

Policy

The Board requires that the Company attracts and retains directors and executives of the highest calibre at a cost which is acceptable to its Shareholders so that the Company's business goals and objectives are met.

It is the Board's policy that the Managing Director and each member of the senior executive team signs a formal employment contract at the time of their appointment. Their remuneration should consist of two key elements; fixed base level remuneration and variable remuneration which are in the form of short and long term incentives.

The Board is responsible for the establishment of the Remuneration Committee, its composition and Charter.

Purpose of the Remuneration Committee

The purpose of the Company's Remuneration Committee is to discharge the Board's responsibility relating to the compensation of the Company's executives and directors.

Membership & Meetings of the Remuneration Committee

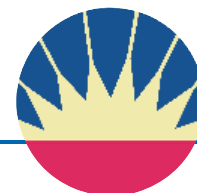
The Board will appoint all Remuneration Committee members. Where practical, the composition of the committee should have the following characteristics:

- The Remuneration Committee shall consist of at least two non-executive Members who are selected by the Board;
- A majority of the Remuneration Committee will be independent of management and the company;
- The majority of Remuneration Committee shall have a business background and management experience. A minimum of two Members will constitute a quorum.
- The Board will appoint a Chairperson, who will not be a Chairperson of the Board.
- The Managing Director and or the Human Resources Manager, at the Committee's discretion, could be invited to attend Remuneration Committee Meetings. The Remuneration Committee at its discretion may also invite an external consultant on remuneration matters to attend Committee meetings.
- The Remuneration Committee reserves the right to meet without management in attendance.
- The Remuneration Committee will meet at least once a year, or more frequently as circumstances require. A meeting will normally occur prior to a relevant Board Meeting.
- An Agenda with relevant attachments will be prepared and presented to the Members of the Remuneration Committee and any other invited attendees, one week prior to each meeting. Reports from people responsible for either following up actions subsequent to a prior review meeting or on new topics, should be circulated no less than one week prior to the next meeting.
- The proceedings of all meetings will be minuted and signed by the Chairperson.
- The Chairperson is responsible for coordinating any follow-up action, responses to issues that may arise, and the circulation of papers and previous Minutes to the Members of the Remuneration Committee.

Duties and Responsibilities of the Remuneration Committee

The Remuneration Committee duties and responsibilities are;

- To advise the Board on remuneration and incentive policies and practices generally, and makes specific recommendations on remuneration packages and other terms of employment for executive directors, other senior executives and non-executive directors.
- To ensure that the levels of remuneration are sufficient to attract and retain the directors and key executives needed to run the Company successfully whilst recognising wider Company remuneration issues including general pay and employment conditions throughout the Company, the financial health of the Company and the prevailing economic climate. In order to achieve this goal the Remuneration Committee has the power to use the services of an external remuneration consultant at the Company's expense to ascertain recent developments on remuneration and related matters.
- To approve Board determined fixed base level remuneration and variable remuneration which in the case of the latter are in the form of short and long term incentives, ie generally performance based and equity based remunerations.



- To monitor implementation of the Board's basic policy on remuneration and specifically that the Managing Director and each member of the senior executive team signs a formal employment contract at the time of their appointment covering their formal job description plus a range of matters including their duties, rights and responsibilities and any entitlements on termination. Job descriptions should be periodically reviewed by both the Board and the Remuneration Committee and, where necessary, revised in consultation with the relevant employee.
- To assume responsibility for management succession planning, including the implementation of appropriate executive development programs and ensuring adequate arrangements are in place, so that appropriate candidates are recruited for later promotion to senior positions.

Review of Charter and Performance

The Remuneration Committee will periodically;

- Assess its own performance to determine whether it is functioning effectively by reference to current best practice.
- Review the Charter with the objective of ensuring that it remains appropriate to the current environment. Changes to the Charter and committee composition will be recommended by the Committee and approved by the Board.