

Charter of responsibilities of the Remuneration Committee

Introduction

The Remuneration Committee (**the Committee**) is a committee of the Board of Directors (**Board**) of McMillan Shakespeare Limited and is subject to the control and direction of the Board.

Membership

The membership of the Committee shall consist of a minimum of two non-executive Directors and be chaired by the Chairman of the Board or a non-executive Director. Executive Directors shall not be entitled to be a member of the Committee but may be required to attend meetings to provide information and advice.

Quorum

Two Directors shall constitute a quorum for meetings of the Committee.

Functions and Responsibilities

The Committee's primary role is to review and make recommendations to the Board on the following matters:

- McMillan Shakespeare's overall remuneration policies and strategies;
- senior executive remuneration structures (including share plan, share options and other benefits) and service contract (noting that the remuneration of the senior executives reporting directly to the Managing Director are to be approved by the Committee and ratified by the Board);
- remuneration and incentive schemes for executive directors;
- senior management induction and succession planning;
- McMillan Shakespeare's superannuation arrangements;
- non-executive Director remuneration levels and retirement benefits;
- McMillan Shakespeare's recruitment, retention and termination policies and procedures for senior management; and
- the performance of the Managing Director and Chief Executive Officer and any other executive Directors (on an annual basis).

In carrying out its duties, the Committee will have regard to any guidelines approved by the Board. The Committee shall recommend to the Board any changes to these guidelines which it considers to be necessary or appropriate.

The Committee shall be entitled to engage appropriately qualified consultants to provide it with advice and recommendations.

Meetings

The Committee shall determine the frequency of meetings, but it shall meet at least once per year and shall report to the Board at the meeting immediately following the Committee meeting.

Reviewed and adopted by the Board on 19 August 2008.

The current composition of the Remuneration Committee is:

- Mr Ron Pitcher, AM Chairman, Independent non-executive Director
- Mr Graeme McMahon Independent non-executive Director
- Mr John Bennetts Non-executive Director
- Mr Ross Chessari Non-executive Director