



Remuneration Committee Charter

Date of Charter: 26 June 2007
Date of Review: June 2008

Introduction

The Board of Directors of ERM Power Pty Ltd (**Company**) resolved to establish a committee of directors to be known as the Remuneration Committee (**Committee**). Its objectives, composition, term of office, duties and responsibility are set-out in this Charter.

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Objectives

The objectives of the Remuneration Committee are:

1. To assist the Managing Director in determining overall remuneration policy and strategy for the company
2. To ensure the company attracts and retains talented and experienced staff and has adequate depth and succession capability
3. To ensure staff are fairly and responsibly reward having regard to the performance of the company, the performance of the executive and the external compensation environment
4. To review and recommend the Executive Chairman and Managing Directors remuneration packages
5. To ensure remuneration policies and practices comply with statutory and regulatory requirements
6. To undertake any other remuneration related task as delegated from the board

Duties

The duties of the Remuneration Committee are:

1. Review annual budget for remuneration ensuring alignment with company strategy, plans and comparative industry benchmarks
2. Review and recommend Executive Chairman and Managing Directors remuneration packages
3. Assist the Managing Director in review of the remuneration packages for all executives
4. To review and recommend approval of staff and executive incentive schemes and changes to such schemes as required
5. To review and recommend approval of standard employment and engagement terms and conditions of the company
6. To review contractual rights of the senior executives on termination, and any payments made or proposed, to determine whether they are reasonable in the circumstances
7. To propose changes necessary to this charter.

Composition

The Committee is appointed by the Board for an indefinite term until revoked or terminated. It is to be comprised of at least two non-executive Directors with one elected Chair (**Chair**) and the Managing Director. The Committee will nominate the Chair.

Appointed Committee members are each a Voting Committee Member.

Meetings

A quorum shall consist of two Voting Committee Members.

The Committee may appoint a Secretary of the Committee. The Secretary is responsible in conjunction with the Chair for drawing up to agenda which is to be circulated ideally at least one week prior to a scheduled meeting, to members of the Committee and to persons nominated by the Chair.

The Secretary is also responsible for keeping the minutes of meetings of the Committee, and circulating them to Committee members.

The Committee may hold regular meetings as required in order to fulfill its duties. In addition, the Chair must call a meeting of the Committee if requested to do so by the Board.

Access to Information

The Committee has the authority to seek remuneration related information from the Secretary, and CFO as required.

The Committee is authorized to consult independent experts for advice as it reasonably considers necessary to execute its duties and responsibilities.

Reporting

The Chair is required to report the findings and recommendations of the Committee to the Board, as necessary. The Committee has no executive powers with regard to its findings and recommendations. These executive powers remain with the Board.