

Nuplex Industries Limited

Remuneration Committee Terms of Reference

1. Constitution

- The Remuneration Committee shall be a committee of the Board of Nuplex Industries Limited established by the Board.

2. Objectives

- The objective of the Committee is to assist the Board in the establishment of effective remuneration policies and practices, that support the organisation structure/management development and in discharging the Board's responsibilities relative to remuneration- setting and review of the Managing Director (MD), other senior executives (including the MD's direct reports) and directors.

3. Membership

- members of the Committee shall comprise members of the Board appointed by the Board
- the number of the members of the committee shall not be less than three, the majority of whom shall be non-executive directors. The Managing Director shall be a member of the committee but shall be replaced by the Company Chairman for the review of the Managing Director's performance and remuneration
- the Board shall appoint a Chairman from among the non-executive members of the Committee.

4. Meetings of the Committee

- a quorum of members of the Committee shall be two at least one of whom shall be a non-executive director
- the Committee may have in attendance such members of management including the head of human resources and such other persons including external advisers, as it considers necessary to provide appropriate information and advice
- all directors shall be entitled to attend meetings of the Committee provided that executive directors must absent themselves from discussions or meetings where they are conflicted for personal reasons

- meetings shall be held not less than two times a year to fit in with the remuneration and planning cycles
- any member of the Committee or the Company Chairman may request a meeting at any time they consider it necessary
- reasonable notice of meetings and the business to be conducted shall be given to all those attending meetings
- the Remuneration Committee will meet in committee at the end of each meeting
- minutes of all meetings shall be kept.

5. **Responsibilities**

- subject to the limitations on the Committee's authorities contained in paragraph 6, the responsibilities of the Committee are:
 - setting and reviewing the effectiveness of the remuneration policies and practices of the company;
 - setting and reviewing, in accordance with the company's remuneration and policies and practices, all components of the remuneration of the Managing Director, the MD's direct reports and such other senior executives as the Board may from time to time determine. The components shall include base salary, bonuses, entitlements under employee incentive plans, company share schemes, and all other entitlements and benefits from their employment. The remuneration of employees who report to the Managing Director is subject to prior recommendation from the Managing Director;
 - setting and reviewing, as appropriate, the terms of employment for the personnel just referred to;
 - setting and reviewing the terms of the company's short and long term incentive plans including any share and option schemes for employees and directors;
 - setting and reviewing terms of the company's superannuation schemes;
 - making recommendations to the Board on setting and reviewing all components of the remuneration of the non-executive directors. Such components shall include all base fees, supplemental fees for undertaking additional duties, reimbursable expenses, entitlements on retirement from or termination of Board membership, and all other benefits and entitlements arising from their directorships; and

- considering and reviewing other matters as may be referred by the Board.

6. Authorities

- the Committee will make recommendations to the Board on all matters requiring a decision. The Committee does not have the power or authority to make a decision in the Board's name or on its behalf.
- the Committee is authorised by the Board, at the expense of the company to obtain such outside information and advice including market surveys and reports , and to consult with such management and executive search consultants and other advisers with relevant experience and expertise, as it thinks necessary to carry out its responsibilities.

7. Review of the Committee

- the Committee will undertake an annual self review of its objectives and responsibilities. The objectives and responsibilities may be reviewed by the Board and the Managing Director and any other person the board considers appropriate.

8. Reporting Procedures

- after each meeting the chairman will report the Committee's recommendations to the Board.
- the minutes of all Committee meetings will be circulated to members of the Board. The Chairman will present an annual report to the Board summarising the Committee's activities during the year and any related significant results and findings.

18 September 2002