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The board of directors (the Board) of FKP Limited (the Company) has established a Remuneration Committee (the Committee). The Committee is guided by the following Remuneration Committee Charter (the Charter) and the constitution of the Company where relevant.

**1. Purpose of the Remuneration Committee**

1.1 The purpose of the Committee is to:

- (a) review and recommend to the Board for approval policies for remuneration and employment of employees appropriate to the Company;
- (b) review and recommend to the Board for approval the quantum and structure of remuneration for directors and executive officers;
- (c) review and recommend to the Board for approval procedures to assess the performance of directors and executive officers; and
- (d) prepare and provide to the Board for approval any report on director and executive officer remuneration required by any listing rule, legislation, governing body or other regulatory requirement or proposed for inclusion in the Company's annual report.

**2. Composition of the Remuneration Committee**

2.1 The Committee will comprise three non-executive directors of the Board.

2.2 The Chairman of the Committee will be an independent director. The Chairman of the Committee will not be the Chairman of the Board.

**3. Responsibilities of the Remuneration Committee**

3.1 The responsibilities of the Committee are to:

- (a) review and recommend remuneration and incentive policies for directors and executive officers appropriate to the Company, considering:
  - (i) quantum of remuneration; and
  - (ii) structuring of remuneration (considering the appropriate proportion of superannuation, base remuneration, short-term and long-term "at risk" remuneration, bonus and incentive payments and any equity-based component).
- (b) review and recommend recruitment, retention, succession and termination policies and procedures appropriate to the Company for directors and executive officers;

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- (c) review and recommend appropriate remuneration and incentive policies appropriate to the Company for employees other than directors and executive officers, including superannuation and the administration of any employee share plan or other incentive plan;
- (d) review and recommend recruitment, retention, succession and termination policies and procedures appropriate to the Company for employees other than directors and executive officers; and
- (e) review and make recommendations on any other matter related to remuneration referred to the Committee by the Board from time to time.

#### **4. Remuneration Policies**

4.1 The Committee is to design remuneration policies such that:

- (a) directors and executive officers are motivated to enhance the long-term growth of the Company within an appropriate risk and control framework;
- (b) a clear relationship exists between the performance and the remuneration of directors and executive officers;
- (c) the structure of non-executive directors' remuneration is distinguished from the remuneration of executive directors and officers;
- (d) no person is responsible for assessing their own performance or solely responsible for recommending the quantum or structure of their own remuneration for Board approval;
- (e) the Board and Committee are provided with sufficient information to ensure informed decision-making;
- (f) a balance exists between base remuneration and short-term and long-term "at risk" remuneration, bonus and incentive payments and any equity-based component to encourage performance in accordance with the Company's circumstances and objectives; and
- (g) a balance exists between the remuneration linked to individual performance and Company performance.

#### **5. Meetings of the Committee**

5.1 Meetings of the Committee will be conducted in the following manner:

- (a) The number of meetings to be held annually is to be determined by the Committee so as to enable the Committee to fulfil its obligations, but cannot be less than two each year;
- (b) The Chairman of the Committee may call a meeting at any time and will call a meeting if requested by a member of the Committee or the Board;



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- (c) The Chairman and the Secretary of the Committee will prepare and circulate to the Committee an agenda at least two days prior to each meeting;
- (d) Quorum is two members of the Committee; and
- (e) The Secretary of the Committee will maintain minutes of the meetings, which will be signed by the Chairman.

**6. Reporting**

- 6.1 The Chairman of the Committee will report to the Board subsequent to each Committee meeting the matter discussed at the meeting.
- 6.2 The following matters will be included in the annual report:
  - (a) the company's remuneration policies;
  - (b) the names of the Committee and their attendance at meetings of the Committee;
  - (c) the existence and terms of any schemes for retirement benefits, other than statutory superannuation, for non-executive directors;
  - (d) an explanation of any departure from Australian Stock Exchange Limited "Principles of Good Corporate Governance and Best Practice Recommendations" 9.1 - 9.5; and
  - (e) any other matter to be disclosed in relation to remuneration subsequently arising as result of any amendment to the Australian Stock Exchange Limited "Principles of Good Corporate Governance and Best Practice Recommendations".

**7. Appraisal**

- 7.1 The performance of the Committee shall be measured against this Charter.

**8. Charter Review**

- 8.1 The Charter will be reviewed by the Board annually and revised as required