



ATTACHMENT B

REMUNERATION COMMITTEE CHARTER

Constitution

A Remuneration Committee will be established by resolution of the Board.

Membership

The Remuneration 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 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 Committee.

Chairman

The Remuneration Committee shall appoint a Chairman of the Committee.

Quorum

A quorum shall be two members.

Meeting Frequency

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

Authority

The Remuneration 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 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 Committee if it considers this necessary.

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

Reporting Procedures

The Secretary shall circulate the minutes of the meetings of the Remuneration 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 remuneration committee meeting along with any recommendations of the Remuneration Committee.

Duties

The duties of the Remuneration Committee are to:

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.

REMUNERATION POLICY

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

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.
- ♦ 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 \$150,000.

Non Executive Directors have previously been issued with employee options as part of their fees and this practice will continue to reduce overall director costs. 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.