

# CO2 GROUP LIMITED

## REMUNERATION COMMITTEE CHARTER

### Purpose

The Company is required to report the remuneration of various officers on a regular basis and Recommendation 9.2 of the ASX Corporate Governance Council recommends the appointment of a remuneration committee as an efficient mechanism for focusing on appropriate remuneration policies for the Company. The remuneration committee should have a formal charter that clearly sets out its role and responsibilities, composition, structure and membership requirements.

### Composition of Remuneration Committee

The remuneration Committee must:

- consist of a minimum of three members, the majority being independent directors;
- the chairman must be appointed by the Board and be an independent director; and
- Meet at least once per year and when required by the Chairman.

### Responsibilities

The responsibilities of the remuneration committee include a review of and recommendation to the board on:

- executive remuneration and incentive policies
- the remuneration packages of senior management
- the company's recruitment, retention and termination policies and procedures for senior management
- incentive schemes
- superannuation arrangements
- the remuneration framework for directors.

### Remuneration Policies

The remuneration policy is to ensure:

- directors and management are motivated to pursue the long-term growth and success of the company within an appropriate control framework
- there is a clear relationship between key executive performance and remuneration.
- Clearly distinguish between executive and non-executive directors' remuneration.

To this end the full board has retained full responsibility for determining the remuneration of non-executive directors. The full board elected to approve the issue of unlisted options to the two non-executive directors appointed in July 2005. The issue of the options was approved by shareholders at the general meeting after their appointment.

The issue of options to non-executive directors is not consistent with the guidelines to recommendation 9.3 of CGC, however the board considered the issue of options in the circumstances to be in the best interests of shareholders in lieu of more substantial cash fees.

The remuneration committee is solely responsible for determining the remuneration of executive directors and senior management employees.

The remuneration committee is authorised to seek input from individuals on remuneration policies, but no individual should be directly involved in deciding his/her remuneration.

The remuneration committee are required to ensure that the board, management and the remuneration committee are provided with sufficient information to ensure informed decision-making.

The Committee is required to assess its effectiveness periodically and the Charter is required to be revised annually and updated where necessary.