NOMINATION AND REMUNERATION COMMITTEE FUNCTIONS

The primary function of the Nomination and Remuneration Committee is to assist the Board in discharging its responsibility to exercise due care, diligence and skill in relation to the following areas:

- Remuneration policies and incentive plans.
- Board nominations and remuneration.
- Corporate conduct and business ethics, including ongoing compliance with laws and regulations.

This Committee is concerned with recommending nomination and remuneration policy which:

- Motivates Directors and management to pursue the long-term growth and success of the Company within an appropriate control framework.
- Demonstrates a clear relationship between key executive performance and remuneration.

The activities of the Nomination and Remuneration Committee may include:

- Assessing, and periodically reviewing, appropriate remuneration policies, levels and packages. Remuneration packages may include share schemes, incentive performance packages, superannuation entitlements and fringe benefits and any other items considered appropriate by the Committee.
- Setting the remuneration for the General Manager.
- Proposing Director Remuneration for ratification by shareholders.
- Monitoring the implementation by the Company of its remuneration policies.
- Undertaking periodic reviews of the job description and performance of key employees.
- Managing complaints, grievances and disciplinary processes as they affect senior executives.
- Remuneration of key executives
  - The Board currently has in place 3 elements of remuneration for its key executives
    - Fixed Remuneration
    - Employee Share Scheme (Directors do not participate)
    - Equity based performance incentive scheme for directors that has been approved by shareholders at an Annual General Meeting.

Other functions include:

- Managing Board and Board Committee membership and succession planning.
- Undertaking Board, Committee and Director Performance evaluation.
- Performing Board member induction, education and development.
- Overseeing compliance with the code of conduct and other best practice governance standards.
- The appointment and re-election of directors.

NOMINATION AND REMUNERATION COMMITTEE COMPOSITION

The Astivita Limited Nomination and Remuneration Committee are comprised of three Directors, one of whom is independent.

The Chairman of the Nomination and Remuneration Committee should be an independent Director and shall be selected by the Board. Mr. Dudurovic is the current Chairman of the Nomination and Remuneration Committee.

The company recognises that the Nomination and Remuneration committee should be a majority of independent directors. The company does not follow this recommendation.

REMUNERATION OF COMMITTEE MEMBERS

The Company's policies regarding the terms and conditions for remuneration relating to the Nomination and Remuneration Committee members are approved by the Board following receipt and consideration of professional advice. The total remuneration payable is set in accordance with the aggregate limits approved by shareholders.

PERFORMANCE EVALUATION

The Chairman of the Nomination and Remuneration Committee is responsible for evaluation of the Board and, when deemed appropriate, Board Committees and individual Directors.

A formal Board evaluation process takes place annually, with the method of evaluation being determined by the Chairman. The results are then discussed by the Board in an open forum and action taken where appropriate.

The Board is responsible for evaluating the performance of key employees on an annual basis in accordance with defined performance criteria.

New directors must complete the Institute of Company Directors course with the AICD before they are appointed or conduct a refresher course if already a member.

The Board will evaluate if existing directors require any professional development in particular areas if required.

MINUTES

Minutes of proceedings and resolutions of committee meetings will be kept by the Secretary. Minutes will be distributed to all Committee members and the Board, after the Committee Chairman has approved the minutes. Minutes, agenda and supporting papers, will be made available to any Director upon request to the Secretary, providing no conflict of interest exists.