

Policy Summary of prohibition of entering into transactions in associated products to limit economic risk of entering into unvested entitlements under equity-based remuneration schemes

Equity-based remuneration

The Board believes that appropriately designed equity-based remuneration, including stock options, can be an effective form of remuneration when linked to performance objectives or hurdles. Equity-based remuneration, however, has limitations and can contribute to 'short-termism' on the part of senior executives. Accordingly, the Board believes it is important that the design appropriate schemes and the terms of such schemes should clearly prohibit entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under these schemes.

Such unvested entitlements are not a current feature of the Company's remuneration structure. Accordingly, the Company has adopted the ASX Corporate Governance Council's guideline on this matter in respect of executive remuneration packages¹.

¹ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations 2nd Ed*, page 36 guideline #3 - *Equity-Based Remuneration*. See: <http://asx.ice4.interactiveinvestor.com.au/ASX0701/Corporate%20Governance%20Principles/EN/body.aspx?z=5&p=36&v=1&uid=>