

TERMS OF REFERENCE: REMUNERATION COMMITTEE

1. PURPOSE

The purpose of the Remuneration Committee is to review and make recommendations to the Board on the:

- Terms and conditions of Company-wide employment contracts;
- the performance and remuneration of the Chief Executive and Senior Executives;
- the design and operation of the incentive programme; and
- the design and operation of any other remuneration policies and practices.

2. COMPOSITION

- 2.1 The Remuneration Committee is a committee of the Board and shall consist of the Chairman of the Board and at least two other Directors. The appointment of additional Directors to this Committee shall be confirmed at the first Board meeting following the Annual Meeting each year.
- 2.2 The Chairman of the Committee will be a non-executive Director other than the Chair of the Board and shall be appointed by the Board.
- 2.3 A quorum will be declared when both Directors are present.

3. MEETINGS

- 3.1 Meetings will be as required with a minimum of two per year, having regard to when Director and Executive remuneration is due for review in terms of the Company's remuneration procedures.
- 3.2 The Committee Chairman will convene a meeting upon request of any Director of the Board.
- 3.3 The Committee may have in attendance such members of management including the Chief Executive, Chief Financial Officer and Human Resources Manager, and other such persons including external advisers, as it considers necessary to provide appropriate information and advice.
- 3.4 All Directors are entitled to attend meetings of the committee provided that executive directors, including the Chief Executive shall not be entitled to attend meetings where they are conflicted for personal reasons.
- 3.5 The Secretary will be the Chief Executive or Chief Financial Officer, as appropriate. In the absence of Management, the Chairman will keep a record of business transacted.

4. RESPONSIBILITIES

Policy and Procedure

- 4.1 Set and annually review the remuneration policies and procedures of the Company.

Chief Executive Job Description

- 4.2 Develop a job description for the Chief Executive position and review periodically to determine if any change is appropriate.

Performance and Remuneration

- 4.3 Annually review all components of Directors' remuneration and make recommendations to the Board in accordance with Section 20.11 of the Constitution and the procedure for Directors' Remuneration.
- 4.4 Annually set and review, in accordance with the Company's remuneration policies and procedures:
 - the performance and all components of the remuneration of the Chief Executive;
 - with the Chief Executive, the performance and all components of the remuneration of IEA Managers; and

REVIEWED BY: KATHY MEADS	DATE: 25 JAN 2006	AUTHORISED BY: FOR REVIEW	DATE:
LAST SAVED BY: KATHERINE DEACON	DATE: 14/07/2014 2:28 PM	PRINTED: 14 JUL 2014	VERSION: 26 10068

- any proposed adjustments to the remuneration of an employee that is greater than twice the company-wide percentage increase in remuneration.

4.4.i The components shall include base salary, reimbursable expenses, bonuses, entitlements under employee incentive plans, company share schemes and company option schemes, and all other entitlements and benefits arising from their employment.

4.4.ii The remuneration of senior executives who report directly to the Chief Executive is subject to prior recommendation from the Chief Executive.

Employment Contracts

4.5 Set and review, as appropriate, the terms of any employment contracts which are either delegated to the Committee by the Board or referred to it by the Chief Executive.

Incentive Plans

4.6 Set and review the terms of the Company's short and long term incentive plans including any share and option schemes for employees and/or Directors.

4.7 Review any proposed payments under the incentive programme for consistency with Board policy decisions.

Superannuation

4.8 Set and review the terms of the Company's superannuation scheme.

Other

4.9 Consider any other matter relating to remuneration referred to the committee by the Board.

5. AUTHORITIES

5.1 The Committee will make recommendations to the Board on all matters requiring a decision. The Committee does not have the power or authority to make a decision in the Board's name or on its behalf.

5.2 The Committee is authorised by the Board, at the expense of the Company, to obtain such outside information and advice including market surveys and reports, and to consult with such management and executive search consultants and other outside advisers with relevant experience and expertise, as it thinks necessary for carrying out its responsibilities.

6. REVIEW OF THE COMMITTEE

The Committee will undertake an annual self-audit of its objectives and responsibilities. Such objectives and responsibilities will also be reviewed by the Board and the Chief Executive and any other person the Board considers appropriate.

7. REPORTING PROCEDURES

7.1 After each meeting the Chairman of the Committee will report the Committee's recommendations and findings to the Board.

7.2 The minutes of all Committee meetings will be recorded, stored and circulated to members of the Board, according Board of Directors Meetings procedures. Extracts from the minutes will be made available to the Human Resources manager, and to such other persons as the Board directs, as may be necessary to enable them to properly carry out their functions.

7.3 The Chairman of the Committee will present an annual report to the Board summarising the Committee's activities during the year and any related significant results and findings.

8. REFERENCE MATERIAL

Board of Directors Meetings Procedures

Institute of Directors Best Practice Statement on Remuneration Committees

Procedures for Directors' and Executives Remuneration

REVIEWED BY: KATHY MEADS	DATE: 25 JAN 2006	AUTHORISED BY: FOR REVIEW	DATE:
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