

Contango Income Generator Limited
ABN 40 160 959 991

REMUNERATION COMMITTEE CHARTER

August 2015

1. INTRODUCTION

The Board of Contango Income Generator Limited (“CIE or Company”) 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 CIE to fulfil its responsibilities to the shareholders of CIE 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 CIE with respect to compensation, superannuation, bonuses, incentives and other related remuneration issues of the non-executive Directors.

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

2. OBJECTIVES

The objectives of the Committee are:

- (a) to review and recommend the remuneration of the chief executive officer (if one exists) within the terms of the employment contract, annually to the Board.
- (b) to review the chief executive officer’s recommendations regarding remuneration for staff.
- (c) to ensure staff remuneration is aligned with market trends.
- (d) to monitor and review the chief executive officer’s performance and key performance indicators for the determination of the annual bonus components.
- (e) to review and recommend any incentive plans or ex-gratia payments to CIE staff or to the chief executive officer.
- (f) to review any employee grievance or staff complaints about remuneration.
- (g) to ensure that the CIE remuneration and incentive policies, practices and performance indicators are aligned to the CIE Board’s vision, values and overall business objectives and are appropriately designed so as to:
 - (i) motivate CIE staff and the chief executive officer to pursue the long term growth and success of CIE; and
 - (ii) demonstrate a clear relationship between the achievement of the CIE’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 CIE as a whole, irrespective of personal, professional, commercial or other interests, loyalties and affiliations.

3. ADMINISTRATION

3.1 Membership and Attendance at Meetings

- (a) the Committee is a committee of the Board.
- (b) the Committee will include at least two members, the majority of whom must be independent Directors (if possible).
- (c) the Committee should include a majority of independent Directors (if possible).
- (d) the independent Director of the CIE Board will nominate committee members.
- (e) the Committee will elect its chairman who must be an independent Director (if possible).
- (f) the CIE Board shall approve all appointments to the committee including any external member and the appointment of the chairman.

- (g) Appointment to the Committee will be for two years or as determined by the Board.

Whilst the Committee will aim to have a majority of independent Directors and a Chairman who is an independent Director, this may not always be practical given the size of the board and the circumstances of the Company.

3.2 Meetings of the Committee

- (a) The Committee will hold meetings at least once a year and additionally as it considers necessary.
- (b) A quorum will constitute two members.
- (c) Meetings of the Committee may be held face to face or through any technological means by which members can participate in discussion.
- (d) The notice and agenda of meetings will include relevant supporting papers as appropriate.
- (e) 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.
- (f) The Committee may seek input from senior executives on remuneration policies, but no senior executive should be directly involved in deciding their own remuneration.

3.3 Voting

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

3.4 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.

3.5 Board Reporting

The Committee reports to the CIE Board as necessary after each meeting and circulates the minutes to the Board as soon as practicable.

3.6 Authority

The CIE Board authorises the Committee within the scope of its responsibilities to:

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

3.7 Review of Charter and Composition

The CIE 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 CIE 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.