

<b>Designation:</b>	Board Committee
<b>Reports to:</b>	Board
<b>Membership:</b>	<p>Not less than three (3) Non-executive Directors, with a majority of members being independent Directors in accordance with the criteria set out in Clause 4 of the Board Charter.</p> <p>Members will be appointed and removed by the Board.</p>
<b>Overall purpose:</b>	<p>The overall purpose of the Remuneration Committee is to provide assistance and recommendations to the Board in fulfilling its corporate governance responsibilities relating to:</p> <ul style="list-style-type: none"><li>• overall remuneration strategy of the Company;</li><li>• remuneration of Non-Executive Directors; and</li><li>• remuneration of the Managing Director and/or Chief Executive Officer and senior management team.</li></ul> <p>The Committee does not make decisions on behalf of the Board unless such authority in respect of any matter is expressly delegated by the Board.</p>
<b>Chairman:</b>	The Chairman of the Remuneration Committee will be appointed by the Board.
<b>Chairman's Role</b>	<p>The Chairman of the Remuneration Committee shall be independent.</p> <p>The Committee Chairman shall:</p> <ul style="list-style-type: none"><li>• be well informed on all issues of remuneration, assessment and performance measurement, and possess a range of skills consistent with the company's strategic focus;</li><li>• oversee planning and conduct of Committee meetings including approval of agendas and minutes;</li><li>• oversee written and verbal reporting to the Board on key matters arising from the Committee;</li><li>• be involved in the selection of Committee members; and</li><li>• in conjunction with the Chairman of the Board oversee the annual market review of the base and committee fees paid to the Non-Executive Directors.</li></ul>

<b>Member Requirements:</b>	All members of the Audit and Risk Committee will be Non-executive Directors and will be independent in accordance with the criteria set out in Clause 4 of the Board Charter.
<b>Meeting Arrangements:</b>	<p>The Remuneration Committee shall meet at least two (2) times a year. Additional meetings may be held if requested by the Committee Chairman.</p> <p>A quorum for Remuneration Committee meetings will require a minimum of two (2) members, with at least one (1) member being a Non-executive Director.</p> <p>Voting at Committee meetings is restricted to Committee members.</p> <p>The Chairman may invite the Chief Executive Officer, senior management to attend meetings as appropriate. The Chairman may also invite advisors, consultants or experts to attend meetings as appropriate.</p>
<b>Secretarial:</b>	The Company Secretary (or designate) shall be the secretary of the Committee and will be responsible for the minutes of meetings.
<b>Responsibilities:</b>	<p>The Remuneration Committee shall assist the Board in the implementation of its <b>remuneration strategy</b> by:</p> <ul style="list-style-type: none"><li>• ensuring the Company's remuneration policies and practices fit with its strategic goals;</li><li>• reviewing the company's industrial relations strategies and the potential impact to the company of changes in State and Federal industrial relations legislation;</li><li>• undertaking periodic reviews of company policies and practices in respect to total fixed remuneration, incentive remuneration and share and equity based plans;</li><li>• making recommendations to the Board for changes to the key remuneration policies, practices and plans;</li><li>• reviewing remuneration policies and practices to ensure they comply with regulatory requirements and good governance principles and practice;</li><li>• overseeing the compilation of the Remuneration Report and making recommendations to the Board as to its adoption in the Annual Report to shareholders;</li></ul> <p>obtaining external advice on the market position of the Managing Director and/or Chief Executive Officer's remuneration package and making recommendations to the Board as to the total target reward to be offered</p>

to the Managing Director and/or Chief Executive Officer for the coming year;

- approve the remuneration of the senior executives reporting to the Chief Executive Officer;
- establishing the process for the review of the Non-executive Directors fees; and
- making recommendations on the appropriate remuneration levels and other benefits provided to Non-Executive Directors.

The Remuneration Committee will review the Company's compliance with equal employment opportunity legislation.

The Remuneration Committee will monitor compliance with the company's Code of Conduct, review any breaches of the Code and actions taken by management in relation to such breaches.

## **Delegated Authority:**

The Board has delegated its authority to the Remuneration Committee to:

- consider and approve any annual increases to the base salary of award and staff employees taking into account the recommendations of the Managing Director and/or Chief Executive Officer.
- consider and approve the total target reward, including Short Term Incentives (STI) and Long Term Incentives (LTI), for each member of the senior executive team taking into account the recommendations of the Managing Director and/or Chief Executive Officer.
- review with the Managing Director and/or Chief Executive Officer the performance of members of the senior management team;
- Approve the Managing Director and/or Chief Executive Officer's succession plans for members of the senior management team and other key positions in the Company; and
- Approve the remuneration package of new members of the senior management team

## **Reporting Mechanism to the Board:**

The Committee Chairman will report to the Board after each Committee meeting on the outcome of Committee proceedings and any reviews, and any recommendations.

Minutes of the Committee meeting are included in the papers for the next full Board meeting and a copy of the Committee papers is available for the Board.

**Access to Information and Independent Advice:**

The Committee has the authority, subject to the law, to require access to any information, document, report or material in the possession of any employee of the Company or any related body corporate, and all employees must comply with such requests from the Committee.

The Committee may, with prior written approval of the Chairman of the Board, obtain such independent legal, financial and other advice as it considers necessary, with the cost to be borne by the Company.

**Reliance:**

Committee members are entitled to rely on employees of the Company or professional advisers or consultants engaged by the Committee or the Company where:

- (a) there are reasonable grounds to believe that the employee, adviser or consultant is reliable and competent; and
- (b) reliance was made in good faith and after making an independent assessment of the information.

**Review Processes:**

The Charter, composition and annual agenda for the Remuneration Committee will be reviewed at least annually. Any changes to this Charter will require the approval of the Board.

The Remuneration Committee will undertake a formal process of self assessment on at least an annual basis. The results of this assessment will be communicated to the Board in order to assist the Board in its periodic review of the Remuneration Committee.

This Code was approved by the Decmil Group Limited Board on 4<sup>th</sup> of November 2009.

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**Denis Criddle**  
**Chairman of the Board**