

**Contango MicroCap Limited**  
**ABN 47 107 617 381**

# **REMUNERATION COMMITTEE CHARTER**

**November 2013**



## 1. INTRODUCTION

The Board of Contango Microcap Limited (“CTN”) has established the Remuneration Committee (“the Committee”) in accordance with the ASX Corporate Governance Council’s Principles of Good Corporate Governance and Best Practice Recommendations.

The role of the Committee is to assist and advise the board of CTN to fulfil its responsibilities to the shareholders of CTN on matters relating to policies and procedures with respect to recruitment; retention and termination.

In addition, the Committee also assists and advises the board of CTN with respect to compensation, superannuation, bonuses, incentives and other related remuneration issues of the chief executive officer, non-executive directors and CTN group staff.

The Committee is not a policy making body but assists the Board by implementing board policy.

## 2. OBJECTIVES

The objectives of the Committee are:

- ▶ To review and recommend the remuneration of the chief executive officer within the terms of the employment contract, annually to the board.
- ▶ To review the chief executive officer’s recommendations regarding remuneration for staff.
- ▶ To ensure staff remuneration is aligned with market trends.
- ▶ To monitor and review the chief executive officer’s performance and key performance indicators for the determination of annual bonus components.
- ▶ To review and recommend any incentive plans or ex-gratia payments to CTN group staff or to the chief executive officer.
- ▶ To review any employee grievance or staff complaints about remuneration.
- ▶ To ensure that the CTN group’s remuneration and incentive policies, practices and performance indicators are aligned to the CTN board’s vision, values and overall business objectives and are appropriately designed so as to:
  - motivate CTN group staff and the chief executive officer to pursue the long term growth and success of the CTN group; and
  - demonstrate a clear relationship between the achievement of the CTN group’s objectives and the chief executive officer’s and the staff’s performance and remuneration.

In discharging their responsibilities, the Committee members have a duty to act in the best interests of the CTN group as a whole, irrespective of personal, professional, commercial or other interests, loyalties and affiliations.

## 3. ADMINISTRATION

### *Membership and Attendance at Meetings*

- ▶ The Committee is a committee of the board.
- ▶ The Committee will include at least three members, the majority of whom must be independent directors.

- ▶ The independent chairman of the CTN board will nominate committee members.
- ▶ The CTN Board shall approve all appointments to the committee including any external member and the appointment of the chairman.
- ▶ Appointment to the Committee will be for two years or as determined by the Board.

### ***Meetings of the Committee***

- ▶ The Committee will hold meetings at least twice a year and additionally as it considers necessary.
- ▶ A quorum will constitute two members.
- ▶ Meetings of the Committee may be held face to face or through any technological means by which members can participate in discussion.
- ▶ The notice and agenda of meetings will include relevant supporting papers as appropriate.
- ▶ The Committee may invite any such other persons to attend as it sees fit and consult with other persons or seek any information it considers necessary to fulfil its responsibilities.
- ▶ The Committee may seek input from senior executives on remuneration policies, but no senior executive should be directly involved in deciding their own remuneration.

### ***Voting***

Any matters requiring a decision will be decided by a majority of votes of members present.

### ***Secretariat Duties***

- ▶ The Committee chair or delegated committee members will minute the matters arising from all meetings. The minutes will be ratified by members in attendance/discussion and signed by the Committee chair.

### ***Board Reporting***

- ▶ The Committee reports to the CTN board as necessary after each meeting and circulates the minutes to the board as soon as practicable.

### ***Authority***

The CTN board authorises the Committee within the scope of its responsibilities to:

- ▶ seek any information it requires from any employee or external party; but no individual should be directly involved in deciding their own remuneration;
- ▶ obtain outside legal or other independent professional advice;
- ▶ request the attendance of any external party with relevant experience and expertise.

***Review of Charter and Composition***

The CTN board annually reviews the composition of the Committee and approves the committee charter.

Appointment to the Committee will be for two years or as determined by the CTN Board.

The duties and responsibilities of a member of the Committee will be in addition to those duties set out for a director of the board.

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