



mcm entertainment group Limited
ACN 006 173 271
adopted by the Board on 20 August 2008

charter

remuneration committee charter

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policy statement

The Board of directors (the Board) of mcm entertainment group Limited (mcm) and its associated entities has established a Remuneration Committee (the Committee). The Committee is guided by the following Charter (the Charter) and the constitution of mcm where relevant.

1 purpose of the committee

The purpose of the Committee is to assist the Board in discharging its obligations and responsibilities by monitoring and advising on:

- (a) overall policies for remuneration and employment of employees appropriate to mcm;
 - the quantum and structure of remuneration for;
 - directors of mcm board and subsidiary boards and;
 - executives who report directly to mcm board or a subsidiary board;
- (b) procedures to assess the performance of directors and executives relevant to the above;
- (c) appraisal, retention, succession and termination of directors, executives and employees of the group including subsidiaries;
- (d) Prepare and provide to the Board for approval any relevant report required by any listing rule, legislation, governing body or other regulatory requirement or proposed for inclusion in mcm's annual report; and
- (e) Process procedures and policies for the design, payment and access to employee share and option plans.

The Committee will consider and make recommendations to the Board for ratification on matters within its area of responsibility.

2 composition of the committee

The Board appoints the members and the Chairman to the Committee.

The Committee will comprise three directors of the Board.

Each member is expected to:

- (a) have a reasonable knowledge of the business of the Group and its activities, including those subsidiary entities; and
- (b) have the capability, time and attention to prepare for and attend Committee meetings.

Members of the Committee will be given the opportunity to attend professional development and technical sessions to keep up to date with relevant issues that affect the operations of the Group.

3 responsibilities of the committee

3.1 The responsibilities of the Committee are to:

- (a) Review and recommend remuneration, HR policies, performance management and procedures for mcm, including:
 - Directors of the Group of companies,
 - The Chief Executive Officer and Chief Operating Officer,
 - Executive and Senior management.
- (b) Assurance that all compliance, governance, accounting, legal approvals and disclosure requirements associated with mcm's employment practices are satisfied.

3.2 Directors

- (a) Monitoring reviewing and recommend changes to remuneration and incentive packages for non-executive directors including:
 - quantum or remuneration and benefits;
 - structuring of remuneration, bonus and incentive payments and any equity-based component;
 - seek assurance that remuneration and incentives of directors are within approvals and meet corporate governance and compliance guidelines.

3.3 The Chief Executive and Chief Operating Officer(s)

- (a) Make recommendations to the Board on the key accountabilities for the CEO and COO;
- (b) Make recommendations to the Board on the terms and conditions of the CEO's and COO's employment contract, including fixed payments, short and long term incentives, access to and the quantity of equity based payments.
- (c) Review at least annually the CEO's and COO's total remuneration arrangements to ensure that legal, compliance and governance principles are being met.
- (d) Establishment of the authorities and processes applicable to the CEO's and COO's expense claims.

3.4 Executive and Senior Management

- (a) Make recommendations to the Board on the key accountabilities, group goals and performance measurements for the Senior Management of the Group.
- (b) Review at least annually the Key accountabilities of Senior Management total remuneration arrangements to ensure that legal, compliance and governance principles are being met.

4 remuneration policies

The Committee is to design remuneration policies such that:

- (a) all directors and employees are motivated to enhance the long-term growth of mcm within an appropriate risk and control framework;
- (b) a clear relationship exists between the performance and the remuneration of directors and executives;
- (c) the structure of non-executive directors' remuneration is distinguished from the remuneration of executive directors;
- (d) no person is responsible for assessing their own performance or solely responsible for recommending the quantum or structure of their own remuneration for Board approval;
- (e) the Board and Committee are provided with sufficient information to ensure informed decision-making;
- (f) a balance exists between base remuneration and short-term and long-term "at risk" remuneration, bonus and incentive payments and any equity-based component to encourage performance in accordance with mcm's circumstances and objectives;
- (g) a balance exists between the remuneration linked to individual performance and Group performance;
- (h) there are appropriate policy reviews of employment practices at all levels including recruitment, retention and termination;
- (i) the annual nonbinding advisory vote by members at the Annual General Meeting of the Company is reflected in employment policies and practices;
- (j) the annual remuneration report is consistent with governance and compliance;
- (k) the annual remuneration report reflects the knowledge and recommendations of the Committee;
- (l) employee share and option plans are designed, reviewed and approved in accordance with regulations, governance, compliance regimes and shareholder approvals; and
- (m) the exercise of discretions and decisions of employee share and option plans are reviewed and in certain circumstances make recommendations to the Board for the offer of shares or options to employees.

5 meetings of the committee

Meetings of the Committee will be conducted in the following manner:

- (a) the number of meetings to be held annually is to be determined by the Committee so as to enable the Committee to fulfil its obligations, but will not be less than two each year;
- (b) members of the Committee are required to be fully conversant with the topics the subject of the Committee's agenda;

- (c) the Chairman of the Committee may call a meeting at any time and will call a meeting if requested by a member of the Committee or the Board;
- (d) meetings of the Committee and the procedures are governed by the provisions contained in the Group's Constitution;
- (e) the Chairman and the Secretary of the Committee will prepare and circulate to the Committee an agenda at least two days prior to each meeting;
- (f) quorum is two members of the Committee, including the Chairman;
- (g) where the Chairman of the Committee is not in attendance the members in attendance will elect one of their number as the Chairman of the meeting;
- (h) the Secretary of the Committee will maintain minutes of the meetings, which will be signed by the Chairman;
- (i) the Group Managing Director, the Chief Operating Officer and Group Company Secretary attend all Committee meetings by standing invitation, but may be asked to leave at any time;
- (j) the Committee may invite other employees of the Group or external advisors to assist in the deliberations of the Committee;
- (k) other members of the Board may attend Committee meeting either by invitation or approval of the Chairman of the Committee;
- (l) reports and papers of the Committee are to be made available to all directors subject to confidentiality, conflicts of interest and the policies and procedures contained within the Board Charter;
- (m) committee meetings may be held by telephone or other electronic means;
- (n) decisions of the committee may be made by;
 - a simple majority of a meeting of the Committee,
 - by a resolution in writing circulated to Committee members and signed by at least 75% of those members entitled to vote on the issue, or
 - a simple majority of the Board.
- (o) all papers provided and discussions held at the Committee meetings remain confidential; and
- (p) all committee papers are to be stored by the Company Secretary or the Group Finance Department, providing access to these papers by directors or members of the Committee, if required, as set out in statute, regulations, the constitution or agreements.

6 minutes

Draft minutes are to be prepared for each Committee meeting, and are to be circulated to members of the Committee as soon as practicable after the meeting but prior to the next Committee meeting where the minutes are to be confirmed by the Chairman of that Committee meeting;

7 reporting

The Chairman of the Committee will report to the Board subsequent to each Committee meeting the matter discussed at the meeting.

The Committee will provide the appropriate disclosures to ensure that all regulatory obligations are met by the Group.

8 authority

The Board by establishment of the Committee and the acceptance of this Charter has authorized the Committee to:

- (a) undertake the actions of the Committee to provide the Board with robust recommendations;
- (b) seek where appropriate external and independent advisors to assist in the undertakings and deliberations of the Committee;
- (c) authorize payments and terms for independent advisors to assist the Committee;
- (d) authorize administrative expenses of the Committee in the carrying out of its activities;
- (e) request attendance at the Committee of any of the Groups officers;
- (f) have unrestricted access to management, employees and information relevant to the responsibilities of the Committee.

9 appraisal

The performance of the Committee shall be measured against this Charter and this is to be undertaken at least annually.

10 other

Members will review and make recommendations on any other matter appropriately referred to the Committee by the Board from time to time.

11 charter review

The Charter will be reviewed by the Board annually and revised as required.