
Remuneration Committee Charter

Rox Resources Limited ACN 107 202 602 (Company)

1 Composition

The full Board performs the function of a Remuneration Committee.

From time to time, non Board members may be invited to attend Board meetings when remuneration matters are being discussed, if it is considered appropriate.

2 Role

The Board's function as a Remuneration Committee is to fulfil its corporate governance responsibilities with respect to remuneration by reviewing:

- (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 full Board shall meet in its capacity as a Remuneration Committee at least once a year and otherwise as required. Minutes of such meetings must be kept and the meetings are to be governed by the same rules as set out in the Company's Constitution, as they apply to meetings of the Board.

4 Responsibilities

The responsibilities of the Board's function as the Remuneration Committee include a review of:

- (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 a 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.

4.2 Executive remuneration

In formulating the Company's *Remuneration Policy* and levels of remuneration for executives, the Board makes decisions 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 Board 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 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 Board shall document its reasons for the purpose of disclosure to stakeholders.

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.

4.3 Non-executive remuneration

In considering the Company's *Remuneration Policy* and levels of remuneration for non-executive directors, the Board 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 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 Board 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.
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 Board shall document its reasons for the purpose of disclosure to stakeholders.

4.4 Incentive plans and benefits programs

The Board is to:

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.

- (a) review and make recommendations concerning long-term incentive compensation plans, including equity-based plans. Except as otherwise delegated, the Board 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.

4.5 Remuneration reporting and engagement with shareholders

The Board is to:

- (a) review and approve the remuneration report for inclusion in the Company's annual report and oversee the process supporting its preparation;
- (b) agree who should engage with shareholders, governance advisers, proxy advisory firms and other relevant external parties on the *Remuneration Policy*;
- (c) make sure that shareholder approval is sought for remuneration matters which require it;
- (d) consider if interaction with the Audit and Risk Committee (or equivalent) is required to fulfil reporting obligations;
- (e) consider if the Chair of the Remuneration Committee rather than the Chair of the Board will take questions from shareholders on the remuneration report at the Company's annual general meeting.

4.6 Monitoring

The Board 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

To assist the Board to carry out its remuneration function, the Board should compile a report, at least annually, on the following matters:

- (a) all matters relevant to the Remuneration Committee's role and responsibilities as set out in this Remuneration Committee Charter;
- (b) the results of the Board's review of this Remuneration Committee Charter; and
- (c) comment on the Remuneration Committee's operation and composition.

6 Engaging Remuneration Consultants

The Board is responsible for engaging Remuneration Consultants. 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.

The Board will, in accordance with any policies or guidelines set by the Board 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 non-executive directors (unless the Board consists only of executive directors) and that the Remuneration Recommendation is not provided to a person who is neither a director of the Company or a member of the 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 non-executive directors (unless the Board consists only of executive directors); 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.

7 Authority and resources

The Board may seek input from individuals on remuneration policies, but no individual should be directly involved in deciding their own remuneration.

The Board may, when it considers it necessary or appropriate, to obtain advice from external consultants or specialists in relation to remuneration related matters.

8 Review of Charter

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