



ADELAIDE BRIGHTON LIMITED

ACN 007 596 018

NOMINATION, REMUNERATION AND GOVERNANCE COMMITTEE COMMITTEE CHARTER

1 Membership of the committee

The committee shall:

- consist of a minimum of 3 members, all of whom are non-executive directors and the majority of whom are independent directors; and
- be chaired by an independent director.

The Board may appoint such additional non-executive directors to the committee or remove and replace members of the committee by resolution. Members may withdraw from membership by written notification to the Board.

Members of management may also attend meetings of the committee at the invitation of the Committee Chairman, but must not be appointed members of the committee.

2 Administrative matters

Any member may, and the Company Secretary must on request from a member, convene a meeting of the committee. Notice must be given to every committee member of every committee meeting but there is no minimum notice period and acknowledgment of receipt by all members is not required before the meeting may be validly held.

The committee will meet as often as the committee members deem necessary in order to fulfil their role. However it is intended that the committee will meet at least 3 times each year. A quorum is at least 2 members.

The committee may obtain information from and consult with members of management (including the Managing Director, Chief Financial Officer or the Executive General Manager Human Resources) as it considers appropriate. Where members of management including the Managing Director are invited to attend meetings of the committee, the individual may not participate in deliberations of the committee where the matter could affect his or her position or where he or she has a personal interest, but nevertheless the individual can answer any questions from the committee.

The committee may, upon notifying the Board or the Chairman of the Board, seek the advice of the Company's solicitors as to any matter pertaining to the powers, duties or responsibilities of the committee and may, with the prior approval of the Board or the Chairman of the Board, engage any other independent advisers in relation to these matters, as the committee may require.

The Company Secretary will attend all committee meetings as minute secretary. All minutes of the committee will be entered into a minute book maintained for that purpose and will be open at all times for inspection by any director.

3 Reporting

The Committee Chairman will provide a brief oral report to the Board as to any material matters arising out of the immediately preceding committee meeting. All directors will be permitted, within a Board meeting, to request information of the Committee Chairman or members of the committee.

4 Responsibilities and functions

The role of the committee is to assist and advise the Board on matters relating to:

- Board composition and the appointment, succession and remuneration of the non-executive directors, Managing Director and other senior executives and employees of the Adelaide Brighton Limited group (the **Group**); and
- best practice corporate governance appropriate to the circumstances of the Company.

The following are intended to form part of the normal procedures for the committee's responsibilities:

Human resources, remuneration and performance

- reviewing and making recommendations to the Board on:
 - the total level of remuneration of non-executive directors and for individual fees for non-executive directors and the Chair, including any additional fees payable for membership of Board committees; and
 - the total remuneration package for the Managing Director, including short term and long term incentives for the Managing Director;
- reviewing and approving recommendations from the Managing Director on total levels of remuneration for senior executives reporting to the Managing Director, including their participation in short and long term incentive schemes;
- reviewing the performance targets for senior executives reporting to the Managing Director, assessing the extent to which these performance conditions have been satisfied, and making awards under the relevant short term or long term incentive scheme;
- reviewing the Group's obligations on matters such as superannuation and other employment benefits and entitlements and overseeing the implementation of and regularly reviewing the Group's incentive arrangements (both short and long term);
- reviewing human resources and remuneration policies and practices for the Group as brought forward by the Managing Director and where appropriate, recommend for adoption by the Board;
- annually reviewing and making recommendations to the Board in relation to the measurable objectives for achieving diversity set by the Board and the progress made towards achieving them; and

- reviewing and making recommendations to the Board in relation to any pay parity issues identified by management in the annual remuneration review process.

Appointment and succession

- reviewing management succession planning for Adelaide Brighton in general, but specifically in regard to the Managing Director and senior executives reporting to the Managing Director;
- reviewing the appointments and terminations to senior executive positions reporting to the Managing Director;
- reviewing and making recommendations to the Board regarding the appointment and succession of non-executive directors, including attending to the following matters:
 - periodically assessing the appropriate mix of skills, experience, expertise, independence and diversity required on the Board and assessing the extent to which the required skills are represented on the Board;
 - establishing processes for the identification of suitable candidates for appointment to the Board, including:
 - establishing criteria for Board membership;
 - engaging appropriate search firms to assist in identifying potential candidates; and
 - where appropriate, nominating appropriate candidates for non-executive directorship;
 - regularly reviewing the time required from a non-executive director and whether directors are meeting that requirement;
 - monitoring the length of service of current Board members, considering succession planning issues and identifying the likely order of retirement by rotation of non-executive directors;
- establishing processes for the review of the performance of individual non-executive directors, the Board as a whole and the operation of Board committees; and
- oversight of the induction and ongoing training and education programs for the Board to ensure that non-executive directors are provided with adequate information regarding the operations of the business, the industry and their legal responsibilities and duties;

Corporate governance

- overseeing the development and periodic review of the Company's corporate governance framework and systems, including reviewing and amending (as appropriate) the systems that monitor the discharge of the Company's obligations regarding:
 - continuous disclosure of material price sensitive information to the ASX in compliance with the ASX Listing Rules;

- share trading by the Company and its directors and executives to minimise the risk of any actual insider trading in its securities (or perception of such trading) by the Company and its officers;
- identifying and appropriately managing conflicts of interest that may arise involving the company and its directors or executives or its shareholders;
- ensuring that the Board is periodically updated in relation to, and overseeing the Company's compliance with, best practice corporate governance, as applicable to the circumstances of the Company;
- ensuring the periodic review of the Company's charters and policies and recommending any changes to the Board that may be necessary from time to time; and
- having input into the annual Corporate Governance Statement prior to its approval by the Board.

5 Review

The Board will, at least once in each year review the membership and charter of the committee to determine its adequacy for current circumstances and the committee may make recommendations to the Board in relation to the committee's membership responsibilities, functions or otherwise.