

Carnarvon Petroleum Limited Remuneration Committee Charter

Objective

The objective of the Committee is to review and recommend appropriate remuneration policies which are designed to meet the needs of the Company and to enhance corporate and individual performance.

Role and Responsibilities

The role of the Remuneration Committee is to:-

- Review and recommend to the Board remuneration policies, packages and terms of employment contracts in relation to Executives and Directors;
- Review and recommend proposals for share plans and incentive programs; and

In carrying out its role, the Remuneration Committee is to take note of regulations regarding appointments and remuneration, particularly the relevant provisions of Employment Law and the Corporations Act. The responsibilities of the Remuneration Committee include a review of and recommendation to the Board on:-

- Managing Director's remuneration and incentive policies;
- Incentive schemes; and
- Remuneration framework for directors.

The specific functions of the Remuneration Committee are to:-

- ensure that remuneration policies and systems that support the Company's wider objectives and strategies are in place and are being adhered to;
- co-ordinate annual reviews of the Company's remuneration policies and practices to ensure they are:-
 - relevant to the Company's wider objectives and strategies;

- legal and defensible; and
 - in accordance with the human resource objectives of the Company;
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- review the performance of the Executive Chairman on an annual basis and ensure there is a process for determining key performance indicators for the ensuing period; and
 - review executive and non-executive directors and senior executive remuneration in accordance with approved board policies and processes and external information

Reporting

The Chairman of the Committee is to report to the Board and, as appropriate, make recommendations to the Board after each committee meeting, concerning matters dealt with by the Committee.

Membership/Attendance

The Remuneration Committee comprises at least three members, consists of a majority of independent directors, and has an independent Chairman. Others may be invited to attend meetings as required. The composition of the Committee will be reviewed on an annual basis.

Meeting Procedures

The Committee shall initially meet annually and then as required. A quorum shall consist of two nominated members. Each nominated member shall have one vote and the chairman shall not have a casting vote. Minutes will be prepared for circulation to the Board.