



Neptune Marine Services Limited
ACN 105 665 843

Human Resources & Compensation Committee Charter

Contents



- 1. ROLE..... 1
- 2. DUTIES 1
- 3. REPORTING 4
- 4. COMPOSITION 4
- 5. PROCEEDINGS 4
- 6. AUTHORITIES..... 5

1. ROLE

1.1 The role of the Committee

The role of the Human Resources & Compensation Committee (**Committee**) is to assist the Neptune Board of Directors (**Board**) in establishing human resources and compensation policies and practices which:

- ◆ enable Neptune to attract retain and motivate talented employees who achieve operational excellence and create value for shareholders;
- ◆ reward employees fairly and responsibly, regard being had to the results of the Neptune Group, individual performance and general remuneration conditions;
- ◆ reflect best practice in people development while meeting Neptune business needs; and
- ◆ comply with relevant provisions of the ASX Listing Rules and Corporations Act in Australia.

2. DUTIES

2.1 General

The Committee will:

- (a) review and make recommendations to the Board on the Company's remuneration policies and practices generally, including superannuation and equity awards;
- (b) oversee the formulation and review of the Company's recruitment, organisational development, retention, succession and termination policies generally;
- (c) consider whether, and if so when, shareholder approval of aspects of the remuneration policy is required; and
- (d) ensure that the Company meets its disclosure obligations in respect of remuneration matters as required under the ASX Listing Rules and the Corporations Act.

2.2 Direct reports to the CEO

The Committee will have the power to approve, or if it considers it appropriate, review and refer to the Board for final decision:

- (a) the appointment and the removal of executives who report directly to the Managing Director and Chief Executive Officer (CEO); and
- (b) the specific remuneration (including base pay, incentive payments, bonuses, equity awards, superannuation, retirement rights, termination payments, services contracts) of the direct reports of the CEO.

2.3 Executive oversight

The Committee will review and make recommendations to the Board on:

- (a) the specific remuneration (including base pay, incentive payments, bonuses, equity awards, superannuation, retirement rights, termination payments, services contracts) of the CEO and any other Executive Directors;
- (b) executive development and succession plans;
- (c) whether and if so when any aspects of any package, or items, of the proposed remuneration are subject to shareholder approval or disclosure; and
- (d) the criteria for, and the evaluation of, the performance of the CEO.

2.4 Employee incentive-based plans

The Committee will:

- (a) monitor and make recommendations to the Board in respect of the design and implementation of all incentive-based plans, including performance hurdles and incentive pool amounts;
- (b) review these plans in the light of legislative, regulatory and market developments;
- (c) in relation to each equity-based plan, consider each year whether awards should be made under it and the amount thereof; and

- (d) consider whether circumstances exist under which it would be appropriate for the Board to exercise any discretion reserved to it under the rules.

2.5 Remuneration of non-executive Directors

The Committee will:

- (a) review annually the compensation of the Chairman and non-executive Directors (including equity plans) and for that purpose obtain external advice either directly or through management on market practice for the remuneration of Directors;
- (b) inform the Board of the results of the remuneration review and the consultant's advice in order that the Board may determine the appropriate level of remuneration;
- (c) consider if any increase in fees or proposed changes to non-executive Director remuneration practices require disclosure or shareholder approval;
- (d) consider whether there are circumstances in which compensation or additional remuneration may be appropriate in the case of any particular Director;
- (e) ensure that the total remuneration paid to Directors each year inclusive of superannuation contributions does not exceed the fee ceiling limit approved by shareholders in general meeting; and
- (f) ensure that the remuneration of Directors and disclosure relating to that remuneration complies with the requirements of the ASX Listing Rules and the Corporations Act.

2.6 Other duties

The Committee will:

- (a) at least annually review this Charter and will then consider whether any changes are appropriate;
- (b) participate in an annual review of its performance and effectiveness;
- (c) review the Company's annual Remuneration Report to ensure it complies with the ASX Principles of Good Corporate Governance and Best Practice Recommendations;
- (d) review all reporting by the Company of its remuneration policies and practices including valuations applied to equity plans; and
- (e) undertake any other duties and activities that the Board may consider appropriate.



3. REPORTING

3.1 Committee Chairman to Report

The Committee Chairman will:

- (a) report to the Board on the proceedings of each Committee meeting (to the next Board meeting); and
- (b) attend the Annual General Meeting and be available to respond to any shareholder questions on the Committee's activities and areas of responsibility.

4. COMPOSITION

4.1 Membership

The Committee membership should consist of at least two members and all members are to be non-executive Directors. The Chairman of the Committee may be Chairman of the Board. The Chairman of the Committee and a majority of members must meet the criteria for independence.

4.2 Expertise

It is desirable that at least one member of the Committee has an understanding of remuneration policies and practices.

At least one member of the Committee must have been a Director of Neptune for not less than one year.

4.3 Company secretary

The Company Secretary or their nominee will act as Secretary to the Committee.

4.4 Liaison

The Human Resources Manager through the Chief Executive Officer is the principal liaison between executive management and the Committee on remuneration matters.

5. PROCEEDINGS

5.1 Meeting frequency

The Committee will meet as frequently as required but not less than twice each year.

Any member of the Committee or the Secretary to the Committee may call a meeting of the Committee.

5.2 Notice

The dates, times and venues of each meeting of the Committee will be notified by the Secretary to all members of the Committee as far in advance as possible.

5.3 Committee papers

Supporting papers for each meeting of the Committee will be distributed by the Secretary to all members of the Committee as far in advance as possible. Directors not on the Committee may request copies of the agenda and Committee papers.

5.4 Attendance

Members of the Committee, and any other Directors wishing to attend, are entitled to be present at Committee meetings.

The Committee may extend an invitation to any person to attend all or part of any meeting which it considers appropriate. In particular the Committee may meet with external advisers, any executive or other employee, any other non-executive Director, and may do so with or without management present.

The CEO, Human Resources Manager and the Company Secretary will normally be invited to attend meetings.

5.5 Quorum

A quorum for the meeting of the Committee is two members.

5.6 Committee Chairman

In the absence of the Committee Chairman or appointed delegate, the members shall elect one of their numbers who is an independent non-executive Director as Chairman of the meeting.

5.7 Agenda

The agenda for each Committee meeting is settled by the Committee Chairman, with the Company Secretary, and with input from the Director Human Resources.

5.8 Minutes

Minutes of the meetings of the Committee are distributed first to the Chairman of the Committee and then to members for confirmation as soon as practicable, and after confirmation, distributed to all Directors with their Board papers (unless circumstances otherwise require, for example where there is a conflict of interest).

6. AUTHORITIES

6.1 Access

The Committee has unrestricted access to executive management, all



employees and all relevant Company records (except in circumstances where there is a conflict of interest) and to financial and legal advisers.

6.2 Independent advice

The Committee is authorized to obtain outside legal or other independent professional advice, and to secure the attendance of such advisers if it is considered necessary.