THE INSTITUTE OF CHARTERED ACCOUNTANTS IN AUSTRALIA

EXECUTIVE REMUNERATION COMMITTEE

Organisation

This Charter governs the operations of the Executive Remuneration Committee. A Code of Conduct for Committee Members including conflicts of interest disclosure, an evaluation process and policies and practices to be followed by Committee Members is contained in the Committee Governance Manual. The Committee shall review and reassess the Charter at least annually and obtain the approval of the Board of Directors. The Committee shall be appointed by the Board of Directors.

Objectives:

The objectives of the Executive Remuneration Committee include oversight from the Board perspective of matters relating to the remuneration costs, policy and strategy of the Institute.

Responsibilities:

The role of the Executive Remuneration Committee is:

1. To approve the overall remuneration policy and strategies for the Institute's employees.
2. To conduct the annual performance review of the Chief Executive Officer.
3. To set the remuneration of the Chief Executive Officer after consultation with the Board and appropriate consultants. The remuneration will include a performance component, which will be assessed against specific performance criteria developed by the committee and approved by the board.
4. To recommend to the Board the Chief Executive Officer's job specification and performance outcomes for future periods.
5. To recommend to the Board proposed contractual arrangements with the Chief Executive Officer.
6. To recommend to the Board any proposals relating to Chief Executive Officer succession.
7. To review and approve the Chief Executive Officer's recommendations for the remuneration of all senior managers reporting to the Chief Executive Officer.
8. To report to the Board on the outcomes of the annual remuneration review.
9. To approve any amendments to the annual remuneration review budget and performance incentive pool previously approved by the Board.
10. To review and approve the annual remuneration review recommendations by the Salary Review Committee.

Committee Composition:

The Committee shall be appointed by the Board and will comprise of the President, Deputy President and up to two additional nominees as determined by the Chair of the Committee.

Committee tenure:

Directors will have a 1 year tenure or such other period as the Board may determine from time to time.

Meetings:

The Committee will meet in February and August(either in person or by electronic means), with authority to convene an additional meeting, as circumstances require. All committee members are expected to attend, in person or via teleconference. The committee will invite members of management, or others to attend meetings and provide pertinent information, as necessary. Minutes will be prepared.

Quorum:

Two members will form a quorum.

Committee papers:

Committee members should ordinarily receive papers and related material not later than three (3) days prior to the relevant meeting.

Approved by the Board March2011