

**INTRAPOWERS LIMITED ABN 26 123 699 043  
AND CONTROLLED ENTITIES**

**REMUNERATION COMMITTEE CHARTER**

This charter governs the operations of the Remuneration Committee ("Committee") for IntraPower Limited and its controlled entities ("the Company"). The Committee shall review and reassess the charter at least annually and obtain the approval of the Board of Directors for any changes.

**1. Membership**

- 1.1. In accordance with Recommendation 8.1 of the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Recommendations (2<sup>nd</sup> edition)*, the Committee shall be members of, and appointed by, the Board of Directors and shall preferably comprise at least two directors that have diverse, complimentary backgrounds, and are independent of management and the company.
- 1.2. The Company Secretary is also a member of the Committee, who also acts as the Committee Secretary. The Company Secretary will prepare an agenda and circulate to members, and will also record the minutes of the Committee meetings.
- 1.3. New members should be provided with a copy of the Committee's Charter and other specific information about the Company.
- 1.4. The CEO and CFO and the external auditors will be invited to attend meetings as required.
- 1.5. Committee members shall be considered independent so long as they do not have any relationship with the Company that may interfere with the exercise of independent judgment.

**2. Purpose**

- 2.1 The Committee sets out the role, responsibilities, composition, authority and membership requirements of the Committee of the Company.
- 2.2 Key features of the charter are outlined in the Company's annual reports. The charter is available to shareholders of the Company upon request.

**3. Duties and responsibilities**

- 3.1 The Committee is responsible for reviewing the remuneration policies and practices of the Company and making recommendations to the Board in relation to:
  - Executive remuneration and incentive plans:
    - a) Including, but not limited to, pension rights and compensation payments and any amendments to that policy proposed from time to time by management;
    - b) Review of the on-going appropriateness and relevance of the executive remuneration policy and other executive benefit programs;
    - c) Consideration of whether to seek shareholder approval of the executive remuneration policy;
    - d) Overseeing the implementation of the remuneration policy; and
    - e) Review and approval of the total proposed payments from each executive incentive plan.
  - Non-executive Director remuneration:
    - a) In developing the structure, consider the application of Recommendation 8.2 of the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Recommendations (2<sup>nd</sup> edition)*, in that non-executive directors

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- should be remunerated by way of fees (in the form of cash, non-cash benefits, superannuation contributions or equity), should not participate in schemes designed for the remuneration of executives and should not receive options, bonus payments or retirement benefits (other than statutory superannuation).
- b) Ensure that the fees for non-executive directors are within the aggregate amount approved by shareholders;
  - c) Overview the application of the Retirement Allowance for non-executive directors; and
  - d) Provide, in the corporate governance section of the Annual report, any departures from Recommendation 8.2 if necessary.
- The Company's recruitment, retention and termination policies and procedures for senior management.
  - Incentive plans and share allocations schemes:
    - a) Review and approve the design of all equity based plans;
    - b) Keep all plans under review in light of legislative, regulatory and market developments;
    - c) For each equity based plan, determine each year whether awards will be made under that plan;
    - d) Ensure that the equity based executive remuneration is made in accordance with the thresholds set in plans approved by shareholders; and
    - e) Review and approve total proposed awards under each plan.
- 3.2 The Committee shall provide an annual report to the Board of Directors (at the board meeting at which the year end financial statements are approved) which summarises the Committee's activities during the financial year. The report should include:
- A summary of the Committee's main authority, responsibilities and duties;
  - Members of the Committee for the financial year;
  - Details of meetings held during the financial year;
  - Major findings and recommendations made; and
  - Explanation of any departure from Recommendation 8.2 of the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Recommendations* (2<sup>nd</sup> edition).

**4. Remuneration policies**

- 4.1 The Committee should design the remuneration policy in such a way that it:
- Motivates directors and management to pursue the long-term growth and success of the Company within an appropriate control framework;
  - Demonstrates a clear relationship between key executive performance and remuneration.
- 4.2 In performing its role, the Committee is required to ensure that:
- The remuneration offered is in accordance with prevailing market conditions, and that exceptional circumstances are taken into consideration;
  - Contract provisions reflect market practice;
  - Targets and incentives are based on realistic performance criteria.
- 4.3 The Committee will also:

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- Overview the application of sound remuneration and employment practices across the Company; and
- Ensure the Company complies with legislative requirements related to employment practices.

**5. Meetings**

- 5.1 The Committee shall meet at least once a year.
- 5.2 The purpose of these meetings shall be to ensure that the spirit of the Committee charter is upheld in the remuneration practices of the Company.

**6. Approval**

- 6.1 The Committee must approve the following prior to implementation:
- Changes to the remuneration or contract terms of Executive Directors and any direct reports to the Managing Director;
  - The design of new, or amendments to current, equity plans or executive cash-based incentive plans;
  - Total level of award proposed from equity plans or executive cash-based incentive plans; and
  - Termination payments to Executive Directors or any direct reports to the Managing Director.
- 6.2 The Committee shall also provide an assessment of the following:
- Executive remuneration and incentive plans;
  - Remuneration packages for senior management, directors and the Managing Director;
  - Non-executive director remuneration;
  - The Company's recruitment and retention and termination policies and procedures for senior management;
  - Incentive plans and share allocation schemes;
  - Superannuation arrangements; and
  - Remuneration of members of other Committees of the Board of Directors.
- 6.3 The Committee shall provide recommendations for setting remuneration levels for directors, senior managers and Committees.
- 6.4 The Committee shall report to the Board of Directors any matter that, in the opinion of the Committee, should be brought to its attention and any recommendation requiring Board approvals and/or action.
- 6.5 At least annually, the Committee shall review the charter and its continuing adequacy, and an evaluation to the extent which the Committee has met the requirements of the charter.