

REMUNERATION COMMITTEE CHARTER

1. PURPOSE OF CHARTER

- 1.1 The Remuneration Committee Charter sets out the role, composition, authority, responsibilities and operation of the Remuneration Committee of the Board of Orbital Corporation Limited (“Orbital”) within the governance structure of Orbital Corporation Limited and all controlled entities (“the Orbital Group”)
- 1.2 Key features of the charter are outlined in the Annual Report. The charter is available to shareholders of the company upon request.

2. DEFINITION AND OBJECTIVE OF THE ORBITAL REMUNERATION COMMITTEE

- 2.1 The Remuneration Committee (“the Committee”) is a Committee of the Orbital Board (“the Board”).
- 2.2 The Committee’s primary function is to assist the Board in ensuring that appropriate and effective remuneration packages and policies are implemented within the Orbital Group (the Group) for the Chief Executive Officer, Executive Directors and direct reports to the Chief Executive Officer. The Committee’s role also extends to the review of non-executive directors’ fees.
- 2.3 Membership of the Remuneration Committee must be disclosed in the Annual Report.

3. MEMBERSHIP AND TERM

- 3.1 The Committee consists of a minimum of two non-executive Directors of the Board.
- 3.2 Committee members are appointed by the Board.
- 3.3 The term of appointment as a member is for a period of no more than three years, with Committee members generally being eligible for re-appointment for so long as they remain non-executive Directors of the company. The effect of ceasing to be a Director of the Board is the automatic termination of appointment as a member of the Committee.

4. CHAIRMAN

- 4.1 The Chairman of the Committee shall be a non-executive Director selected by the Board.
- 4.2 Should the Chairman be absent from a meeting and no Acting Chairman has been appointed, the members of the Committee present at the meeting have authority to choose one of their number to be Chairman for that particular meeting.

5. MEETINGS

Meetings Other than in Person

- 5.1 The Committee may conduct meetings without all Committee members being involved in the meeting in the physical presence of one another provided that all Committee members involved in the meeting are able to participate in discussion.

Frequency of Meetings

- 5.2 As a minimum, the Committee meets twice per annum.
- 5.3 In addition, the Chairman may call such other meetings of the Committee as the Chairman directs in order for the Committee to fulfil its duties.

6. ATTENDANCE AT MEETINGS AND QUORUM

- 6.1 The Chief Executive Officer will attend meetings by invitation to discuss the performance of direct reports.
- 6.2 The Committee may invite other Orbital executives and/or parties external to Orbital to attend any meeting of the Committee.
- 6.3 The quorum for a meeting is two members.

7. SECRETARY

- 7.1 The Orbital Company Secretary acts as Secretary of the Committee.

8. SCOPE & AUTHORITY

- 8.1 The activities of the Committee are in relation to the Orbital Group.
- 8.2 The Committee has the authority to consult any independent professional adviser it considers appropriate to provide independent advice on the appropriateness of remuneration packages, given trends in comparative companies both locally and internationally. Remuneration packages may include share schemes, incentive performance packages, superannuation entitlements and fringe benefits and any other items considered appropriate by the Committee. Remuneration levels are competitively set to attract and retain the most qualified and experienced Directors and senior executives.

9. REPORTING

- 9.1 Proceedings of all meetings are minuted and signed by the Chairman.
- 9.2 The Committee, through its Chairman, reports to the Board at the earliest possible Board Meeting after each Committee meeting. Minutes of all Committee meetings are circulated to Board Directors. The report should include but not be limited to:
- the minutes of the Committee and any formal resolutions;
 - any other matters that in the opinion of the Committee should be brought to the attention of the Board, and any recommendations requiring Board approval and/or action; and
 - at least annually, a review of the formal written charter and its continuing adequacy, and an evaluation of the extent to which the Committee has met the requirements of the charter.

10. DUTIES

- 10.1 The duties and responsibilities of a member of the Committee are in addition to those duties set out for a Director of the Board.

11 FEES

- 11.1 Committee members are entitled to receive remuneration as determined from time to time by the Board.

12 REVIEW OF CHARTER

- 12.1 The Remuneration Committee Charter is reviewed annually by the Committee to ensure it remains consistent with the Committee's authority, objectives and responsibilities.
- 12.2 Significant changes to the Charter are recommended by the Committee and approved by the Board.