



ADELAIDE BRIGHTON LIMITED

ACN 007 596 018

NOMINATION AND REMUNERATION COMMITTEE COMMITTEE CHARTER

1 Membership of the committee

The committee shall:

- consist of a minimum of 3 members, the majority being independent directors;
- be chaired by an independent director.

The Board may appoint such additional 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. The Managing Director 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.

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 the Managing Director, Chief Financial Officer or the Human Resources Manager, as it considers appropriate.

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 or duties of the committee, as the committee may require.

The committee may, with the prior approval of the Board, instruct the Managing Director to engage such other independent advisers in relation to any matter pertaining to the responsibilities of the committee, 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

Normally, a meeting of the committee will be held immediately before a Board meeting. There will be included in the Board papers for the Board meeting next following a meeting of the committee the minutes of the previous committee meeting.

The Committee Chairman will provide a brief oral report as to any material matters arising out of the immediately preceding committee meeting. All directors will be permitted, within the 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 the appointment and remuneration of the non-executive directors, Managing Director and other senior executives and employees of the Adelaide Brighton Limited group (the **Group**).

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

- 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 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;
- 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 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); and

- reviewing and making recommendations to the Board regarding the appointment of non-executive directors, including attending to the following matters:
 - periodically assessing the appropriate mix of skills, experience and expertise 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;
 - 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.

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.