

**MMC CONTRARIAN LIMITED**  
ABN 83 106 248 248

---

**NOMINATION AND  
REMUNERATION COMMITTEE  
CHARTER**

**NOVEMBER 2008**

---

## NOMINATION AND REMUNERATION COMMITTEE CHARTER

### 1. DEFINITIONS AND INTERPRETATION

---

#### 1.1 Definitions

In this Charter, unless the contrary intention appears:

“**at any time**” means at any time and from time to time;

“**the Board**” means the board of directors of Contrarian;

“**BPR**” means Best Practice Recommendations of the ASX Corporate Governance Council;

“**the Committee**” means the Nomination and Remuneration Committee established by resolution of the Board, and whose Charter this is;

“**Director**” means a member of the Board;

“**Contrarian**” means MMC Contrarian Limited (ABN 83 106 248 248);

#### 1.2 Assessing when a Director is “independent”

For the purpose of this Charter, the Board may at any time determine that a Director is “independent” by reference to the following definition derived from the guidance in BPR 2.1. The Board may at any time determine that a Director is “independent” even though that Director does not satisfy one or more elements of the definition set out below if the Board considers that the Director is independent in character and judgment despite such elements not being satisfied [*see A.3.1 of The Combined Code on Corporate Governance, July 2003, UK*]. A Director may be regarded as “independent” if the Director:

- (a) is a non-executive Director (that is, is not a member of management); and
- (b) is not a substantial shareholder (that is, a person who has a “substantial holding” as defined in section 9 of the Corporations Act 2001) of Contrarian or an officer of, or otherwise associated directly with, a substantial shareholder of Contrarian; and
- (c) within the last 3 years has not been employed in an executive capacity by Contrarian or another entity in Contrarian, or been a Director after ceasing to hold any such employment; and
- (d) within the last 3 years has not been a principal of a material professional adviser or a material consultant to Contrarian or another entity in Contrarian, or an employee of such an adviser or consultant and materially associated with the service provided; and
- (e) is not a material supplier to, or material customer of, Contrarian or another entity in Contrarian, or an officer of, or otherwise associated directly or indirectly with, such a supplier or customer; and

- (f) has no material contractual relationship with Contrarian, or another entity in Contrarian, other than as a Director of Contrarian; and
- (g) has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of Contrarian; and
- (h) is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of Contrarian.

### **1.3 Interpretation**

In this Charter:

- (a) italicised notes are not part of this Charter and the Charter may be published at any time with or without any one or more of those notes, and either uniformly or on a selective basis;
- (b) references to the Corporations Act 2001 (Cth) ("CA") include any regulation made under that legislation and are construed as references to any statutory modification or re-enactment for the time being in force;
- (c) references to Australian Stock Exchange Ltd Listing Rules ("LR"), clauses of the constitution of Contrarian ("cl."), or Best Practice Recommendations of the ASX Corporate Governance Council ("BPR") are construed as references to those for the time being in force.

## **2. AUTHORITY**

---

### **2.1 Source of authority**

The Committee is a committee of the Board [cl. 6.13(a)]. The Committee is appointed and authorised by the Board to assist the Board in fulfilling its statutory and fiduciary responsibilities [BPR 2.4]. The authority of the Committee is sourced from:

- (a) this Charter; and
- (b) separate resolutions passed by the Board at any time; and
- (c) relevant Clauses of the Constitution of Contrarian.

### **2.2 Responsibilities**

The Committee is responsible for:

- (a) assessing the necessary and desirable competencies of Board members [guidance on BPR 2.4]; and
- (b) reviewing Board succession plans [guidance on BPR 2.4]; and
- (c) evaluating the performance of the Board [guidance on BPR 2.4]; and

- (d) making recommendations to the Board for the appointment and removal of Directors [*guidance on BPR 2.4*]; and
- (e) making recommendations to the Board on:
  - (i) executive remuneration and incentive policies [*guidance on BPR 8.2*]; and
  - (ii) the remuneration packages of senior management [*guidance on BPR 8.2*]; and
  - (iii) Contrarian's recruitment, retention and termination policies and procedures for senior management [*guidance on BPR 8.2*]; and
  - (iv) incentive schemes [*guidance on BPR 8.2*]; and
  - (v) superannuation arrangements [*guidance on BPR 8.2*]; and
  - (vi) the remuneration framework for Directors [*guidance on BPR 8.2*].

### **2.3 Investigation**

The Committee has the authority to at any time conduct or direct any investigation it considers necessary to fulfil its responsibilities.

### **2.4 Retain advisers**

The Committee has the authority to at any time retain, at the expense of Contrarian, such legal, accounting or other advisers, consultants or experts, as the Committee considers appropriate to assist it in meeting its responsibilities [*see Clause 8.3 below*].

### **2.5 Recommendation**

The Committee may at any time make recommendations to the Board as it sees fit.

### **2.6 Sub-committee**

The Committee may at any time form and delegate authority to sub-committees, comprised of one or more members of the Committee as it considers necessary or appropriate. Each sub-committee has the full power and authority of the Committee, subject to the terms of its delegated authority [*see cl. 6.13(b)*].

## **3. MEMBERS OF THE COMMITTEE**

---

### **3.1 Composition requirements**

Membership of the Committee is governed by the following requirements:

- (a) each member of the Committee is appointed by the Board;
- (b) the committee must comprise at least 3 Directors [*guidance on BPR 2.4, guidance on BRP 8.2*];

- (c) a majority of the members of the Committee must be independent, with the determination as to whether a Director is “independent” being made by the Board [*guidance on BPR 2.4, and guidance BPR 8.2*].

### **3.2 Term**

The term of appointment as a member of the Committee is for a period of one year. Each member of the Committee is eligible for reappointment by the Board, subject to the composition requirements for the Committee.

### **3.3 Cessation**

The Board may at any time remove any individual from the Committee and need not give a reason for doing so [*see cl. 6.13(a)*]. If a member of the Committee ceases for any reason to be a Director, that individual automatically ceases to be a member of the Committee.

### **3.4 Fees**

The services of a member of the Committee are beyond the ordinary duties of a Director. Accordingly, under Clause 6.3(f) of the Constitution of Contrarian, Committee members are entitled to receive remuneration as determined from time to time by the Board.

## **4. CHAIR**

---

### **4.1 Appointment**

The chair of the Committee must be appointed annually by the Board and must be an independent Director of the Board.

### **4.2 Acting chair**

If the chair of the Committee is absent from a meeting of the Committee and no acting chair has been appointed, the members of the Committee present at the meeting must choose one of the members of the Committee present to chair that particular meeting.

## **5. SECRETARY**

---

### **5.1 Appointment**

The Committee must appoint a secretary to the Committee.

### **5.2 Minutes**

The secretary of the Committee must ensure that minutes are taken of meetings of the Committee. If the secretary is asked to withdraw for all or any part of any meeting the chair must ensure that minutes are taken in respect of that part of the meeting [*see Clause 8.1 below re circulation of minutes*].

## **6. MEETINGS**

---

### **6.1 Meetings other than in person**

The Committee may meet for the dispatch of business, adjourn and otherwise regulate their meetings as they see fit. The Committee may conduct meetings by telephone or other form of communication without a member being in the physical presence of another member or other members [see *cl. 6.7(a)*].

### **6.2 Frequency**

The Committee must meet often enough to undertake its role effectively.

### **6.3 Additional meetings**

The chair of the Committee must call a meeting of the Committee if so requested:

- (a) by any member of the Committee; or
- (b) by the chair of the Board.

### **6.4 Quorum**

A quorum for a meeting of the Committee is 2 members. However, if a member is absent by reason of **Clause 6.5** below, the other member (without the material personal interest) may act in relation to the matter requiring such absence as if that other member were the full Committee.

### **6.5 Conflict of interest of a member of the Committee**

A member of the Committee who has a material personal interest in a matter that is being considered at a meeting of the Committee must not:

- (a) be present while the matter is being considered at the meeting; or
- (b) vote on the matter.

*[section 195(1) CA, guidance on BPR 8.2].*

### **6.6 Participation, despite conflict, in certain circumstances**

Despite **Clause 6.5**, a Director may be present and vote if the matter being considered is a recommendation to the Board on:

- (a) the remuneration framework for non-executive Directors, or
- (b) the apportionment of remuneration for non-executive Directors; or
- (c) the payment of expenses incurred, or to be incurred, by a Director in connection with the business of Contrarian; or
- (d) the indemnification of a Director by Contrarian against any liability incurred by that individual in that capacity; or

- (e) a contract insuring a Director (whether with other officers of the Contrarian Group or not) against a liability incurred by that Director as a Director of Contrarian.

## **7. ATTENDANCE AT MEETINGS**

---

### **7.1 Invitees**

Individuals who are not members of the Committee, whether Directors, or parties external to the Contrarian, may be invited to attend any meeting of the Committee.

### **7.2 Attendees may have to withdraw**

An individual who is not a member of the Committee may be asked by the Committee to withdraw for all or any part of any meeting of the Committee.

## **8. REPORTING BY THE COMMITTEE**

---

### **8.1 Circulation of minutes**

Minutes of each meeting of the Committee must be approved and signed by either the chair of that meeting or the chair of the Committee and then provided to the Board at the next meeting of the Board.

### **8.2 Reports to the Board**

The Committee, through its chair, must report to the Board at the earliest possible Board meeting after each meeting of the Committee. Such report should include any matters that, in the opinion of the Committee, should be brought to the attention of the Board, and any recommendations requiring the approval of the Board.

### **8.3 Supply of information to the Board and senior management**

In relation to its responsibilities under **Clause 2.2(e)** above, the Committee must ensure that each of the Board and senior management is provided with sufficient information to promote informed decision-making [*guidance on BPR 8.2, and see Clause 2.4 above*].

### **8.4 Review of Charter**

The Committee must, each year, review the adequacy of this Charter and recommend to the Board any changes to the Charter that the Committee considers are desirable.

### **8.5 Annual performance appraisal**

An evaluation of the performance of the Committee and the extent to which the Committee has met the requirements of this Charter will be conducted through the Board's annual performance appraisal process.

## 8.6 Publication of Charter

Key features of this Charter should be outlined in the corporate governance section of the annual report to shareholders of Contrarian. This Charter should also be made available by posting it to the website of Contrarian [*guidance on BPR 2.5, guidance BPR 9.5*].

### Charter History

21 April 2004	Nomination and Remuneration Committee established by the Board.
26 November 2008	Change to Committee members adopted by Board
26 November 2008	Charter approved by Board