

## REMUNERATION COMMITTEE CHARTER

### 1. Composition of the Remuneration Committee ("Committee" or "Remuneration Committee")

1.1 The Committee was constituted at a meeting of the board of directors held on 7 March 2016 in accordance with the constitution of the Company.

1.2 The Committee would normally at all times comprise at least three members of the Board and, where possible, comprise of a majority of non-executive directors. Given the size and make-up of the Board, however, this is not currently practicable.

1.3 At least one member is to have relevant qualifications and experience. The Remuneration Committee's current members are Dr Williams (chairman) and Mr Cholakos.

1.4 From time to time, non-Committee members may be invited by the Committee to attend meetings of the Committee, if it is considered appropriate. The company secretary is to attend meetings of the Committee unless the Committee determines otherwise.

### 2. Role of the Remuneration Committee

The function of the Committee is to assist the Board in fulfilling its corporate governance responsibilities with respect to remuneration of Company officers and other personnel. In so doing, its principal function is to review management proposals and to make appropriate recommendations on:

- (a) remuneration packages of executive directors, non-executive directors and senior executives; and
- (b) employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

It is recognised that the Board as a whole is responsible for approving the remuneration packages of executive directors and of remuneration policy generally and that the Committee assists the Board by making recommendations in relation thereto.

The Committee may also have a determinative function as delegate of the Board with respect to the CAP Option Plan, fulfilling the function of the Committee as described therein.

### 3. Operations

The Committee is to meet at least once a year and otherwise as required. Minutes of all meetings of the Committee are to be kept. Committee meetings will be governed by the same rules as set out in the Company's Constitution, as they apply to meetings of the Board.

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#### **4. Responsibilities**

4.1 The responsibilities of the Committee include:

- (a) reviewing the Company's *Remuneration Policy* and framework and making recommendations to the Board in respect thereof;
- (b) reviewing officers' and other Company personnel's remuneration and incentives and making recommendations to the Board in respect thereof;
- (c) reviewing superannuation (retirement benefit) arrangements of officers and other Company personnel and making recommendations to the Board in respect thereof; and
- (d) fulfilling the role of the Committee for the purposes of the CAP Option Plan.

#### **4.2 Executive Remuneration**

In considering the Company's *Remuneration Policy* and levels of remuneration for executives, the Committee makes recommendations to the Board that are designed to:

- (a) motivate executive directors and senior executives to pursue long term growth and success of the Company within an appropriate control framework; and
- (b) align the interests of key leadership with the long-term interests of the Company's shareholders.

To the extent that the Company adopts a different remuneration structure for its executive directors, the Committee must document its reasons for the purpose of disclosure to stakeholders.

#### **4.3 Non-Executive Remuneration**

In considering the Company's *Remuneration Policy* and levels of remuneration for non-executive directors, the Committee is through its recommendations to the Board to ensure that:

- (a) fees paid to non-executive directors are within the aggregate amount approved by shareholders and make recommendations to the Board with respect to the need for increases to this aggregate amount at the Company's annual general meeting;
- (b) non-executive directors are remunerated by way of fees (in the form of cash and superannuation/retirement benefits);
- (c) non-executive directors are not provided with retirement benefits other than statutory superannuation entitlements; and
- (d) non-executive directors are not entitled to participate in equity-based remuneration schemes designed for executives without due consideration and appropriate disclosure in advance to the Company's shareholders.

To the extent that the Company adopts a different remuneration structure for its non-executive directors, the Committee must document its reasons for the purpose of disclosure to stakeholders.

#### **4.4 Incentive Plans and Benefits Programs**

The Committee is to:

- (a) review and make determinations concerning the grant of options under the CAP Option Plan. Except as otherwise directed by the Board, the Committee will administer equity-based and employee benefit plans, and as such will discharge any responsibilities under those plans, including making and authorising issues of equity, in accordance with the terms of those plans;
- (b) ensure that incentive plans are designed around appropriate and realistic performance targets that measure relative performance and provide rewards when they are achieved; and
- (c) review and if necessary improve any existing benefit programs established for employees.

#### **5. Authority and Resources**

5.1 The Company is to provide the Committee with sufficient resources to undertake its duties. The Committee may seek input from individuals on remuneration policies, but no individual should be directly involved in deciding their own remuneration.

5.2 The Committee has the authority, as it deems necessary or appropriate, to obtain advice from external consultants or specialists in relation to remuneration related matters.