to performance criteria.
- ♦ Executives should be rewarded for both financial and non-financial performance.

Elements of Remuneration

The total remuneration for executive Directors and managers may consist of the following:

- ♦ Fixed Compensation –base compensation and superannuation entitlements.

- Performance linked compensation – short term and long term incentives to reward key management personnel for meeting or exceeding their financial and personal objectives, such as the issue of options and performance bonuses. Compensation is linked to the achievement of objectives such as:
 - Achieving critical approvals for the Company’s projects such as environmental and heritage approvals;
 - Meeting project schedule and funding requirements;
 - Managing all operational requirements of the Company to budget or better; and
 - Negotiation of key contracts
- Long Term Incentives – each Executive Director may participate in share option schemes with the approval of shareholders.
- Other Benefits – Executive Directors are eligible to participate in superannuation schemes.

Non-Executive Remuneration

Main Principles

Shareholders approve the maximum aggregate remuneration for Non Executive Directors. The Remuneration Committee recommends the actual payments to Directors and the Board is responsible for ratifying any recommendations if appropriate. The maximum aggregate remuneration approved for Directors is currently \$800,000.

Non Executive Directors have previously been issued with employee options as part of their fees but this practice is no longer adopted by the Board. Non Executive Directors are not permitted to be provided with retirement benefits other than statutory superannuation.

Directors are entitled to have their indemnity insurance paid by the Company.

Nomination Policy

The Remuneration and Nomination Committee's policy for appointing new directors aims to ensure the company has a board of sufficient size with the appropriate balance of skills and experience to meet the company's present and future needs. Each appointment is based on merit against set objectives.

Procedure

The procedure for appointing new directors is designed to ensure maximum transparency and objectivity. Each appointment is based on merit and suitably extensive enquiries are made to find candidates from non-traditional sources. The steps involved include:

- (a) regularly assessing and identifying the necessary and desirable skills, experience and knowledge for board members;
- (b) regularly assessing and identifying the skills, experience and knowledge represented on the board and those desired;

(c) regularly assessing and determining the time commitment needed from each board member to adequately perform their duties;

(d) having a developed position specification for the role;

(e) interviewing each candidate and conducting background and reference checks;

(f) ensuring that each candidate:

- has the necessary skills, experience and knowledge to perform their duties and responsibilities as a director;
- is able to devote the time necessary to perform their duties and responsibilities;
- is sufficiently independent within independence materiality thresholds; and
- is able to work with the other members of the board.