



**ERA**

**Energy Resources of Australia Ltd**

ABN 71 008 550 865

## **REMUNERATION POLICY**

### **1. BOARD'S POWERS**

The Board's powers and responsibilities in relation to senior executive remuneration arise from:

- (a) the Directors' responsibility for the management of the Company;
- (b) the Directors' general duty to act in the best interests of the Company and their duty to act with due care and diligence; and
- (c) the Constitution of Energy Resources of Australia ("ERA") provides the Directors with the power to appoint the Chief Executive and to decide his/her remuneration.

### **2. SENIOR EXECUTIVE REMUNERATION**

The Board's approach to remuneration of senior executives will be guided by the Rio Tinto senior management compensation systems. The remuneration of executive officers is set by the ERA Board by reference to the wider Rio Tinto context following review by the Rio Tinto Board Remuneration Committee. Executive remuneration and other terms of employment are reviewed annually having regard to performance against goals set at the start of the year, relevant comparative information and independent expert advice. As well as base salary, remuneration packages include superannuation, retirement and termination entitlements, performance-related bonuses and fringe benefits.

### **3. REVIEW**

- (a) It has been agreed with the Chief Executive of the relevant Rio Tinto Product Group that he will advise the Board of the proposed salary and the performance targets for annual incentive payments for the Chief Executive and seek the Directors' views on these.
- (b) Annually the Chief Executive of ERA will advise the Board of the proposed salaries and the performance targets for annual incentive payments for the General Managers and seek the Directors' views on these.

Ends

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