

# HEADLINE GROUP LIMITED

## REMUNERATION POLICY

### HeadLine Group Limited (“HeadLine”) Remuneration Policy for Directors & Senior Executives

#### **General**

HeadLine is committed to making timely disclosure of all relevant information relating to its remuneration practices and policies in the context of its reporting obligations in the corporate governance statement in its annual report and pursuant to continuous disclosure requirements.

Consistent with this commitment HeadLine has established this general remuneration policy as a means of promoting transparency and understanding of its approach to director and executive remuneration.

Disclosure of specific entitlements and benefits of directors and executives will continue to be made by HeadLine as required by the Listing Rules and the law.

#### **Remuneration of Directors & Executives**

##### **Non-Executive Directors**

The aggregate remuneration of non-executive directors is approved by shareholders.

Individual directors’ remuneration is determined by the Board within the approved aggregate total. In determining the appropriate level of directors fees, data from surveys undertaken of other public companies similar in size or market section to HeadLine is taken into account.

Non executive directors do not receive performance related remuneration.

##### **Executive Directors & Senior Executives**

Executive directors do not receive directors fees.

HeadLine does not have a formal remuneration committee structure.

HeadLine considers that the establishment of a formal committee will not achieve enhanced efficiency when compared to its existing arrangements having regard to the fact that HeadLine:

- predominately operates within Australia with its directors, senior executives and employees geographically concentrated along the eastern seaboard;

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- is relatively small in size in terms of the size of its operations, the number of directors, executives and employees compared to other listed public companies; and,
- remains capable of giving due consideration to the overall remuneration policies and strategies of the company during the conduct of its regular Board Meetings and by appropriate recourse to relevant market data and, where applicable, to external executive remuneration consultants.

Accordingly, the HeadLine Board of Directors is responsible for approving remuneration policies and packages applicable to executive directors and senior executives of the Company.

The broad remuneration policy objective is to ensure that the emoluments provided properly reflect the person's duties and responsibilities and is designed to attract, retain and motivate executives of the highest quality and standard to enable the organisation to succeed.

A review of the compensation arrangements for executive directors, including the Managing Director and Senior Executives is conducted by the full Board at a duly constituted Directors Meeting.

The HeadLine Board conducts its review annually and is based on established criteria which includes:

- the individual's performance;
- reference to market data for broadly comparable positions or skill sets in similar organisations or industry;
- the Company's performance during the relevant period; and,
- the broad remuneration policy objective of the Company.

Senior executives and executive directors may receive bonuses based on the achievement of specific goals related to the performance of the Company.

### **HeadLine Executive Incentive Scheme**

#### **Executives**

The HeadLine Executive Incentive Scheme (HEIS) has been approved by shareholders and proves the Board with the discretion to grant options and provide loans to Eligible Executives for the purpose of acquiring Scheme Shares.

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A summary of the terms and conditions of the HEIS may be found in the designated area for corporate governance on the Company website at [www.headlinegroup.com.au](http://www.headlinegroup.com.au)

The Board exercises its discretion under the HEIS in a manner consistent with the broad remuneration policy objectives of the Company.

The grant of options to executives is linked to significant performance hurdles including the exercise price of the options being subject to material improvement in company performance (measured by its share price) during a restricted exercise period.

### **Directors**

Directors are not entitled to participate in the HEIS.

HeadLine will not generally use options as a means of remuneration for non-executive directors<sup>1</sup> and will continue to remunerate these directors by means of the payment of cash benefits.

The Company will continue to monitor and review the reward structure applicable to its directors and senior executives with the evolution of the company and implement best practice remuneration policy in a way which most suits the circumstances of HeadLine and the long term interests of its shareholders.