



Remuneration and Human Resources Committee Charter

July 2008

Document No. CORP-HR-CHRT-G-0001

Rev No. 0

1 of 4

Once printed this document becomes uncontrolled.
Refer to Clough Intranet for controlled copy.

Projecting the Future



Contents

1	Composition and Meetings.....	3
2	Role	3
3	Duties and Responsibilities.....	3
4	Executive Remuneration.....	3
5	Non-Executive Remuneration	4
6	Incentive Plans, Bonuses and Benefits Programs	4
7	Authority and Resources.....	4

The Clough Board Remuneration and Human Resources Committee, operates under the delegated authority of the Board and shall have the composition, responsibility, authority and specific duties set out below.

1 Composition and Meetings

The Committee will be comprised of three or more non-executive directors, as determined by the Board. Two members shall constitute a quorum. Membership of the Committee will be reviewed annually by the Board and listed in the annual report to shareholders. The Board will appoint one of the members to chair the Committee.

The committee will meet at least three times a year. The CEO will normally be present for part of these meetings. The Company Secretary will act as Secretary to the Remuneration Committee.

2 Role

The function of the Committee is to assist the Board in fulfilling its corporate governance responsibilities with respect to remuneration by reviewing and making appropriate recommendations on:

- remuneration packages of executive directors, non-executive directors and senior executives; and
- employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

3 Duties and Responsibilities

The Committee will:

- Set guidelines for the CEO, CFO and directors' terms and conditions and remuneration
- Undertake a review of the CEO's historical performance, at least annually, as well as setting the objectives and goals for the CEO in the forthcoming year in accordance with the CEO's terms and conditions
- Make recommendations to the Board on remuneration of the CEO, CFO and directors
- Consider and approve the recommendations of the CEO on the remuneration and terms and conditions for all direct reports of the CEO
- Provide input to the development of Clough's overall remuneration strategy as put forward by the CEO
- Assist the Board in evaluating potential candidates for executive positions, including the CEO, and to oversee the development of executive succession plans
- Approve the appointment of senior executives.

The responsibilities of the Committee include a review of:

- the Company's Remuneration Policy and framework
- senior executives' remuneration and incentives
- superannuation arrangements.

4 Executive Remuneration

In considering the Company's remuneration policy and levels of remuneration for executives, the Committee makes recommendations which:

- motivates executive directors and senior executives to pursue long term growth and success of the Company within an appropriate control framework
- demonstrates a clear correlation between senior executives performance and remuneration

Once printed this document becomes uncontrolled. Refer to Clough Intranet for controlled copy.

- aligns the interests of key leadership with the long-term interests of the Company's shareholders
- prohibits executives from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.

To the extent that the Company adopts a different remuneration structure for its executive directors, the Committee shall document its reasons for the purpose of disclosure to stakeholders.

5 Non-Executive Remuneration

In considering the Company's remuneration policy and levels of remuneration for non-executive directors, the Committee is to ensure that:

- fees paid to non-executive directors are within the aggregate amount approved by shareholders and make recommendations to the Board with respect to the need for increases to this aggregate amount at the Company's annual general meeting
- non-executive directors are remunerated by way of fees (in the form of cash and superannuation benefits)
- non-executive directors are not provided with retirement benefits other than statutory superannuation entitlements
- non-executive directors are not entitled to participate in equity-based remuneration schemes designed for executives without due consideration and appropriate disclosure to the Company's shareholders.

To the extent that the Company adopts a different remuneration structure for its non-executive directors, the Committee shall document its reasons for the purpose of disclosure to stakeholders.

6 Incentive Plans, Bonuses and Benefits Programs

The Committee is to:

- review and make recommendations to the Board on the short-term incentive scheme (bonus scheme), including magnitude of bonus pool and mechanism of allocation
- review and make recommendations concerning long-term incentive compensation plans, including the use of share options and other equity-based plans. Except as otherwise delegated by the Board, the Committee will administer equity-based and employee benefit plans, and as such will discharge any responsibilities under those plans, including making and authorising issues of equity, in accordance with the terms of those plans
- ensure that incentive plans are designed around appropriate performance targets that measure relative performance and provide rewards when they are achieved
- continually review and if necessary improve any existing benefit programs established for employees.

7 Authority and Resources

The Company is to provide the Committee with sufficient resources to undertake its duties. The Committee may seek input from individuals on remuneration policies, but no individual should be directly involved in deciding their own remuneration.

The Committee has the authority, as it deems necessary or appropriate, to obtain advice from external consultants or specialists in relation to remuneration related matters.