



**Collection House Limited**

## **Remuneration Committee Charter**

### **ANNEXURE B TO THE BOARD COMMITTEES OVERVIEW**

**Revised Version 3:  
Approved by the Board on  
25/06/09  
Revised Version 2:  
Approved by the Board on  
26/06/08  
Version 1: Approved by  
the Board 25/02/04**

## TABLE OF CONTENTS

1.	Membership.....	3
2.	Objectives.....	3
3.	Duties and Responsibilities.....	3
4.	Authority .....	4
5.	Administration of the Committee.....	5
6.	Meetings.....	5
7.	Meetings Agenda.....	5
8.	Review of the Remuneration Committee Terms of Reference .....	6

## REMUNERATION COMMITTEE CHARTER

### 1. Membership

- 1.1 The Remuneration Committee will comprise at least 3 directors (including the Committee Chair), of whom 2 will be independent non-executive directors.
- 1.2 A quorum will be two members.
- 1.3 The Board will appoint the Committee Chair who must be an independent director. The Chair of the Committee shall preside over the meetings of the Committee and may call special meetings, in addition to those regularly scheduled, and will report to the Board the actions and recommendations of the Committee.

### 2. Objectives

The primary objectives of the Remuneration Committee are to:

- 2.1 Assist the Board of Directors to discharge its responsibility to exercise due care, diligence and skill in relation to:
  - reviewing the remuneration policy for Directors;
  - reviewing the remuneration, recruitment, retention and termination policy and procedures for Senior Executives ;
  - evaluating and reviewing current industry standards and practices;
  - evaluating Chief Executive Officer (“CEO”) and Senior Management performances.
- 2.2 Provide a formal forum for communication between the Board of Directors and Senior Management in relation to Remuneration.
- 2.3 Improve the efficiency of the Board of Directors by delegating tasks to the Committee where greater attention can be given to the task.

### 3. Duties and Responsibilities

- 3.1 The Remuneration Committee reports to the Board of Collection House Limited. The Committee has the following key duties and responsibilities in relation to Collection House and its controlled entities:
  - Make recommendations to the Board on Director’s fees, remuneration packages and other policies applicable to Executive and Non-Executive Directors. In considering the remuneration packages for Directors, the remuneration packages should clearly distinguish the structure of Non-Executives Directors from that of Executive Directors, and should involve a balance between fixed and incentive pay, reflecting short and long term performance objectives appropriate to the Company’s circumstances and objectives.
  - Make recommendations to the Board on the CEO’s employment contract and remuneration package.

- Approval and monitoring of salary packages, including remuneration, superannuation arrangements and incentives, for senior executives and other senior personnel. In considering the salary packages for Senior Executives, the salary package should motivate Senior Executives to pursue the long term growth and success of the Company and demonstrate a clear relationship between remuneration and performance.
- Evaluate current industry practices and the different remuneration methods and philosophies in the market.
- Delegation to management of responsibility for remaining salary packages and wage rates.
- Develop policies relating to the Collection House employee share and option plans and reward and recognition schemes across the Collection House Group and the monitoring of such schemes.
- Evaluate and make recommendations to the Board in relation to the CEO and Senior Management performance.
- Make recommendations to Board on the above matters.
- Remuneration packages are to be set at levels that will attract and retain senior executives and personnel who will manage the Collection House Group's operations and enhance shareholder value.
- Ensure that any remuneration package, including termination benefits, for a director, executive or a person in a key management position is compliant with our policy and procedures and the current legislation and regulatory requirements from time to time.

3.2 The remuneration and other terms of employment for all staff are to be formalised in employment contracts developed and monitored by the Senior Management Team.

#### 4. **Authority**

- 4.1 The Board authorises the Remuneration Committee to act in a non-executive role to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
- 4.2 The Committee is authorised by the Board to obtain legal or other independent outside professional advice and to secure the attendance of outside parties with relevant experience and **expertise if it considers this necessary.**
- 4.3 Subject to Board approval, to do such other things and take such other actions as are necessary or prudent to fulfil the responsibilities of the Committee.
- 4.4 Undertake other related activities referred to the Remuneration Committee by the Board.

## 5. **Administration of the Committee**

- 5.1 To seek the assignment, secondment or appointment of administrative personnel necessary to assist the Committee in performing its responsibilities.
- 5.2 The Chief Executive Officer shall normally attend meetings. Other Board members shall also have the right of attendance.
- 5.3 Chairman of the Remuneration Committee should report formally to the Board of Directors to provide a summary of the Remuneration Committee's work, deliberations and results.
- 5.4 The Company Secretary or such other person as the Board may appoint shall be the designated Secretary to facilitate the administrative functions of the Committee.
- 5.5 The responsibilities of the Secretary include preparing and sending notices of meetings and agendas, recording the minutes of meetings of the Committee and performing any other administrative duties deemed necessary by the Committee.

## 6. **Meetings**

- 6.1 The Remuneration Committee will establish a timetable for regular meetings which shall be held not less than twice each financial year or more often as required.
- 6.2 It is common for a Committee to hold the following meetings:
  - A meeting to review the progress of the Committee.
  - Report to the Board in relation to the progress and other developments.
  - Such additional meetings as are required at the discretion of the Committee or the direction of the Board.
- 6.3 Other Board members are invited to attend meetings of the Committee in an unofficial capacity.
- 6.4 Where the Committee requires a Director, Executive Officer or employee to attend a meeting in a formal capacity, the Committee will follow the process contained in the "Invitation to Board and Sub-Committee Meeting Procedure".
- 6.5 Minutes shall be circularised to all members of the Committee as soon as practicable after each meeting and thereafter to all members of the Board and external auditors.

## 7. **Meetings Agenda**

- 7.1 The Committee at each of the regularly scheduled meetings should consider the following matters.
  - Review and approve minutes of the previous meeting.
  - The formulation of reports and recommendations to the Board.

- Perform such other functions and consider such other matters deemed necessary by the Committee to fulfil its responsibilities.

**8. Review of the Remuneration Committee Terms of Reference**

- 8.1 The Committee shall review the continuing relevance of these Terms of Reference on an annual basis. Where changes are deemed necessary they will be submitted to the Board of Directors for endorsement.