

Remuneration & Nomination Committee Charter

As approved by the Board of Directors on 18 September 2003

Organisation

This charter governs the operations of the remuneration and nomination committee. The committee will review and reassess the charter at least annually and obtain the approval of the board of directors.

Membership

Members of the committee will be appointed by the board of directors.

The committee will comprise:

- a minimum of three non-executive directors
- a majority of independent directors
- a chairperson who is an independent director.

Independence, in the context of directors, is defined in the company's Board of Directors Charter.

Meetings

The committee will meet at least twice a year or as required by the Board of Directors. The quorum for committee meetings is 2 members who are independent and non-executive directors.

Purpose

The remuneration and nomination committee will have responsibility in two areas.

1. Remuneration

The committee will review and make recommendations to the board of directors on remuneration issues including salary and benefits paid to senior management, executive incentive schemes, superannuation, recruitment and termination policies, retention strategies for skilled employees and the remuneration framework for directors.

The committee will ensure that remuneration policies are structured to show a clear relationship between the performance of key executive and their remuneration. It will monitor executive remuneration packages for the appropriate balance between fixed salary and performance based incentive payments. It will ensure that executive performance targets are aligned with and reflect the company's short and long term objectives.

2. Board Membership

The committee will have responsibility for ensuring that the procedure for selecting and appointing new directors of the company is a formalised and transparent process which helps promote investor confidence and understanding.

The committee will assess, monitor and advise the board of directors on the desirable competencies of board members and whether the balance of skills, experience and expertise available from time to time is sufficient to enable the board to discharge its mandate effectively.

The committee will advise the board of directors on the development and implementation of plans for identifying, assessing and enhancing director competencies.

Duties and Responsibilities

1. Remuneration

The committee will review and make recommendations to the board of directors on:

1. the terms of the service contract for the Chief Executive Officer, including the compensation arrangements and the termination provisions and payments
2. the goals and performance expectations for the Chief Executive Officer
3. the compensation of senior executives reporting to the Chief Executive Officer including their incentive plans, offers of share options and the terms of their service contracts
4. the remuneration policies and practices of the Company
5. the recruitment retention and termination policies and practices of the Company
6. the terms and implementation of the employee share ownership plan and the employee share option incentive plan and that the plans are administered in accordance with the thresholds approved by shareholders
7. other employee incentive schemes
8. superannuation arrangements
9. replacement and succession plans for key executives
10. the level of remuneration and the remuneration arrangements for members of the board of directors and sub committees of the board
11. the structure and framework of non-executive directors' remuneration

2. Board Membership

The committee will make recommendations to and advise the board of directors on:

12. the balance of the professional skills of members of the board of directors with particular reference to business management, technology, marketing, finance and diversity
13. conducting an annual review of the performance of the board of directors
14. succession plans for maintaining the appropriate balance of skills and the appointment and removal of directors
15. its responsibilities in relation to the nomination and election process when filling board vacancies, including:
 - i). determining the skills and experience that would be most advantageous to have represented, and
 - ii). providing advice to shareholders on elections
16. the management and handling of the recruitment process for new members of the board, including:
 - i). establishing the criteria for assessing candidates
 - ii). conducting a network search, arranging interviews and preparing a short list of preferred candidates
 - iii). conducting a check of the credentials of the preferred candidate
17. identifying the skills of candidates who will best satisfy the agreed criteria

Committee Performance

The board will perform an evaluation of the committee's performance at least annually to determine whether the committee is functioning effectively.

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