

## **PETER LEHMANN WINES LIMITED REMUNERATION COMMITTEE CHARTER**

### **ROLE**

The committee reviews and makes recommendations on remuneration packages and policies applicable to senior executives and the non-executive directors.

The committee has to be sensitive to the general concerns of shareholders and ensure that the remuneration packages are not considered to be excessive. At the same time the committee has to design incentives which sufficiently reward and motivate.

Sound judgement and good communication by committee members are essential to an effective overview of the remuneration policies and practices.

### **FUNCTIONS**

The committee shall review the following annually:

- Policies for senior executives and directors remuneration
- The basis of the calculation for senior executives' and directors' remuneration to ensure that it appears reasonable
- Current industry practice and the professional executive recruitment organisations' publications
- Different methods for remunerating senior executive and directors
- Superannuation payments
- Termination payments
- Fringe benefits
- Professional liability and liability insurance policies
- Related party transaction disclosure in the financial statements

### **MEMBERSHIP**

- The remuneration committee shall be comprised of non-executive directors.
- The committee chairman, being a non-executive director, shall be appointed by the board of directors.
- A committee secretary shall be appointed for the purpose of maintaining minutes and attending to necessary administration matters.
- The term of service of the members of the committee will be determined by the board of directors.

### **MEETINGS**

The committee shall meet at least once a year: -

- to coincide with the annual review of salaries and wages

### **REPORTING**

- The remuneration committee shall report a summary of the findings of each committee meeting to the board of directors.
- The chairman will advise the status of decisions to the company secretary to ensure administrative matters are dealt with effectively and efficiently.

### **ACCESS TO PERSONNEL**

The committee shall have direct access to the senior executives, and the ability to consult independent experts when necessary.

## **NON EXECUTIVE DIRECTORS & MANAGING DIRECTOR**

The committee will make decisions on the following: -

- Non-executive directors' fees
- The managing director's remuneration package

## **REVIEW OF REMUNERATION PACKAGES & LEVELS DETERMINED BY THE MANAGING DIRECTOR**

- the structure of packages generally and the general relativities and/or formulae
- amounts and remuneration methods proposed for senior executives
- weekly paid staff remuneration

## **ENTERPISE BARGAINING**

- The committee shall not become involved in detailed negotiations with employees.
- Management should report any broad policy matters being discussed. There should be no agreement with employees/unions which would result, after realistic productivity offsets, in an overall negative effect on the company's profitability without the committee's involvement.

## **REGULAR REVIEW OF THE SKILLS, EXPERIENCE AND QUALIFICATIONS OF EMPLOYEES**

- Analyse the strengths and weaknesses in the workforce to determine suitability to the ongoing needs of the business
- Review the recruitment policy to ensure the most appropriate people are being recruited at all levels.
- Review the training programs instituted to equip the workforce with changing business needs
- Review succession plans for key personnel

## **LEGISLATIVE INTERFACE**

The committee will review compliance with Federal and State legislation which impact on staffing matters. In particular the committee will consider PLW's approach to equal opportunity and to workplace health and safety issues.

## **EMPLOYEE MANUAL POLICIES AND PROCEDURES**

Regular review of the manual, particularly

- PLW's policies on the employment contract
- staff entitlements to overtime, annual leave, sick leave and long service leave