

**Remuneration and Nomination Committee
Charter****1. Objectives**

The committee assists the board on

- the appointment and succession of the managing director;
- development and recommendation of fair and responsible remuneration plans for the company's officers and executive management including succession and performance reviews;
- selection, appointment, performance evaluation, independence and remuneration processes relating to directors and the board.

The main objectives of the Remuneration and Nomination Committee are:

1.1 Remuneration

Monitor and review the company's remuneration policies and practices, ensuring that they are formalised and transparent and achieve fair and responsible reward for officers and executives, having regard to affordability, performance, the law and good governance.

1.2 Nomination

Recommend candidates for board appointment based on preferred attributes and within an appropriately developed selection framework.

1.3 Board performance

Develop and co-ordinate processes for performance evaluation, assessment of independence of directors, succession planning of the board, board committees and individual directors.

2. Membership

The committee consists of the Fermiscan chairman and two directors, with the managing director as an ex officio, voting member of the committee. Membership is subject to annual board review.

3. Invitees

The committee may request any officer or employee of Fermiscan, or any person or group with relevant experience or expertise to attend meetings or to meet with any members or consultants of the committee as they consider appropriate.

4. Meetings

The committee has four scheduled meetings per year and additional meetings as the chairman decides.

5. Minutes

The agenda and supporting documentation will be circulated to committee members and any other invitees within a reasonable period in advance of each meeting. Minutes of meetings accompanied by an 'action plan'

detailing matters that require attention as a result of the committee's deliberations will be circulated to members of the committee and the board.

6. Duties & Responsibilities

6.1 Remuneration

The committee's duties and responsibilities are not limited to but include the following-:

- approve the remuneration arrangements for the managing director.
- be consulted by the managing director on appointments, terminations, performance and remuneration reviews, and succession plans for the managing director's direct reports.
- ensure executive performance criteria are clearly defined and based on the achievement of a balance of short and long-term corporate goals. The executive remuneration approach is to reward performance and provide an appropriately competitive salary to attract and retain quality executives.
- review the company's recruitment, retention, termination and succession procedures for senior management
- monitor and review remuneration policies, superannuation arrangements, personnel practice and industrial relation strategies
- consider management performance assessment processes, short term incentive strategies, performance targets and bonus payments
- obtain advice from an independent, external consultant, or organisation specialising in remuneration matters and report to the board on board remuneration at intervals agreed with the board.
- review and periodically report to the board on board and director costs
- review the remuneration report prepared in accordance with the Corporations Act for inclusion in the annual directors' report.

The committee will also ensure that it is satisfied that the board, management and the committee itself are provided with sufficient information to ensure informed decision making regarding remuneration.

6.2 Nomination

The committee will review and make recommendations to the board on:

- the board and the board committee structure.
- the selection, appointment and succession, for directors of the company, ensuring that processes are formalised and transparent in order to promote investor confidence and understanding
- director appointment criteria with particular focus on the appropriate skill mix, personal qualities, expertise, ability to exercise independent judgement and diversity required to discharge the board's duties
- the necessary and desirable competencies of directors and the development of processes to enhance performance.
- assessment of whether the skills, experience and expertise of board members is adequate for the board to discharge its mandate effectively.
- induction processes for individual directors

- assessment of the independence of non-executive directors
- development and review of policies on board composition, size and strategic function
- review preferred attributes and recommend nomination of potential candidates for appointment to the board within an appropriately developed framework

7. Authority and Access

The board authorises the committee to

- perform activities within its charter and make determinations about matters for which it is responsible.
- have access to any officer or employee, after advising the managing director
- obtain outside legal or other professional advice to assist in undertaking its responsibilities
- carry out investigations on behalf of the board

The committee shall have access to the company secretary

Members of the committee shall be entitled to training and/or professional development courses relating to issues specific to the industry in which the company operates.

8. Relationships

The committee will:

- work with other board committees to review implementation of appropriate remuneration and nomination practices, policies and processes; and
- advise the board on policy proposals as they relate to the committee.

9. Reporting

The committee shall record proceedings of each meeting and report to the immediate next board meeting.

Fermiscan's annual report shall include a statement describing the responsibilities and activities of the committee.

10. Evaluating Performance

The committee shall:-

- evaluate its own performance on an annual basis. This will include an assessment of the extent to which the committee has discharged its responsibilities as set out in this charter. The results of this evaluation will be reported to the board.
- obtain feedback from the board on the effectiveness of the committee

11. Review of the Committee Charter

The committee shall review its charter annually and discuss any required changes with the board and ensure that the charter is approved or re-approved by the board.