
Nomination and Remuneration Committee Charter

Mincor Resources NL ACN 072 745 692 (Company)

1 Composition

Where practicable, the Nomination and Remuneration Committee shall be structured so that it has at least three members, all of whom are non-executive Directors and the majority being independent Directors. The Committee will be chaired by an independent Director.

Where the Nomination and Remuneration Committee includes an Executive Director, they must not be involved in deciding their own remuneration and must be alive to the potential conflict of interest in being involved in setting the remuneration for other executives that may indirectly affect their own (eg. through setting a benchmark or because of relativities).

From time to time, non-Nomination and Remuneration Committee members may be invited to attend meetings of the Nomination and Remuneration Committee, if it is considered appropriate.

2 Role

The function of the Nomination and Remuneration Committee is:

- i) to examine the selection and appointment practices of the Company, address Board succession issues and ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively, although the Board retains ultimate responsibility for these practices.
 - ii) to assist the Board in fulfilling its corporate governance responsibilities with respect to remuneration by reviewing and making appropriate recommendations to the Board on:
 - a) the Company's remuneration framework for Directors;
 - b) remuneration packages for senior executives;
 - c) incentive and equity-based remuneration plans for senior executives and other employees, including the appropriateness of performance hurdles and total payments proposed to be made to senior executives;
 - d) superannuation arrangements; and
 - e) remuneration by gender.
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3 Operations

The Nomination and Remuneration Committee shall meet at least once a year and otherwise as required. Minutes of all meetings of the Nomination and Remuneration Committee must be kept. The minutes must be tabled at each subsequent meeting of the full Board, and a report of actions taken by the Nomination and Remuneration Committee also given by the Chair of the Nomination and Remuneration Committee at each subsequent meeting of the full Board. The Nomination and Remuneration Committee meetings will be governed by the same rules as set out in the Company's Constitution, as they apply to meetings of the Board.

4 Responsibilities

Nomination

4.1 Size and composition of the Board

To ensure that the Board has the appropriate mix of Directors with the necessary skills, expertise, relevant industry experience and diversity, the Nomination and Remuneration Committee shall:

- (a) review the size and composition of the Board and make recommendations to the Board on any appropriate changes;
- (b) identify and assess necessary and desirable Director skills and competencies using a Board skills matrix (a template matrix that may be used is included in this Manual) and provide advice on the skills and competency levels of Directors with a view to enhancing the Board, including considering what training or development could be undertaken to fill any gaps identified;
- (c) make recommendations on the appointment of Directors;
- (d) make recommendations on whether any Directors whose term of office is due to expire should be nominated for re-election;
- (e) regularly review the time required from non-executive Directors and whether non-executive Directors are meeting that requirement;
- (f) identify and assess necessary and desirable Director skills and competencies using a Board skills matrix and provide advice on the skills and competency levels of Directors with a view to enhancing the Board, including considering what training or development could be undertaken to fill any gaps identified;
- (g) develop and recommend to the Board for approval the board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership for inclusion in the Company's corporate governance statement;
- (h) establish measurable objectives for achieving gender diversity, and annually review those objectives and the Company's progress towards achieving them;
- (i) review the Company's *Diversity Policy* at least annually and make recommendations to the Board as to any strategies required to address Board diversity; and
- (j) review and report to the Board at least annually on either (i) the respective proportions of women and men at all levels of the economic group controlled by the Company; or (ii) if the Company is a "relevant employer" under the Workplace Gender Equality Act 2012 (Cth), the Company's "Gender Equality Indicators", as defined in and published under the Workplace Gender Equality Act.

4.2 Selection process for new Directors

The Nomination and Remuneration Committee shall review the Company's *Policy and Procedure for Selection and (Re)Appointment of Directors*, and carry out its role in the process as outlined in that policy. The procedure should be transparent to promote investor understanding and confidence in the process.

The Nomination and Remuneration Committee is responsible for evaluating the balance of skills, knowledge, experience, independence and diversity on the Board and, in the light of this evaluation, preparing a description of the role and capabilities required for a particular appointment.

The Nomination and Remuneration Committee is empowered to engage external consultants in its search for a new Director, particularly as a means to increase the presentation of candidates which meet the requirements and objectives set pursuant to the Company's *Diversity Policy*.

4.3 Performance evaluation

The Nomination and Remuneration Committee shall:

- (a) develop a process for evaluation of the performance of the Board, Board committees and individual Board members in accordance with the Company's *Process for Performance Evaluations*;
- (b) consider and articulate the time required by Board members in discharging their duties efficiently;
- (c) undertake continual assessment of Directors as to whether they have devoted sufficient time in fulfilling their duties as Directors; and
- (d) develop a process for and carry out an evaluation of the performance of the Managing Director in accordance with the Company's *Process for Performance Evaluations*.

4.4 Induction and continuing professional development

The Nomination and Remuneration Committee shall:

- (a) implement ways of enhancing the competency levels of Directors;
- (b) review and implement the Company's *Induction Program*;
- (c) ensure new Directors participate in the *Induction Program*;
- (d) ensure that any Director who does not have specialist accounting skills or knowledge has a sufficient understanding of accounting matters to fulfil his or her responsibilities in relation to the Company's financial statements;
- (e) provide all Directors with access to ongoing education relevant to their position in the Company, including education concerning key developments in the Company and in the industry and environment within which it operates; and
- (f) ensure that Directors receive ongoing education on developments in accounting standards.

4.5 Succession plans

The Nomination and Remuneration Committee shall consider the Company's succession issues and review any succession plans. Succession plans are used to assist in maintaining the appropriate mix of skills, knowledge, experience, independence and diversity on the Board to enable it to discharge its duties and responsibilities effectively.

4.6 Remuneration (general)

The responsibilities of the Nomination and Remuneration Committee include a review of and recommendation to the Board on:

- (a) the Company's *Remuneration Policy*;
- (b) senior executives' remuneration and incentives;

- (c) the remuneration framework for Directors, including the process by which any pool of Directors' fees approved by shareholders is allocated to Directors;
- (d) superannuation arrangements for Directors, senior executives and other employees;
- (e) termination payments;
- (f) remuneration related reporting requirements including disclosing any summary of the Company's policies and practices regarding the deferral of performance-based remuneration and the reduction, cancellation or clawback of performance-based remuneration in the event of serious misconduct or a material misstatement in the Company's financial statements; and
- (g) whether there is any gender or other inappropriate bias in remuneration for Directors, senior executives or other employees.

4.7 Executive remuneration

In formulating the Company's *Remuneration Policy* and levels of remuneration for executives, the Nomination and Remuneration Committee makes recommendations to balance:

- (a) its desire to attract, retain and motivate executive Directors and senior executives
- (b) the need to ensure that the incentives for executive Directors and other senior executives encourage them to pursue the growth and success of the Company (both in the short term and over the longer term) without taking undue risks;
- (c) the need to demonstrate a clear correlation between executive Directors and other senior executives' performance and remuneration and how it is aligned to the creation of value for shareholders; and
- (d) its commercial interest in not paying excessive remuneration.

The Nomination and Remuneration Committee refers to the following guidelines for executive remuneration extracted from the Principles and Recommendations in formulating its executive remuneration policies and practices:

Guidelines for Executive Remuneration
Composition: remuneration packages for Executive Directors and other senior executives should include an appropriate balance of fixed remuneration and at risk performance-based remuneration.
Fixed remuneration: should be reasonable and fair, taking into account the Company's obligations at law and labour market conditions, and should be relative to the scale of the Company's business. It should reflect core performance requirements and expectations.
Performance-based remuneration: should be linked to clearly specified performance targets. These targets should be aligned to the Company's short and long-term performance objectives and should be appropriate to its circumstances, goals and risk appetite.
Equity-based remuneration: well-designed equity based remuneration, including options or performance rights, can be an effective form of remuneration, especially when linked to hurdles that are aligned to the Company's longer-term performance objectives. Care needs to be taken in the design of equity-based remuneration schemes, however, to ensure that they do not lead to "short termism" on the part of senior executives or the taking of undue risks.

Termination payments: termination payment, if any, for senior executives, should be agreed in advance and the agreement should clearly address what will happen in the case of early termination.¹ There should be no payment for removal for misconduct.

To the extent that the Company adopts an approach to executive remuneration that is not in accordance with the guidelines outlined above, the Nomination and Remuneration Committee shall document its reasons for the purpose of disclosure to stakeholders.

4.8 Non-executive remuneration

In considering the Company's *Remuneration Policy* and levels of remuneration for non-executive Directors, the Nomination and Remuneration Committee is to ensure that:

- (a) fees paid to non-executive Directors are within the aggregate amount approved by shareholders and make recommendations to the Board with respect to the need for increases to this aggregate amount at the Company's annual general meeting;
- (b) non-executive Directors are primarily remunerated by way of fees (in the form of cash and superannuation benefits);
- (c) non-executive Directors are not provided with retirement benefits other than statutory superannuation entitlements; and
- (d) non-executive Directors are not entitled to participate in equity-based remuneration schemes designed for executives without due consideration and appropriate disclosure to the Company's shareholders, and any incentives must not conflict with the non-executive Director's obligation to bring an independent judgment to matters before the Board.

The Nomination and Remuneration Committee refers to the following guidelines for non-executive Director remuneration extracted from the Principles and Recommendations in formulating its non-executive Director remuneration policies and practices:

Guidelines for Non-executive Director Remuneration

Composition: non-executive Directors should be remunerated by way of cash fees, superannuation contributions and non-cash benefits in lieu of fees (such as salary sacrifice into superannuation or equity).

Fixed remuneration: levels of fixed remuneration for non-executive Directors should reflect the time commitment and responsibilities of the role.

Performance-based remuneration: non-executive Directors should not receive performance-based remuneration as it may lead to bias in their decision-making and compromise their objectivity.

Equity-based remuneration: it is generally acceptable for non-executive Directors to receive securities as part of the remuneration to align their interests with the interests of other security holders.² However, non-executive Directors generally should not receive options with performance hurdles attached or performance rights as part of their remuneration as it may lead to bias in their decision-making and compromise their objectivity.

¹ Note also the restrictions that apply under sections 200 to 200J of the *Corporations Act 2001* (Cth) to termination payments by companies incorporated in Australia (and their associates) to those who hold a managerial or executive office in the company or in a related body corporate.

² Note that an issue of securities to a Director will require security holder approval under ASX Listing Rule 10.11 unless it falls within the exceptions set out in ASX Listing Rule 10.12.

Termination payments: non-executive Directors should not be provided with retirement benefits other than superannuation.

To the extent that the Company adopts an approach to non-executive Director remuneration that is not in accordance with the guidelines outlined above, the Nomination and Remuneration Committee shall document its reasons for the purpose of disclosure to stakeholders.

4.9 Incentive plans and benefits programs

The Nomination and Remuneration Committee is to:

- (a) review and make recommendations concerning long-term incentive compensation plans, including equity-based plans. Except as otherwise delegated, the Nomination and Remuneration Committee will administer equity-based and employee benefit plans, and as such will discharge any responsibilities under those plans, including making and authorising issues of equity, in accordance with the terms of those plans;
- (b) ensure that incentive plans are designed around appropriate and realistic performance targets that measure relative performance and provide rewards when they are achieved; and
- (c) continually review and if necessary improve any existing benefit programs established for employees.

4.10 Remuneration reporting and engagement with shareholders

The Nomination and Remuneration Committee is to:

- (a) review and recommend to the Board for approval the remuneration report for inclusion in the Company's annual report;
- (b) recommend to the Board who should engage with shareholders, governance advisers, proxy advisory firms and other relevant external parties on the *Remuneration Policy* and the Nomination and Remuneration Committee's work on behalf of the Board; and
- (c) report to the Board as to those remuneration matters which require shareholder approval.

4.11 Monitoring

The Nomination and Remuneration Committee is to monitor the following:

- (a) compliance with applicable legal and regulatory requirements associated with remuneration matters;
- (b) changes in the legal and regulatory framework in relation to remuneration.

5 Reporting to the Board

The Nomination and Remuneration Committee is to report to the Board, at least annually, on the following matters:

- (a) all matters relevant to the Nomination and Remuneration Committee's role and responsibilities as set out in this Nomination and Remuneration Committee Charter;
- (b) the results of the Nomination and Remuneration Committee's review of this Nomination and Remuneration Committee Charter; and

- (c) comment on the Nomination and Remuneration Committee's operation and composition.
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6 Engaging Remuneration Consultants

If a Remuneration Consultant is to be engaged, the Nomination and Remuneration Committee is responsible for engaging the Remuneration Consultant. A **Remuneration Consultant** is a person: (a) who makes a Remuneration Recommendation under a contract for services with the Company to whose Key Management Personnel the recommendation relates: and (b) who is not an officer or employee of the Company.

Key Management Personnel are persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Directors (whether executive or otherwise) of the Company. A **Remuneration Recommendation** is defined in section 9B of the Corporations Act.

If a Remuneration Consultant is engaged, the Nomination and Remuneration Committee will, in accordance with any policies or guidelines set by the Nomination and Remuneration Committee from time to time:

- (a) ensure that the requirements of Part 2D.8 of the Corporations Act are complied with including:
 - (i) reviewing and approving all remuneration consultancy contracts (as defined in section 206K(1) of the Corporations Act) before they are entered into by the Company; and
 - (ii) ensuring that any Remuneration Recommendation is provided directly to the Nomination and Remuneration Committee (excluding any Executive Directors on the Nomination and Remuneration Committee) and that the Remuneration Recommendation is not provided to a person who is neither a Director of the Company or a member of the Nomination and Remuneration Committee;
 - (b) put in place arrangements to ensure that a Remuneration Consultant is not unduly influenced by a member or members of Key Management Personnel to whom a Remuneration Recommendation relates;
 - (c) ensure that the Company's remuneration report includes the details relating to Remuneration Consultants as required by section 300A(1)(h) of the Corporations Act;
 - (d) authorise the distribution of any Remuneration Recommendation by any person other than the Remuneration Consultant beyond the Nomination and Remuneration Committee (excluding any executive Directors on the Nominee and Remuneration Committee); and
 - (e) set policies or guidelines to ensure that the Company meets its obligations under the Corporations Act, including its reporting obligations, in relation to Remuneration Consultants.
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7 Authority and resources

The Company is to provide the Nomination and Remuneration Committee with sufficient resources to undertake its duties. The Nomination and Remuneration Committee may seek input from individuals on remuneration policies, but no individual should be directly involved in deciding their own remuneration.

The Nomination and Remuneration Committee has the authority, as it deems necessary or appropriate, to obtain advice from external consultants or specialists in relation to nomination, recruitment and remuneration related matters.

8 Review of Charter

The Nomination and Remuneration Committee will review this Nomination and Remuneration Committee Charter at least annually, and update it as required.