

1. REMUNERATION AND NOMINATION POLICY

1.1 Remuneration Policy

The Board is responsible for:

- (a) determining the compensation arrangements for the directors themselves, the Chief Executive Officer, the executive committee and employees.
- (b) determining the executive remuneration policy.
- (c) approving significant amendments to Executive's employment contracts and appointments.
- (d) reviewing and approving all equity based plans.
- (e) reviewing and approving annual remuneration adjustments for the group's key employees

1.2 Elements of Remuneration

The total remuneration for executive Directors and managers may consist of the following:

- (a) Fixed Compensation – based compensation and superannuation entitlements.
- (b) 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. Compensation is linked to the achievement of objectives such as:
 - (i) Achieving critical approvals for the Company's projects such as environmental and heritage approvals;
 - (ii) Meeting project schedule and funding requirements;
 - (iii) Managing all operational requirements of the Company to budget or better; and
 - (iv) Negotiation of key contracts
 - (v) Long Term Incentives – each Executive Director may participate in share option schemes with the approval of shareholders.
 - (vi) Other Benefits – Executive Directors are eligible to participate in superannuation schemes.

1.3 Non-Executive Remuneration

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. 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.

1.4 **Nomination Policy**

The Remuneration and Nomination policy for appointing new directors aims to ensure the company has a board of sufficient size with the appropriate balance of skills and experience to meet the company's present and future needs. Each appointment is based on merit against set objectives.

1.5 **Procedure**

The procedure for appointing new directors is designed to ensure maximum transparency and objectivity. Each appointment is based on merit and suitably extensive enquiries are made to find candidates from non-traditional sources. The steps involved include:

- (a) regularly assessing and identifying the necessary and desirable skills, experience and knowledge for board members;
- (b) regularly assessing and identifying the skills, experience and knowledge represented on the board and those desired;
- (c) regularly assessing and determining the time commitment needed from each board member to adequately perform their duties;
- (d) having a developed position specification for the role;
- (e) interviewing each candidate and conducting background and reference checks;
- (f) ensuring that each candidate:
 - (i) has the necessary skills, experience and knowledge to perform their duties and responsibilities as a director;
 - (ii) is able to devote the time necessary to perform their duties and responsibilities;
 - (iii) is sufficiently independent within independence materiality thresholds;
and
 - (iv) is able to work with the other members of the board.