

## **ADACEL REMUNERATION COMMITTEE**

### ***Role of the Committee***

The role of the Remuneration Committee:

- Review and make recommendations to the Board on remuneration packages and practices applicable to the Chief Executive Officer or equivalent, senior executives and Directors themselves
  - Company share option schemes
  - Incentive performance packages and
  - Retirement and termination entitlements.
- Evaluate the performance of the Chief Executive Officer or equivalent and the senior executive team

### ***Composition and Administrative Issues:***

The Remuneration Committee of the Adacel Board comprises only non-executive Directors with a majority of independent Directors::

- Independent Chairman
- Non Executive Director
- Non Executive Director

The Board appoints the Chairman of the Committee from within its Non Executive members. A quorum is any two members of the Non Executive Directors.

Senior members of management are invited to Remuneration Committee meetings at the discretion of the Committee.

### ***Secretary***

The Committee will appoint a Secretary from the Company management. The Secretary will keep meeting minutes.

### ***Meetings***

The Committee meets as required.

### ***Remuneration levels and independent advice***

The Remuneration Committee may obtain independent advice on the appropriateness of remuneration packages. Remuneration levels are competitively set to attract the most qualified and experienced Directors and senior executives

### ***Performance evaluation of CEO and Senior Executives***

The performance of the CEO or equivalent and senior executives is assessed annually against both group and individual performance criteria that have been agreed in plans reviewed and approved by the Remuneration Committee and the Board. Criteria to be met may include group and/or business unit orders, revenue and profit performance and personal Key Performance Indicators.

The CEO or equivalent meets with the Board annually prior to the financial year to discuss, review and agree objectives and associated performance indicators for the next year.

The Remuneration Committee of the Board evaluates the performance and remuneration of the CEO or equivalent, including short term and long term incentives annually and reports to the Board to assist its decisions on performance appraisal and remuneration adjustments.

The CEO or equivalent undertakes annual performance reviews with each senior executive, with specific focus on performance against set objectives. At this time performance objectives for the ensuing year are also established.

The CEO or equivalent reviews annually the performance of each senior executive with the Remuneration Committee. The Committee and Board also review remuneration recommendations, including short term and long term incentives proposed by the CEO or equivalent.