



BT Investment Management (ABN 126 385 822)

Board Remuneration and Nominations Committee Charter

This Board Remuneration and Nominations Committee Charter applies to the Board Remuneration and Nominations Committee of BT Investment Management Limited (referred to as the Committee and the company referred to as the Company).

This Committee charter will apply subject to applicable legal and regulatory requirements and the Company's policies, including, without limitation, duties and obligations imposed on the directors by statute and general law.

A. Purpose

The primary function of the Board Remuneration and Nominations Committee is to assist the board of directors (Board) in fulfilling its oversight responsibility to shareholders by ensuring that the Board and relevant subsidiaries comprise individuals best able to discharge the responsibilities of directors having regard to the law and highest standards of governance and by ensuring that the Company has coherent remuneration policies and practices that fairly and responsibly reward executives having regard to performance, the law and the highest standards of governance.

In relation to remuneration, the Committee's purpose is:

1. to review and approve executive remuneration policy;
2. to make recommendations to the Board in relation to the remuneration of the Chief Executive Officer and Non-executive Directors;
3. to review and make recommendations to the Board on corporate goals and objectives relevant to the remuneration of the Chief Executive Officer, and the performance of the Chief Executive Officer in light of these objectives;
4. to approve remuneration packages for the Company's senior executives;
5. to review and make recommendations to the Board in relation to approving any and all equity based plans;
6. to approve all merit recognition expenditure;
7. to oversee general remuneration practices across the BT Investment Management Limited Group.

The Committee will primarily fulfil its responsibilities in relation to nominations and remuneration by carrying out the activities in Sections E - I of this Charter.

B. Composition

The Committee membership and the Chairman of the Committee will be as determined from time to time by the Board. The Committee will consist of not less than three Directors of the Company.

The majority of members will be independent non-executive directors and free from any business or other relationship that, in the opinion of the Board, would materially interfere with the exercise of his or her independent judgment as a member of the Committee.

The Chairman must be an independent director. Should the Chairman of the Committee be absent from a meeting, the members of the Committee present will appoint a Chairman for that particular meeting.

C. Meetings

A quorum of any meeting will be two members.

The Committee will meet at least twice a year, or more frequently as circumstances dictate. In addition to the members of the Committee, such Executives and/or external parties as the Chairman and members of that Committee think fit may be invited to attend meetings. The Chief Executive Officer of the Company shall normally be invited to attend Committee meetings. Other Directors of the Board are entitled to attend Committee meetings and will receive copies of the papers.

The secretary of the Committee will be the Company Secretary or his designated representative. The agenda and supporting documentation will be circulated to the Committee members within a reasonable period in advance of each meeting. The secretary of the Committee will circulate minutes of meetings to members of the Committee and the Board.

The Committee may adopt such rules and regulations as it deems appropriate for the conduct of its affairs, provided only that they are not inconsistent with the Company's Constitution, this Charter (as amended from time to time) or any resolution of the Board.

D. Reporting

The Committee will regularly update the Board about Committee activities and make appropriate recommendations. The Chairman of the Committee will report to the Board, at the Board meeting next following a meeting of that Committee, on any matters under consideration by it within the Charter.

At the discretion of the Chairman and members of the Nomination Committee, any relevant matters deemed to be of major importance should be referred to the Board for its attention.

E. Responsibilities and Duties

Without limiting its role, specific duties and responsibilities of the Committee include the following:

Board Composition and Performance Responsibilities

1. Assess the skills required to discharge competently the Board's duties having regard to the Company's performance, financial position and strategic direction, including specific qualities or skills that the Committee believes are necessary for one or more of the Directors to possess.
2. Develop policy, review, assess from time to time and recommend to the Board as appropriate on Director tenure, Board composition, strategic function and size. This is to be considered within the Board agreed parameters that the optimum size of the Board is to be between five and seven Directors.
3. Develop and implement the process for the evaluation of Board, Committee and individual Director performance and effectiveness.

Board Appointment Responsibilities

1. Review Director appointment criteria from time to time, with eligibility criteria to have regard to a proposed candidate's broad commercial experience and

other qualities.

2. Consider and make recommendations to the Board on candidates for appointment as Directors. Such recommendations should pay particular attention to the mix of skills, experience and other qualities of existing Directors and how the candidate's attributes will balance and complement those qualities.
3. Consider and make recommendations to the Board and relevant subsidiaries on candidates for appointment as Directors of those subsidiaries.
4. Review and recommend the re-election by shareholders of any Director under the retirement by rotation provisions. As part of this review, conduct a peer review of these Directors during the year in which that Director will become eligible for re-election.
5. Determine the terms and conditions on which Non-executive Directors are appointed and hold office.
6. Review and recommend to the Board a process for the orientation and education of new Directors.
7. Review and approve the continuing education program for Directors.

Succession Planning Responsibilities

Develop and implement succession planning for Non-executive Directors, taking into account the challenges and opportunities facing the Company and what skills and expertise are therefore needed on the Board in future.

Corporate Governance Responsibilities

Satisfy itself of compliance with relevant corporate governance standards from legislation and various regulatory bodies including, the Australian Stock Exchange, the Australian Securities and Investment Commission and overseas regulators.

Other Responsibilities

1. Executive Remuneration Policy

- a. Approve the broad policy for the remuneration of the Chief Executive Officer, senior executives and other executives who report directly to the Chief Executive Officer, including incentive arrangements, superannuation rights and any amendments to that policy proposed from time to time by management.
- b. Review the ongoing appropriateness and relevance of the executive remuneration policy. In particular, the Committee will provide reasonable assurance that:
 - i. all applicable provisions regarding disclosure of remuneration, including superannuation, as set out in relevant laws and regulations are fulfilled;
 - ii. the policy motivates executives to pursue the long term growth and success of the Company within an appropriate control framework;
 - iii. the policy demonstrates a clear relationship between individual performance and remuneration; and
 - iv. the policy involves an appropriate balance between fixed and variable remuneration, reflecting the short and long term performance objectives

appropriate to the Company's circumstances and goals.

c. Review and recommend to the Board on the recruitment, retention and termination policies and procedures for the Chief Executive Officer, senior executives and other executives who report directly to the Chief Executive Officer.

2. Chief Executive Officer

a. Review and make recommendations to the Board on the entire specific contractual and remuneration arrangements for the Chief Executive Officer having regard to the executive remuneration policy, including:

i. fixed remuneration levels;

ii. short term remuneration targets and outcomes (including performance targets);

iii. superannuation arrangements;

iv. any termination payments to be made; and

v. the development of any equity based plan to apply to the Chief Executive Officer.

b. Evaluate and make recommendations to the Board on the performance of the Chief Executive Officer in light of his or her goals and objectives.

c. Determine the outcome of any performance hurdles in relation to any equity based plan (Equity Plan) in which the Chief Executive Officer may participate, and provide written notification to the Chief Executive Officer of any such performance determination.

3. Non-Executive Directors

a. Review and make recommendations to the Board on remuneration policies for Non-executive Directors on the Board and Non-executive Directors of subsidiary boards. In making its recommendations, the Committee will take into account the Non-executive Directors' remuneration principles, as approved by the Board from time to time.

4. Senior Executives

a. Approve the entire specific individual contractual and remuneration arrangements for senior executives and other executives who are direct reports of the Chief Executive Officer having regard to the executive remuneration policy, including:

i. fixed remuneration levels;

ii. short and long term remuneration targets and outcomes (including performance targets);

iii. superannuation arrangements;

iv. any termination payments to be made; and

v. long term incentive awards to be made to each individual.

5. Equity based plans

- a. Review the design of all Equity Plans for approval by the Board;
- b. Approve the provision of 'financial assistance', as that term is defined in the Corporations Act (Cth), relating to any invitation under any Equity Plan,.
- c. Keep all plans under review in the light of legislative, regulatory and market developments.
- d. Approve awards of long-term incentives to senior executives.
- e. Review and approve total proposed awards under each plan, including the allotment and issue of shares and/or the approval of the acquisition of the Company shares for the purpose of any equity plan.
- f. Review and keep under review performance hurdles for each Equity Plan.
- g. Approve the introduction of sub-plans or minor amendments to the Equity Plan rules.
- h. Exercise the discretions of the Board as permitted in the rules of each Equity Plan (but not to the exclusion of the Board or of any other person or persons to whom some or all of these powers and discretions may be delegated) and do all acts and things and make all such determinations that are required, necessary or desirable to be made in relation to the administration of any of the Equity Plans.
- i. Approve policies in relation to minimum shareholding guidelines (being the minimum number of shares that must be held by employees in their own name and beneficially) for the purposes of any one or more Equity Plans.

6. General remuneration across the BT Investment Management Limited Group

- a. Approve the size of bonus / incentive pools as part of the Company's annual plan based on consideration of pre-determined business performance indicators.
 - b. Review and note annually the remuneration trends across the Group.
 - c. Be aware of and advise the Board on any major changes in employee benefit structures throughout the BT Investment Management Limited Group.
 - d. Approve remuneration arrangements outside of policy relating to individuals or groups of individuals which are significant because of their sensitivity, precedent or disclosure implications.
7. This Charter should be reviewed and updated at least annually and changes required should be recommended to the Board for approval. The Committee should annually review its own performance.
8. To the extent the Committee deems necessary, retain independent legal, accounting or other advisors.

Approved by the Board on 15 February 2008.