

Provident Capital Limited

Remuneration Committee Charter

1. Constitution

1.1 The **Remuneration Committee** has been established by resolution of the Board.

2. Membership

2.1 The **Remuneration Committee** shall be appointed by the Board from among the non-executive Directors of the Company and shall consist of not less than two members being independent Directors if possible.

2.2 Directors will be appointed to the **Remuneration Committee** for a term of three years or such shorter time as they remain in the office of Director.

3. Chairman

3.1 The Board shall appoint an independent Director as the Chairman of the Committee who shall not be the Chairman of the Board.

4. Quorum

4.1 A quorum shall be two members.

5. Meeting Frequency

5.1 **Remuneration Committee** meetings will be held not less than twice a year to enable the Committee to undertake its role effectively. It will usually be in May and October each year.

6. Objective

6.1 The objective of the **Remuneration Committee** is to help the Board achieve its objective of ensuring the Company:

- (a) has coherent remuneration policies and practices to attract and retain executives and directors who will create value for shareholders;
- (b) observes those remuneration policies and practices; and
- (c) fairly and responsibly rewards executives having regard to the performance of the Company, the performance of the executives and the general pay environment.

7. Remuneration policies and practices

- 7.1 Executive remuneration and incentive policies and practices must be performance based and aligned with the Company's vision, values and overall business objectives.
- 7.2 Executive remuneration and incentive policies and practices must be designed to:
- (a) motivate the directors and management to pursue the Company's long term growth and success; and
 - (b) demonstrate a clear relationship between the Company's overall performance and the performance of executives.

8. Duties

- 8.1 The duties of the **Remuneration Committee** are to:
- (a) assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and policies including incentive policies for Directors and senior executives;
 - (b) assess the market to ensure that senior executives are being rewarded commensurate with their responsibilities;
 - (c) obtain the best possible advice in establishing salary levels;
 - (d) set policies for senior executives' remuneration;
 - (e) review the recommendations of the Managing Director in respect to salary levels, KPI's and role descriptions of senior executives and make recommendations to the Board on any proposed changes;
 - (f) review recommendations from the Managing Director relating to proposed merit increases for direct reports;
 - (g) propose, for full Board approval, the terms and conditions of employment for the Managing Director;
 - (h) set the criteria for negotiating any Regulatory employment agreements/contracts;
 - (i) review the Company's recruitment, retention and termination policies and procedures for senior management;
 - (j) review and make recommendations to the Board on the Company's incentive schemes;
 - (k) review and make recommendations to the Board on the Company's superannuation arrangements;
 - (l) oversee the remuneration report as part of the corporate governance section for the Annual Report and for adoption at the Annual General Meeting; and
 - (m) review the remuneration of both executive and non-executive Directors and make recommendations to the Board on any proposed changes.

9. Authority

- 9.1 The Committee is authorised by the Board to investigate any activity within its charter.
- 9.2 The Committee is required to make recommendations to the Board on all matters within the Committee's charter.
- 9.3 The Committee discharges its responsibilities by making recommendations to the Board.
- 9.4 The Committee does not have any executive powers to commit the Board or Management to implementation of recommendations unless authorised by resolution of the Board.
- 9.5 The Committee is not responsible for supervising the performance of executives and must not become involved in day to day operations, management functions or decision making.
- 9.6 The Committee may obtain information from and consult with the Managing Director or other executive officer of the Company, as and when it considers appropriate. The Committee will have access to management, auditors (external and internal), Compliance Officers and external compliance consultants with or without management present, and has the right to seek explanations and additional information. It is authorised to seek any information it requires from any employees and all employees are directed to cooperate with any request made by the Committee. The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.
- 9.7 The Committee shall, after notifying the Board or the Chairman of the Board and the Managing Director, have the ability to:
 - (a) direct any special investigations;
 - (b) seek advice of the entity's auditors or solicitors;
 - (c) engage and consult independent experts where necessary to carry out its duties; and/or
 - (d) commission and consult external reports and other documents.

10. Remuneration Policy

- 10.1 The **Remuneration Committee** must review and make recommendations to the Board on:
 - (a) The Company's remuneration, recruitment, retention and termination policies and procedures for senior executives;

- (b) Senior executive remuneration and incentives;
- (c) Superannuation arrangements; and
- (d) The remuneration framework for directors.

10.2 In doing so, the **Remuneration Committee** must have regard to the way that the Remuneration Policy:

- (a) motivates senior executives to pursue the long-term growth and success of the Group;
- (b) demonstrates a clear relationship between senior executives' performance and remuneration;

11. Reporting Procedures

11.1 The Chairman shall circulate the minutes of the meetings of the **Remuneration Committee** to all members of the Committee for comment and change before being signed by the Chairman of the Committee and circulated to the Board with the Board papers for the next Board meeting. The minutes are to be tabled at the Board meeting following the **Remuneration Committee** meeting along with any recommendations made.

11.2 The **Remuneration Committee** must oversee the preparation of, and make recommendations to the Board, in respect of the reports and information required by the Corporations Act.

11.3 The **Remuneration Committee** must ensure that a copy of this Charter is maintained on the Company's website.

12. Review

12.1 This Charter must be reviewed not less than once every three years. The Charter may only be amended with the approval of the full Board following recommendation from the Committee.

12.2 The Committee shall prepare, and report to the Board, the results of an annual performance evaluation of the Committee, which shall compare the performance of the Committee with the requirements of this Charter.

Adopted at Board Meeting 17th December 2008.