

# Remuneration and Nominations Committee Charter

## Stanmore Resources Limited

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### 1. PURPOSE

- (a) The role of the Remuneration and Nominations Committee (**Committee**) is to assist the board of Stanmore Resources Limited (**Board**) to oversee the remuneration policy of the Group<sup>1</sup> as well as reviewing the Board's composition and evaluation of its performance.
- (b) This Remuneration and Nominations Committee Charter (**Charter**) sets out the role, responsibilities, composition, structure and membership requirements of the Committee of the Company and the procedures for non-committee members to attend meetings.

### 2. COMMITTEE MEMBERS

- (a) The Committee is to consist of:
  - (i) only non-executive Directors; and
  - (ii) a minimum of three members.
- (b) The Company Secretary shall be the secretary of the Committee, or any other delegate as approved by the Committee.
- (c) The current membership of the Committee, including their qualifications and experience, will be disclosed in the Annual Report or on the Company's website.

### 3. RESPONSIBILITIES OF THE COMMITTEE

- (a) The Committee is a committee of the Board.

#### Nominations

- (b) The Committee is responsible for assisting the Board in relation to:
  - (i) the appointment of members to the Board, the Chief Executive Officer, Chief Financial officer, General Counsel and Company Secretary and Key Management Personnel (KMP);
  - (ii) identifying the skills and diversity the Board currently has and that which it aims to achieve; and
  - (iii) assisting the Board with the review of the performance of members of the Board and management.
- (c) In particular, the Committee will be responsible for:
  - (i) developing criteria for seeking and reviewing candidates for a position on the Board to fill vacancies or address skills and diversity deficiencies or succession issues, including by implementing processes to assess the necessary and desirable skill sets of the Board

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<sup>1</sup> In this document, unless otherwise stated, references to "Group" and "Company" means a reference to Stanmore Resources Limited and its controlled entities as a whole.

members in respect of experience, expertise, skills and performance of the Board and the committees;

- (ii) identifying suitable candidates for appointment to the Board or as Chief Executive Officer to fill vacancies or address skills and diversity deficiencies or succession issues;
- (iii) reviewing appropriate applications for positions of the Board and for the Chief Executive Officer and recommending individuals for consideration by the Board;
- (iv) undertaking appropriate background checks for any person who is to be appointed as Chief Executive Officer, Chief Financial Officer, General Counsel and Company Secretary, KMP or a Director appointed by the Board as a casual vacancy, or who is to be put forward as a candidate for shareholders to elect to become a Director;
- (v) ensuring all material information in its possession relevant to a decision by shareholders on whether or not to appoint a candidate as a Director is provided to the Company Secretary for inclusion in the notice of meeting to shareholders;
- (vi) assessing the independence of Directors from time to time, and at least annually for the purposes of the Company's annual reporting obligations, and assessing the independence of candidates who are to be put forward for shareholders to consider to elect as a Director;
- (vii) ensuring that each Director or any person who is to be appointed as Chief Executive Officer, Chief Financial Officer, General Counsel and Company Secretary or as a KMP enters into a written agreement with the Company setting out the terms of their appointment, and maintaining copies of such agreements;
- (viii) recommending procedures for adoption by the Board for the proper oversight of the Board and management;
- (ix) ensuring that such procedures, once adopted, are implemented such that the performance of each member of the Board and of management is reviewed and assessed each year in accordance with the procedures;
- (x) annually reviewing the composition of each committee and presenting recommendations for committee memberships to the Board;
- (xi) assessing the time commitment required from non-executive Directors and evaluating whether the non-executive Directors are satisfying their commitments;
- (xii) developing and implementing induction programs and continuing professional development programs for Directors and management to develop and maintain knowledge, skills and expertise needed to perform their role effectively and that is otherwise in line with the Company's skills matrix and corporate objectives; and
- (xiii) seeking advice from external consultants or specialists (as appropriate) to assist it to appropriately discharge its responsibilities.

### **Remuneration**

- (d) The Committee is responsible for assisting the Board in relation to the review of remuneration policies and practices of the Company and making recommendations to the Board in relation to:
  - (i) **executive remuneration and incentive plans:**
    - (A) considering compensation payments and any amendments to the remuneration policy proposed from time to time by management;

- (B) reviewing the on-going appropriateness and relevance of the executive remuneration policy and other executive benefit programs;
  - (C) considering whether to seek shareholder approval of the executive remuneration policy;
  - (D) overseeing the implementation of the remuneration policy;
  - (E) reviewing and approving the total proposed payments from each executive incentive plan; and
  - (F) reviewing the competitiveness of the Company's executive compensation programmes to ensure:
    - (1) the programmes are attractive, with a view to ensuring high quality senior executives are attracted to the Company, and retained and motivated thereafter;
    - (2) the Company is not paying excessive remuneration; and
    - (3) the alignment of the interests of key leadership with the long term interests of the Company's shareholders;
- (ii) **management remuneration packages:**
- (A) considering and having oversight of the process for remuneration for each KMP having regard to the objective that remuneration should encourage the pursuit of growth and success of the Company (in the short and long terms) without taking undue risks; and
  - (B) considering whether shareholder approval will be required;
- (iii) **non-executive Director remuneration:**
- (A) considering the remuneration arrangements and structure for the chairperson of the Board and non-executive Directors, including fees, travel expenses and allowances and other benefits, taking into account the ASX Corporate Governance Principles and Recommendations and that:
    - (1) incentives should not conflict with the obligation of non-executive Directors to bring an independent judgement to matters before the Board;
    - (2) non-executive Directors should normally be remunerated by way of fees (in the form of cash, non-cash benefits, superannuation contributions or equity);
    - (3) non-executive Directors should not participate in schemes designed for the remuneration of executives; and
    - (4) non-executive Directors should not receive options or bonus payments or retirement benefits (other than statutory superannuation).
  - (B) ensuring that the fees for non-executive Directors are within the aggregate amount approved by shareholders; and
  - (C) providing in the Annual Report any departures from Recommendation 8.1 of the ASX Corporate Governance Principles and Recommendations.
- (e) The Committee is responsible for:

- (i) the Company's recruitment, retention and termination policies and procedures for management;
  - (ii) incentive plans and share allocation schemes, including:
    - (A) reviewing and approving the design of all incentive or equity based plans;
    - (B) keeping all plans under review in light of legislative, regulatory and market developments;
    - (C) for each incentive or equity based plan, determining each year whether awards will be made under that plan;
    - (D) ensuring that the equity based executive remuneration is made in accordance with the thresholds set in plans approved by shareholders;
    - (E) reviewing and approving the total proposed awards under each plan;
    - (F) in addition to considering awards to executive Directors and direct reports to the Chief Executive Officer, reviewing and approving proposed awards under each plan on an individual basis for executives as required under the rules governing each plan or as determined by the Committee; and
    - (G) reviewing, approving and keeping under review performance hurdles for each equity based plan,
  - (iii) the superannuation arrangements for Directors and the Chief Executive Officer, Chief Financial officer, General Counsel and Company Secretary and KMP;
  - (iv) the remuneration of members of other committees of the Board; and
  - (v) overseeing the evaluation of the performance of management on an annual basis and reporting results to the Board.
- (f) The evaluation process is undertaken by the Committee with the advice and assistance of the Chief Executive Officer.
- (g) Management is to be assessed against individual and group performance targets set in the prior year or such other times as may be appropriate.

#### **4. REMUNERATION POLICIES**

- (a) The Committee should design the remuneration policy in such a way that it:
  - (i) motivates management to pursue the long-term growth and success of the Company without taking undue risks; and
  - (ii) demonstrates a clear relationship between key executive performance and remuneration.
- (b) For any incentive schemes or equity based plans which are adopted, the Committee is responsible for:
  - (i) reviewing their terms (including eligibility criteria and performance hurdles) and any amendments to those terms;
  - (ii) overseeing their administration (including compliance with applicable laws that restrict participants from hedging the economic risk of their security holdings) and disclosing its policy (which is included in the Company's Securities Trading Policy) on whether participants

are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme or plan;

- (iii) considering whether shareholder approval is required or desirable for the schemes or plans and for any changes to them; and
  - (iv) ensuring that payments and awards of equity are made in accordance with their terms and any shareholder approval that may be granted.
- (c) In performing its role, the Committee is required to ensure that:
- (i) the remuneration offered is in accordance with prevailing market conditions, and that exceptional circumstances are taken into consideration;
  - (ii) contract provisions reflect market practice;
  - (iii) targets and incentives are based on realistic performance criteria; and
  - (iv) no individual member of management is involved in deciding his or her own remuneration (excluding the decision of the Board to set the pool of Directors' fees for approval by shareholders).
- (d) The Committee will:
- (i) oversee the application of sound remuneration and employment practices across the Company; and
  - (ii) ensure the Company complies with legislative requirements related to employment practices.

## **5. APPROVALS IN RELATION TO REMUNERATION**

- (a) The Committee must approve the engagement of remuneration consultants to provide independent advice on the appropriateness of remuneration packages and other employment conditions for management (including the Chief Executive Officer) and non-executive Directors;
- (b) The Committee must make recommendations to the Board in respect of the following:
  - (i) changes to the remuneration or contract terms of executive Directors and direct reports to the Chief Executive Officer;
  - (ii) the design of new, or amendments to current, equity plans or executive cash-based incentive plans;
  - (iii) total level of award proposed from equity plans or executive cash-based incentive plans; and
  - (iv) termination payments to executive Directors or direct reports to the Chief Executive Officer, including consideration of early termination (except for removal for misconduct) (termination payments to other departing executives should be reported to the Committee at its next meeting).
- (c) The Board must approve any items in clause 5(b)(i) – (iv) above.

## **6. MEETINGS**

- (a) The Committee will meet at such intervals as required to fulfil its obligations.

- (b) The Chairperson is required to call a meeting of the Committee if requested to do so by any Committee member, the internal auditors (if any), external auditors, or the Chairperson of the Board or other Board member.
- (c) Where deemed appropriate by the Committee Chairperson, meetings may occur via conference call or other electronic means and approvals and recommendations may occur via written resolution.
- (d) The number of Committee meetings and Committee members' attendance at those meetings will be disclosed each year in the Company's Annual Report or on the Company's website.

## **7. REPORTING**

- (a) The Committee, through its Chairperson, must report to the Board after each Committee meeting on matters relevant to its role and responsibilities and make recommendations to the Board as appropriate.
- (b) Minutes of all Committee meetings are to be circulated to the Board and included in the papers for the next Board meeting.
- (c) The Committee must brief the Board promptly on all urgent and significant matters.
- (d) The Committee must consider if any material matters arising out of the Committee meeting should be advised to any other Committee and, if so, recommend to the Board that this occurs.

## **8. ATTENDANCE AT MEETINGS**

- (a) Other Directors (executive and non-executive) have a right of attendance at Committee meetings. However, no Director is entitled to attend that part of a meeting at which:
  - (i) an act or omission of that Director or a contract, arrangement or undertaking involving or potentially involving that Director or a related party of that Director is being investigated or discussed; or
  - (ii) the remuneration of that Director or a related party of that Director is being discussed.
- (b) Notwithstanding section 8(a), if in the opinion of the Committee, their investigation or discussion will be assisted by hearing from the interested Director, the Committee may invite that Director to address the Committee. The Committee will give fair consideration to that address. The Director will not, however, be invited to take part in the deliberations following that address.

## **9. ACCESS**

- (a) The Committee shall have unlimited access to the external and internal (if any) auditors, Directors, members of management and employees of the Group for the purpose of obtaining information to discharge its functions. The Committee shall also have the ability and authority to seek information it requires to carry out its duties from such persons, and the Board shall instruct such persons to co-operate fully in the provision of such information.
- (b) The Committee shall have the authority to seek advice from and meet with external experts where they consider it necessary or appropriate to carry out their duties. The Committee may meet with these external advisers without management being present. Any costs incurred as a result of the Committee consulting an external expert will be borne by the Company.
- (c) The Committee may also seek input from individuals on remuneration policies but no individual should be directly involved in deciding his or her own remuneration.

## **10. APPLICATION OF STANDING RULES**

The Company's Standing Rules for Committees (**Standing Rules**) apply to, and are deemed to be incorporated into this Charter, save where the Standing Rules conflict with any of the terms in this Charter.