

Remuneration Policy

This policy governs the operations of the Board in relation to remuneration and nomination. The Board shall review and reassess the policy at least annually.

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 an equity scheme, this participation must be approved by the shareholders.

Executive Director Remuneration

The Company'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 market in which the Company operates;
- Individual reward should be linked to performance criteria; and
- Staff should be rewarded for both financial and non-financial performance.

The Executive Director's total remuneration consists of the following:

- Salary - each executive director will be entitled to receive a salary or partly by way of salary and partly by way of such other benefits as the Company way lawfully provide provided that there is no undue cost to the Company;
- Bonus - each executive Director is eligible to participate in a bonus scheme if deemed appropriate; and
- Other benefits - executive Directors participate in superannuation schemes.

Non-Executive Director Remuneration

Shareholders approve the maximum aggregate remuneration for Non-Executive Directors. The Board 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 \$600,000.

Non-Executive Directors are entitled to participate in equity based remuneration schemes but not to an extent where perceived independence has been jeopardised.

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

Executive Remuneration

- Executive remuneration is fixed according to current market rates and conditions in Australia and subject to annual assessment.
- The Board should consult the Chairman and/or the Chief Executive Officer about their proposals relating to the remuneration of executives and have access to professional advice if considered necessary.
- Executive remuneration consists of both variable and non-variable elements.
- The total level of non-variable elements of the remuneration is determined by taking into consideration the job description and responsibilities and the Group's magnitude and complexity.
- The variable element is discretionary in nature and consists of year end bonuses on the basis of both the Executive's and the Group's performances as recommended by the Chief Executive Officer or Chairman and approved by the Board.

Remuneration reviews will be conducted in by March following completion of the Annual Performance Reviews and Company year-end, with any approved changes to be deemed effective 1 February each year.