

# REMUNERATION POLICY

Adopted by the Nomination & Remuneration Committee

## 1. Terms of reference

The terms of reference of the Remuneration Committee, inter alia, consists of reviewing the overall compensation policy, service agreements, performance incentive and other employment conditions of Executive Director(s), Non-Executive Director(s) and Senior Employees. The recommendations of the Remuneration Committee are considered and approved by the Board of Directors, subject to the approval of the shareholders, wherever necessary. Additionally the Remuneration Committee has been vested with the powers for making any change in the policy from time to time. The Company Secretary is the Secretary to the Committee.

## 2. Background

A transparent, fair and reasonable process for determining the appropriate remuneration at all levels of the Company is required to ensure that Shareholders remain informed and confident in the management of the Company. The Company also understands the importance of attracting and maintaining high quality individuals from directors right through to support staff.

## 3. OBJECTIVE

The objectives of this policy are:

- (a) to create a transparent system of determining the appropriate level of Remuneration throughout all levels of the Company;
- (b) encourage people to perform to their highest level;
- (c) allow the Company to compete in each relevant employment market;
- (d) provide consistency in remuneration throughout the Company
- (e) align the performance of the business with the performance of key individuals and teams within the Company.

The policy details the types of remuneration to be offered by the Company and factors to be considered by the Board, Nomination & Remuneration Committee and management in determining the appropriate remuneration strategy.

## **4. CONTRACT**

This letter of engagement will set out the terms and conditions of the engagement and the performance expectations for the role and the remuneration package for the Director & Senior Employees as the case may be. The Terms and Conditions for the engagement must be approved by the Committee

Directors & Sr. Management employees will enter into a contract with the Company clearly setting out the terms and conditions of the remuneration package for that person. The contract will set out the expectations for the performance of the role and the key performance indicators, measures and criteria for assessment. The Nomination & Remuneration Committee will approve the contracts for senior management and Directors. The Board will disclose the details of any contract in accordance with the law and the Communications & Continuous Disclosure Policy.

## **5. FORMS OF REMUNERATION**

The Nomination & Remuneration Committee will approve the forms of remuneration to be offered to executive directors, Non-executive directors and senior management, which may include:

### **5.1 Fixed Remuneration**

The Nomination & Remuneration Committee with the assistance of Human Resources Department will from time to time determine the fixed remuneration level for each Employee within the Company. Such remuneration levels will be determined according to industry standards, relevant laws and regulations, labour market conditions and scale of Company's business relating to the position. The fixed remuneration will reflect the core performance requirements and expectations of the Company. Employees may be offered the opportunity to receive part of their fixed remuneration in the form of direct benefits.

### **5.2 Performance Based Remuneration**

In addition to fixed remuneration the Company will implement a system of bonuses and incentives designed to create a strong relationship between performance and remuneration. Performance based remuneration will be linked to specific performance targets which will be disclosed to relevant employees regularly.

### 5.3 Termination payments

The Nomination & Remuneration Committee will approve any termination payments provided to any of the directors or senior management to ensure such payments reflect the Company's remuneration policy.

### 5.4 Employee Entitlements

The Company will comply with all legal and industrial obligations in determining the appropriate entitlement to long service, annual, personal and parental leave.

## **6. REVIEW AND DISCLOSURE**

### 6.1 Performance Appraisal

The CEO will conduct annual performance appraisals for all Employees to monitor and review the appropriateness of each remuneration package.

### 6.2 Board

The Board shall review the remuneration strategy for directors and senior management. In determining whether to approve the relevant level of remuneration, the Board will consider the recommendations from the Nomination & Remuneration Committee, prevailing market conditions, performance by the individual and the business strategies and objectives of the Company.

### 6.3 Nomination & Remuneration Committee

The Nomination & Remuneration Committee is responsible for the monitoring, implementation and review of this policy. The Nomination & Remuneration Committee will provide recommendations to the Board as to how to effectively structure and facilitate a remuneration strategy, which will meet the needs of the Company.

## **7. REVIEW**

The Board will review the contents of, and compliance with, this Policy regularly.