

REMUNERATION REPORT (AUDITED)

CONTINUED

Details of the remuneration of the Executives are set out in the following table:

	Primary		Post Employment	Termination Benefits	Equity	Total	Equity as % of Total	Bonus as % of Total
	Salary \$	Bonus* \$	Super \$	\$	Options \$	\$	%	%
2015								
M Kotsanis ¹	254,150	68,668	12,522	–	760,000	1,095,340	69%	6%
S Papworth ²	158,304	27,874	14,174	–	–	200,352	0%	14%
F Colagrande ³	158,837	28,031	16,356	–	–	203,224	0%	14%
N Webster ⁴	114,324	20,030	11,956	–	–	146,310	0%	14%
	685,615	144,603	55,008	–	760,000	1,645,226	46%	9%
2014								
J Pilcher ⁵	61,033	–	4,444	–	–	65,477	0%	0%
C Blower ⁶	253,112	25,736	17,775	–	107,500	404,123	27%	6%
T Di Pietro ⁷	179,354	18,622	17,431	–	75,250	290,657	26%	6%
N Webster ⁴	111,253	11,533	11,387	–	75,250	209,423	36%	6%
	604,752	55,891	51,037	–	258,000	969,680	27%	6%

* Bonus relates to the achievement of objectives for the financial year. The amount of bonus earned was 100% of the maximum amount payable for the 2014/15 financial year and 40% for the 2013/14 financial year.

¹ Appointed Chief Executive Officer and Managing Director 1 November 2014.

² Appointed Chief Financial Officer and Company Secretary 29 September 2014.

³ Appointed Product Development and Technical Affairs Director 15 February 2015.

⁴ Appointed Commercial Director 1 July 2013.

⁵ Resigned as Chief Financial Officer and Company Secretary 16 August 2013.

⁶ Resigned as Chief Operating Officer 15 August 2014.

⁷ Resigned as Chief Financial Officer and Company Secretary 31 October 2014.

Remuneration of Directors

The Human Capital and Nomination Committee considers the level of remuneration necessary to attract and retain Directors with the skills and experience required by the Company at its stage of development. The Committee makes recommendations to the Board, for approval by the shareholders, at the following Annual General Meeting.

The director and management services of the Non-Executive Chairman Ross Dobinson are provided by Espasia Pty Ltd. The contract for services can be terminated by either party by giving three months' notice in writing. For the 2014/15 financial year the contract provided for fees of \$118,000 per annum in respect of director services, \$200,000 per annum in respect of executive services performed 1 July 2014 to 31 October 2014 and an additional payment of up to 60% of the executive services, dependent on the achievement of objectives, set by the Board. The Board has absolute discretion over the amount of the additional payment.

For the 2014/15 financial year Non-Executive Directors' fees were \$76,650 per annum, including superannuation, for each Non-Executive Director. At the 2004 Annual General Meeting shareholders set the maximum aggregate amount of Non-Executive Directors' fees at \$450,000. In addition Non-Executive Directors are entitled to reimbursement of reasonable expenses incurred by them on Company business.

No retirement allowances are paid to Non-Executive Directors. No equity based remuneration is paid to Non-Executive Directors. Non-Executive Directors do not receive any additional remuneration for being members of Board Committees.

The remuneration of each person who held the position of Director at any time during the financial year is set out in the following table:

	Primary	Post Employment	Termination Benefits	Equity	Total	Equity as % of Total	Bonus as % of Total
	Fees \$	Bonus* \$	Super \$	Options \$	\$	%	%
2015							
R Dobinson ¹	232,667	32,000	–	–	264,667	0%	12%
B Parncutt	70,000	–	6,650	–	76,650	0%	0%
R Barrow	46,667	–	4,433	–	51,100	0%	0%
T Oldham ²	70,000	–	6,650	–	76,650	0%	0%
	419,334	32,000	17,733	–	469,067	0%	7%
2014							
R Dobinson ¹	318,000	48,000	–	98,463	464,463	21%	10%
B Parncutt	70,000	–	6,475	–	76,475	0%	0%
R Barrow	70,000	–	6,475	–	76,475	0%	0%
T Oldham ²	52,500	–	4,856	–	57,356	0%	0%
	510,500	48,000	17,806	98,463	674,769	15%	7%

* Bonus relates to the achievement of objectives for the financial year. The amount of bonus earned was 100% of the maximum amount payable for the 2014/15 financial year and 40% for the 2013/14 financial year.

¹ Appointed Non-Executive Chairman post appointment of the Chief Executive Officer, November 2014. Previously Executive Chairman from 1 July 2012.

² Appointed Non-Executive Director 1 October 2013.

Mr. Kotsanis was appointed Chief Executive Officer and Managing Director, November 2014. The remuneration details of Mr. Kotsanis have been disclosed in the executive remuneration table.

Number of Shares held by Key Management Personnel

Directors and Executives	Balance 7/1/2014	Granted as Remuneration	Options Exercised	Net Change Other	Balance 6/30/2015
Directors					
R Dobinson ¹	1,372,593	–	–	–	1,372,593
B Parncutt	718,137	–	–	–	718,137
R Barrow	17,375	–	–	–	17,375
T Oldham	15,750	–	–	–	15,750
Executives					
C Blower ²	33,000	–	–	(33,000)	–
T Di Pietro ³	10,290	–	–	(10,290)	–
N Webster ⁴	6,100	–	–	–	6,100
F Colagrande ⁵	1,500	–	–	–	1,500
Total	2,174,745	–	–	(43,290)	2,131,455

¹ Appointed Non-Executive Chairman post appointment of the Chief Executive Officer, November 2014. Previously Executive Chairman from 1 July 2012.

² Appointed Chief Operating Officer 16 August 2013 and resigned as Chief Operating Officer 15 August 2014.

³ Resigned as Chief Financial Officer and Company Secretary 31 October 2014.

⁴ Appointed Commercial Director 1 July 2013.

⁵ Appointed Product Development and Technical Affairs Director 15 February 2015.

REMUNERATION REPORT (AUDITED)

CONTINUED

Number of Employee Share Options held by Key Management Personnel

Directors and Executives	Balance 7/1/2014	Granted as Remuneration	Options Exercised	Net Change Other	Balance 6/30/2015
Directors					
R Dobinson ¹	600,000	—	—	—	600,000
B Parncutt	—	—	—	—	—
R Barrow	—	—	—	—	—
T Oldham	—	—	—	—	—
Executives					
M Kotsanis ²	—	2,000,000	—	—	2,000,000
S Papworth ³	—	—	—	—	—
N Webster	175,000	—	—	—	175,000
F Colagrande ⁴	140,000	—	—	—	140,000
C Blower ⁵	250,000	—	—	(250,000)	—
T Di Pietro ⁶	175,000	—	—	(175,000)	—
Total	1,340,000	2,000,000	—	(425,000)	2,915,000

¹ Appointed Non-Executive Chairman post appointment of the Chief Executive Officer on 1 November 2014. Previously Executive Chairman from 1 July 2012.

² Appointed Chief Executive Officer November 2014.

³ Resigned as Chief Financial Officer and Company Secretary 29 September 2014.

⁴ Product Development and Technical Affairs Director 15 February 2015.

⁵ Appointed Chief Operating Officer 16 August 2013 and resigned as Chief Operating Officer 15 August 2014.

⁶ Resigned as Chief Financial Officer and Company Secretary 31 October 2014.

Voting and Comments made at the Company's 2014 Annual General Meeting (AGM)

At the Company's most recent AGM, a resolution to adopt the prior year remuneration report was put to the vote and at least 75% of 'yes' votes were cast for adoption of that report. No comments were made on the remuneration report that was considered at the AGM.

The company held an EGM during the year, at which a resolution to adopt the CEO Share Option Plan was put to a vote and at least 75% of 'yes' votes were cast for adoption of the Plan.

This is the end of the audited remuneration report.

Rounding of Amounts

The amounts contained in the report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the Directors.



R Dobinson

Non-Executive Chairman

Melbourne

Dated this 12th day of August 2015



B Parncutt

Director

Melbourne

Dated this 12th day of August 2015