

HAMILTON JAMES & BRUCE GROUP LIMITED Remuneration and Nomination Committee Charter

1. GENERAL SCOPE

1.1 The Remuneration and Nomination Committee (the **Committee**) is a committee of the Board of Directors (the **Board**) of Hamilton James & Bruce Group Limited (**HJB** or the **Company**) and has been established by resolution of the Board and as part of the corporate governance framework for HJB.

1.2 The purpose of the Committee is to support and advise the Board in fulfilling its responsibilities to shareholders by:

1.2.1 Remuneration:

- Determining executive remuneration policy.
- Determining the remuneration of Directors of HJB.
- Reviewing and approving the remuneration of direct reports to the Chief Executive Officer of HJB (**CEO**), and as appropriate, other senior executives/managers.
- Reviewing and approving all equity based plans.

1.2.2 Nomination:

- Assessing the size, composition and skills required by the Board having regard to HJB's current and proposed scope of activities.
- Assessing the extent to which the required skills are represented on the Board.
- Establishing processes for the identification of suitable candidates for appointment to the Board.
- Establishing processes for the review of the performance of individual Directors and the Board as a whole.
- Assessing the terms of appointment and remuneration arrangements for Non-Executive Directors.

2. COMPOSITION

2.1 The Committee consists of a minimum of two Directors of the Board. The CEO is an ex-officio member of the Committee. Other members of the Committee are appointed by the Board. The effect of ceasing to be a Director of the Board is the automatic termination of appointment as a member of the Committee

2.2 The Chairman of the Committee is appointed by the Board and will be a Non-Executive Director. Should the Chairman of the Committee be absent from the meeting and no Acting Chairman has been appointed, the members of the Committee present at the meeting have authority to choose one of their number to be Chairman for that particular meeting.

2.3 The Company Secretary will act as secretary of the Committee.

3. MEETINGS

3.1 The Committee shall meet as frequently as required but not less than twice a year.

3.2 Any Committee members or the Company Secretary may call a meeting of the Committee.

- 3.3 A Notice of Meeting confirming the date, time venue and Agenda shall be forwarded to each member of the Committee prior to the meeting. The Notice of Meeting will include relevant supporting papers for the Agenda items to be discussed.
- 3.4 The quorum for a meeting is two members or any greater number determined by the Committee from time to time.
- 3.5 Other Directors, HJB executives and/or parties external to HJB may attend Committee meeting but only at the invitation of the Chairman.
- 3.6 Committee members will not be in attendance at meetings at which their own individual remuneration is being discussed.
- 3.7 The Chairman of the Committee, or delegate, shall report to the Board following each meeting.
- 3.8 Minutes of proceedings and resolutions of all Committee meeting shall be kept by the Company Secretary. Minutes will be distributed to all Committee members after preliminary approval has been given by the Chairman.

4. AUTHORITY

- 4.1 The Committee has the authority to seek any information it requires to carry out its duties from any officer or employee of any entity of HJB, and such officers or employees shall be instructed by the Board of the entity employing them to cooperate fully in the provision of such information.
- 4.2 The Committee also has the authority to consult any independent professional adviser it considers appropriate to assist it in meeting its responsibilities.
- 4.3 The Committee discharges its responsibilities by making recommendations to the Board. The Committee does not have any executive powers to commit the Board or Management to their implementation. The Committee is not responsible for supervising the performance of executives and does not become involved in day-to-day operations, management functions or decision making.

5. DUTIES AND RESPONSIBILITIES

In order to fulfil its responsibilities to the Board the Committee members shall:

5.1 Nomination

- 5.1.1 Periodically assess the skills required to competently discharge the Boards' duties, having regard to the strategic direction of HJB, and report the outcome of that assessment to the Board.
- 5.1.2 As and when it considers appropriate, but in any event on each occasion on which an existing director retires, assess the skills represented on the Board by the Directors and determine whether those skills meet the required skills as identified.
- 5.1.3 Make recommendations to the Chairman of the Board on means by which skill levels of existing Directors can be enhanced.
- 5.1.4 Having regard to the skills required and the skills represented, the Committee shall implement a process for the identification of suitable candidates for appointment to the Board.

- 5.1.5 In determining the process for the identification of suitable candidates, the Committee will ordinarily ensure that a search is undertaken by an appropriately qualified independent third party acting on a brief prepared by the Committee which identifies the skills sought.
- 5.1.6 Make recommendations to the Board on candidates it considers appropriate for appointment.
- 5.1.7 Inform the Board of the names of Directors who are retiring in accordance with the provisions of HJB's Constitution and will make recommendations to the Board as to whether the Board should support the renomination of that retiring Director. In making such recommendations, the Committee will undertake a process of review of the retiring Director's performance during the period in which the Director has been a member of the Board, and in so doing will conduct that review by whatever means it considers appropriate including assessment of performance by peers and self.
- 5.1.8 Not participate in the review of his or her own performance.
- 5.1.9 In carrying out all of its functions the Committee will have due regard to the *Principles of Good Corporate Governance and Best Practice Recommendations* issued by the ASX Corporate Governance Council.

5.2 Remuneration

Executive Remuneration Policy

- 5.2.1 Review and approve HJB's group policy for determining executive remuneration, and any amendments to that policy proposed from time to time.
- 5.2.2 Review the ongoing appropriateness and relevance of the executive remuneration policy and other executive benefit programs.
- 5.2.3 Oversee the implementation of the remuneration policy within the HJB group.

CEO and Senior Management

- 5.2.4 Consider and make recommendations to the Board on the entire specific remuneration for the CEO and each Senior Manager (including, but not limited to, base pay, incentive payments, equity awards, retirement rights and service contracts) having regard to the executive remuneration policy. The Committee will need to determine whether any shareholder approvals are required.

Executive Incentive Plans

- 5.2.5 Review and approve the design of all executive incentive plans.
- 5.2.6 Review and approve the total proposed payments from each executive incentive plan.

Equity Based Incentive Plans

- 5.2.7 Review and approve the design of all equity based plans.
- 5.2.8 Keep all plans under review in the light of legislative, regulatory and market developments.
- 5.2.9 For each equity based plan, determine each year whether awards will be made under that plan.

5.2.10 Review and approve total proposed awards under each plan.

5.2.11 In addition to considering awards to Directors and direct reports to the CEO, review and approve proposed awards under each plan on an individual basis for executives as required under the rules governing each plan or as determined by the Committee.

5.2.12 Review, approve and keep under review performance hurdles for each equity based plan.

6 FEES AND EXPENSES

6.1 Committee members are not entitled to receive any additional remuneration for their role as members of this Committee. Director's fees are set to include membership of Board Committees.

6.2 The reasonable expenses incurred by Committee members in discharging their obligations, attending Committee meeting, etc., will be reimbursed by the HJB, consistent with HJB policies which are established from time to time.

7 REVIEW OF TERMS OF REFERENCE

The Remuneration and Nomination Committee Terms of Reference is reviewed annually by the Committee to ensure it remains consistent with the Committee's authority, objectives and responsibilities. Significant changes to the Terms of Reference are recommended by the Committee and approved by the Board.

8 DISTRIBUTION OF TERMS OF REFERENCE

Key features of the Remuneration and Nomination Committee Terms of Reference are included in the Corporate Governance section of the Annual Report. The complete Terms of Reference are publicly available on the HJB's website.

ISSUED DATE: July 2008

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APPROVED BY: Company Secretary
Hamilton James & Bruce Group Limited