

Australian Mines Limited ABN 68 073 914 191

Remuneration Committee Charter

1 Introduction

Australian Mines Limited (**Company**), a publicly listed company on the ASX has a Remuneration Committee (**Committee**) that is governed by:

- (1) this Remuneration Committee Charter (**Charter**), developed and approved by the board of directors of the Company (**Board**); and
- (2) the constitution of the Company (**Constitution**), where applicable,

and having regard to the ASX Corporate Governance Council's Principles and Recommendations (as amended from time to time) (**ASX Recommendations**), where applicable.

2 Objectives

The purpose of the Committee is to provide advice, recommendations and assistance to the Board with respect to:

- (1) putting in place remuneration policies which are designed to attract and retain Senior Executives¹ and all Directors with the expertise to enhance the performance and growth of the Company; and
- (2) ensuring that the level and composition of remuneration packages are fair, reasonable and adequate and, in the case of Executive Directors, non Executive Directors and senior managers, display a clear relationship between the performance of the individual and the performance of the Company;

3 Composition

3.1 Members

- (1) The Committee will have a minimum of 3 members, with a majority of members being non-executive, independent directors.
- (2) The members of the Committee will be appointed and removed by the Board.
- (3) The Board will appoint the Chair of the Committee. The Committee will be chaired by an independent director.
- (4) The Company Secretary will be the Company Secretary of the Committee unless determined otherwise by the Board.

¹ Executive is defined to mean an individual or an entity (including contractors) where annual remuneration/compensation of \$150,000 per annum (full time equivalent) is proposed to be paid and include the Company Secretary, regardless of compensation.

3.2 **Expertise**

Members of the Committee must have an appropriate level of understanding of:

- (1) the ASX Recommendations;
- (2) the Company's businesses and organisation structure;
- (3) the functions of the Board and the various roles and responsibilities of directors and other key executive positions;
- (4) Company management, at a senior management level;
- (5) the disclosure requirements under the *Corporations Act 2001* (Cth) and the ASX Listing Rules in respect to executive and director remuneration; and
- (6) the complexities involved in negotiating and determining executive remuneration packages.

3.3 **Liaison**

The principal liaison between Executives (including senior and key officers of the company) (**Executives**) and the Committee will be the Company Secretary.

4 **Meetings**

4.1 **Frequency**

- (1) To the extent reasonably practicable given the size and composition of the board from time to time, the Committee will meet as frequently as required but must, at a minimum, meet twice per year.
- (2) The Company Secretary must call a meeting of the Committee if requested to do so by any member of the Committee or any member of the Board.

4.2 **Agenda and notice**

The Company Secretary will be responsible, in conjunction with the Chair, for drawing up the agenda (supported by any necessary explanatory documentation) and circulating it to Committee members prior to each meeting. The Company Secretary must notify members of the Committee of the date, time and location of Committee meetings as far in advance as possible.

4.3 **Quorum**

To the extent reasonably practicable given the size and composition of the board from time to time, a quorum for Committee meetings will be at least 2 members, save that 1 of the members of the quorum must be a non-Executive Director, ideally an independent director.

4.4 **Minutes**

The Company Secretary is responsible for taking minutes of each meeting and distributing them to Committee members as soon as practicable after the close of the meeting.

4.5 **Attendance**

The Committee may invite any person to attend part or all of any meeting of the Committee as it considers appropriate. Voting at Committee meetings is restricted to Committee members. Any member of the Board may attend a meeting on request.

5 Advice and Resourcing

- 5.1 The Committee has the right to seek internal and external advice when it considers such advice necessary in order to fulfil its responsibilities.
- 5.2 Senior Executives must supply the Committee with information in a form, timeframe and of a quality that will enable the Committee to effectively discharge its responsibilities.
- 5.3 The Committee must ensure that it obtains sufficient information to enable it to make informed decisions with respect to the advice and recommendations it provides to the Board.
- 5.4 The Committee may seek input from individuals on remuneration policies, but no individual should be directly involved in deciding their own individual remuneration except when implementing external recommendations.

6 Responsibilities of the Committee

6.1 **Executive remuneration policy**

- (1) The Committee is responsible for providing the Board with advice and recommendations regarding the ongoing development of an executive remuneration policy that:
 - (a) is designed to attract, maintain and motivate Directors and Executives with the aim of enhancing the performance and long-term growth of the Company; and
 - (b) clearly sets out the relationship between the individual's performance and remuneration.
- (2) The Committee must review the remuneration policy and other relevant policies on an ongoing basis and recommend any necessary changes to the Board.

6.2 **Executive remuneration packages**

- (1) The Committee is responsible for reviewing and providing recommendations to the Board with respect to the remuneration packages of Executives (including Directors).
- (2) The Committee must ensure that the remuneration packages of Executive Directors:
 - (a) display a balance between fixed and incentive pay which is tailored to the Company's short and long-term performance objectives appropriate to the Company's circumstances and goals;
 - (b) provide for a link between rewards and the performance of the Company and individual; and

- (c) are consistent with the Company's remuneration policy and any other relevant Company policies.
- (3) The fixed component of each executive remuneration package should be reasonable and fair, taking into account:
 - (a) the core performance requirements and expectations of the individual;
 - (b) the Company's legal and industrial obligations and labour market conditions; and
 - (c) the scale of the business.
- (4) The performance-based component of each executive remuneration package must be clearly linked to specified performance targets.
- (5) The Committee must ensure that, where applicable, any payments of equity-based remuneration are made in accordance with the Company's Constitution and any thresholds approved by the Company's shareholders.
- (6) The Committee is also responsible for advising and providing recommendations to the Board with respect to executive superannuation arrangements.

6.3 Incentive schemes

- (1) The Committee is responsible for reviewing and providing recommendations to the Board with respect to the Company's policies with respect to incentive schemes.
- (2) The Committee will assist the Board in the development of appropriate benchmarks for use in designing incentive schemes. Incentive schemes should be designed around appropriate performance benchmarks that measure relative performance and provide rewards for materially improved company performance.

6.4 Non-executive remuneration

- (1) The Committee is responsible for providing advice to the Board with respect to Non-Executive Directors' remuneration.
- (2) The remuneration packages of non-Executive Directors should generally be fixed fee and share based.
- (3) The Committee must ensure that the fees for non-Executive Directors are within the aggregate amount approved by Shareholders.

6.5 Recruitment, retention and termination policies

The Committee must review and make recommendations to the Board on the Company's remuneration, recruitment, retention and termination policies and procedures for Executives. The Committee will also approve all Executive, Executive Director and Non-Executive Director terminations.

6.6 Termination payments

- (1) The Committee is responsible for providing advice and recommendations to the Board on the Company's termination and redundancy policies and the payments made to outgoing Directors and Executives. The Committee should ensure that termination payments:

- (a) are fair to the individual and the Company;
 - (b) do not reward failure or misconduct; and
 - (c) comply with the requirements of the *Corporations Act 2001* (Cth).
- (2) Applicable termination payments must be agreed in advance and must contain clearly defined provisions regarding the consequences of early termination. The termination payments of the Company's Chief Executive Officer must always be agreed in advance. Agreements should clearly articulate performance expectations. Further, in providing advice and recommendations to the Board, the Committee should also consider the consequences of an appointment not being successful, and the costs and other impacts of early termination.

7 Access to information

- 7.1 The Committee has the authority to seek any information it requires from any employee of the Company and all Personnel must comply with such requests.
- 7.2 The Committee may seek advice from individuals on remuneration policies and practices, but no individual should be directly involved in deciding his/her own remuneration.
- 7.3 The Committee may take such independent legal, financial, remuneration or other advice as it considers necessary, at the expense of the Company.
- 7.4 The Committee should understand the Company's structure and operations and key developments relevant to the Committee and may receive periodic presentations from subject matter experts to assist in achieving such an understanding.

8 Reporting

8.1 Reporting to the Board

- (1) The Committee Chair, or a delegate, will report to the Board, at the first Board meeting subsequent to each Committee meeting, regarding the proceedings of each Committee meeting, the outcomes of the Committee's reviews and recommendations and any other relevant issues. Such reports must include detailed disclosure of executive remuneration policies.
- (2) In complying with the 'Two-Strikes Rule', the Committee must provide guidance to the Board on remuneration strategy, particularly where there has been a 'first strike' against the Company's remuneration report upon being put to a meeting of shareholders.

8.2 Annual report

- (1) The Committee must provide the Board with advice and recommendations regarding the appropriate material and disclosures to be included in the corporate governance section of the Company's annual report which relates to the Company's remuneration policies and procedures, information concerning the directors and the performance evaluation of the Board and Executives.
- (2) The following material or a clear cross-reference to the location of the material should be included in the corporate governance statement in the Company's Annual Report:

- (a) the names of the members of the Committee and their attendance at meetings of the Committee;
- (b) the existence and terms of any schemes for retirement benefits, other than superannuation, for Non-Executive Directors; and
- (c) an explanation for the departures from the Recommendations.

9 Committee's performance evaluation

- 9.1 The Committee will review its performance from time to time and whenever there are major changes to the management of the Company.
- 9.2 The performance evaluation will have regard to the extent to which the Company has met its responsibilities in terms of this Charter.

10 Availability

This Charter or a summary of its main provisions shall be made publicly available on the Company's website in a clearly marked corporate governance section.

11 Review of the Charter

This Charter shall be reviewed annually and revised by the Board as required.

Adopted by the Board on 25 July 2018