

**CARNEGIE WAVE ENERGY LIMITED**  
**SENIOR EXECUTIVES REMUNERATION POLICY**

## **GENERAL**

Carnegie Wave Energy is committed to remunerating its senior executives in a manner that is market competitive, consistent with best practice and supports the interest of shareholders. Carnegie Wave Energy aims to align the interests of senior executives with those of shareholders by remunerating senior executives through performance and long-term incentive plans in addition to their fixed remuneration

Consequently, senior executives' remuneration consists of the following elements:

- fixed salary;
- performance bonus and long term incentives;
- other benefits including superannuation.

Carnegie Wave Energy has established a Remuneration Committee.

## **FIXED SALARY**

The salary of senior executives is determined from a review of the market and reflects core performance requirements and expectations. In addition, Carnegie Wave Energy considers the following:

- the scope of the individual's role;
- the individual's level of skill and experience;
- Carnegie Wave Energy's legal and industrial obligations;
- labour market conditions; and
- the size and complexity of Carnegie Wave Energy's business.

## **PERFORMANCE BONUS AND LONG-TERM INCENTIVES**

The purpose of the performance bonus is to reward actual achievement by the individual of performance objectives and for materially improved company performance. Consequently, performance-based remuneration is paid where a clear contribution to successful outcomes for Carnegie Wave Energy is demonstrated and the individual attains and excels against pre-agreed key performance indicators during a performance cycle.

It is the intention of the Company to implement a bonus and incentive structure over time to ensure that senior management and executives are provided with proper incentives.

From time to time, senior executives may be issued share options and/or phantom options, subject to any necessary approval by shareholders. These options are intended to provide appropriate incentives aligned with the interests of shareholders.

## **OTHER BENEFITS**

Senior executives are entitled to statutory superannuation and, subject to the terms of their engagement, may be entitled to car allowances, mobile phone expenses, and home telephone and internet access expenses.

## **EXPENSES**

All reasonable out of pocket expenses incurred in connection with the performance of duties on behalf of Carnegie Wave Energy will be reimbursed.