



REMUNERATION AND NOMINATION COMMITTEE CHARTER

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1. INTRODUCTION

The Committee is a committee of the Board. The Charter sets out the role, responsibilities, composition, authority and membership requirements of the Committee.

The purpose of the Committee is to address board succession issues, 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, and remunerate fairly and responsibly. This includes setting remuneration sufficient to attract, retain and motivate high quality directors and senior executives. In addition to aligning their interests with the creation of value for security holders and with the entity's values and risk appetite.

2. DEFINITIONS AND INTERPRETATION

2.1 Definitions

In this Charter:

Board means the board of Directors of the Company from time to time.

Charter means this remuneration & nomination committee charter.

Chairperson means the person appointment by the Committee as Committee chairperson from time to time.

Committee means the remuneration & nomination committee of the Board from time to time.

Company means Pyx Resources Limited ACN 073 099 171.

Company Secretary means the company secretary of the Company

Director means any person holding the position of a director of the Company and includes an alternate director and Directors means the directors for the time being of the Company or as the context permits such number of them as have authority to act for the Company.

Management means the Board and senior executives of the Company.

2.2 Interpretation

Unless the contrary intention appears, a reference in this Charter to:

- (a) the singular includes the plural and vice versa;
- (b) one gender includes the others;
- (c) an item, recital, clause, subclause, paragraph, schedule or attachment is to an item, recital, clause, subclause, paragraph of, or schedule or attachment to, this Policy and a reference to this Policy includes any schedule or attachment; and
- (d) headings are for ease of reference only and do not affect the meaning or interpretation of this Charter.

3. COMMITTEE MEMBERS

3.1 Membership

The Committee must consist of:

- (a) a minimum of three members, a majority of whom are independent directors; and
- (b) an independent director as Chairperson,

and must disclose:

- (c) the Charter of the Committee;
- (d) the members of the Committee; and
- (e) in relation to each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings.

3.2 Appointment

- (a) Committee members are appointed by the Board.
- (b) The term of appointment as a member is for a period of no more than one year, with Committee members generally being eligible for re-appointment for so long as they remain directors. The effect of ceasing to be a director is the automatic termination of that individual's appointment as a member of each Committee.
- (c) Membership of each Committee should be confirmed annually by the Board at the Board's first meeting following its annual shareholder meeting.
- (d) The Chairperson is selected by the Board.

3.3 Executive Director

If the Committee includes an executive director, the executive director should not be involved in deciding his or her own remuneration and should be cognisant of any potential conflict of interests if he or she is involved in setting remuneration for other executives that may indirectly affect his or her own remuneration.

3.4 Member requirements

Each member of the Committee is to be financially literate and at least one member of the Committee is to have accounting or related financial management experience.

3.5 Initial members

The Board has established the Committee, the initial members of which are:

- (a) Bakhos Georges;
- (b) Gary J. Artmont; and
- (c) Alvin Tan.

4. OBJECTIVES OF THE COMMITTEE

4.1 Remuneration Structure

In developing the structure for executive remuneration, the Committee must consider matters including that:

- (a) Management should be remunerated by an appropriate balance of fixed remuneration and performance based remuneration;
- (b) levels of fixed remuneration should be reasonable and fair, relative to the scale of the Company's business, and should reflect core performance requirements and expectations;
- (c) any performance based remuneration should be clearly linked to specific performance targets which are aligned to the Company's short and long term performance objectives. Such targets should be appropriate to the Company's circumstances, goals and risk appetite;
- (d) equity based remuneration may include, among other things, options or performance rights. Such remuneration should include appropriate hurdles that are aligned to the Company's longer term performance objectives and should be structured in a manner so as to ensure they do not lead to a short term focus or the taking of undue risks; and
- (e) any termination payments for Management should be agreed in advance and should not be applied in the case of removal for misconduct. Consideration will be given as to whether shareholder approval will be required for any termination payments.

4.2 Remuneration Review

The Committee is responsible for reviewing the remuneration policies and practices of the Company and making recommendations to the Board in relation to:

- (a) Management remuneration and incentive plans including, but not limited to:
 - (1) pension and superannuation rights and compensation payments and any amendments to that policy proposed from time to time by Management;
 - (2) reviewing the ongoing appropriateness and relevance of the Management remuneration policy and other Management benefit programs;
 - (3) considering whether to seek shareholder approval of the Management remuneration policy;
 - (4) overseeing the implementation of the remuneration policy; and
 - (5) reviewing and approving the total proposed payments from each member of Management,

and in respect of such Management remuneration, reviewing the competitiveness of the Company's Management compensation programs to ensure:

- (6) the programs are attractive, with a view to ensuring the retention of the Company's Management;
- (7) the motivation of the Company's Management to achieve the Company's business objectives; and

- (8) the alignment of the interests of key leadership with the long term interests of the Company's shareholders;
- (b) remuneration packages for Management including but not limited to:
 - (1) considering and making recommendations to the Board on the entire specific remuneration for each individual of Management (including fixed remuneration, performance based remuneration, equity based remuneration, termination benefits, retirement rights, service contracts policy and superannuation), having regard to the Management remuneration policy; and
 - (2) considering whether shareholder approval will be required;
- (c) non-executive director remuneration including, but not limited to:
 - (1) the Company's remuneration framework for non-executive directors, including the process by which any pool of non-executive directors' fees approved by shareholders are allocated to non-executive directors;
 - (2) in developing the structure, considering matters including that:
 - (A) non-executive directors should normally be remunerated by way of fees (in the form of cash, non-cash benefits or superannuation contributions);
 - (B) levels of fixed remuneration for non-executive directors should reflect the time commitment and responsibilities of the role;
 - (C) non-executive directors should not receive performance based remuneration;
 - (D) non-executive directors may receive securities as part of their remuneration, however, they should not receive options with performance hurdles attached or performance rights as part of their remuneration; and
 - (E) non-executive directors should not be provided with retirement benefits (other than statutory superannuation); and
 - (3) ensuring that the fees for non-executive members of the Board are within the aggregate amount approved by shareholders;
- (d) the Company's recruitment, retention and termination policies and procedures for senior management;
- (e) incentive plans (equity and cash based) including, but not limited to:
 - (1) reviewing and approving the design of all equity based plans;
 - (2) keeping all plans under review in light of legislative, regulatory and market developments;
 - (3) for each equity-based plan, determining each year whether awards will be made under that plan;
 - (4) ensuring that the equity-based executive remuneration is made in accordance with the thresholds set in plans approved by shareholders;
 - (5) reviewing and approving total proposed awards under each plan;

- (6) in addition to considering awards to executive directors and direct reports to the managing director, 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
- (7) reviewing, approving and keeping under review performance hurdles for each equity-based plan;
- (f) superannuation arrangements;
- (g) remuneration of members of other Committees of the Board; and
- (h) whether there is any gender or other inappropriate bias in remuneration for directors, Management or other employees of the Company.

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.

4.3 **Board nominations**

In relation to Board nominations, the Committee should review and make recommendations to the Board in relation to:

- (a) Board succession planning generally;
- (b) induction and continuing professional development programs for directors;
- (c) the development and implementation of a process for evaluating the performance of the Board, its committees and directors;
- (d) the process for recruiting a new director, including 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;
- (e) the appointment and re-election of directors; and
- (f) ensuring there are plans in place to manage the succession of the Managing Director and other senior executives.

4.4 **Time commitment**

The Committee should regularly review the time required from a non-executive director and whether directors are meeting that requirement.

5. **REMUNERATION POLICIES**

The Committee should design the remuneration policy in such a way that it:

- (a) motivates directors and Management to pursue the long-term growth and success of the Company within an appropriate control framework; and
- (b) demonstrates a clear relationship between key executive performance and remuneration.
- (c) the remuneration offered is in accordance with prevailing market conditions, and that exceptional circumstances are taken into consideration;

- (d) contract provisions reflect market practice; and
- (e) targets and incentives are based on realistic performance criteria.

The committee will also:

- (a) overview the application of sound remuneration and employment practices across the Company; and
- (b) ensure the Company complies with legislative requirements related to employment practices.

6. APPROVAL

The Committee must approve the following prior to implementation:

- (a) changes to the remuneration or contract terms of executive directors and Management;
- (b) the design of new, or amendments to current, equity plans or Management cash-based incentive plans;
- (c) the total level of compensation proposed from equity plans or executive cash-based incentive plans; and
- (d) termination payments to executive directors or Management, including consideration of early termination, except for removal for misconduct.

7. REPORTING

7.1 Minutes

Proceedings of all meetings of the Committee are to be minuted and signed by the Chairperson.

The Committee, through the Chairperson, is to report to the Board at the earliest possible Board meeting after the Committee meeting regarding the determinations and conclusions of the Committee at its meetings. Minutes of all Committee meetings (and circular resolutions of the Committee) are to be circulated to the Board. The report should include but is not limited to:

- (a) the minutes of the Committee and any formal resolutions;
- (b) information about the review process undertaken by the Committee;
- (c) an assessment of:
 - (1) Management remuneration and incentive plans;
 - (2) remuneration packages for Management;
 - (3) non-executive director remuneration;
 - (4) the Company's recruitment and retention and termination policies and procedures for Management;

- (5) incentive plans (equity and cash based);
 - (6) superannuation arrangements; and
 - (7) remuneration of members of other Committees of the Board;
- (d) recommendations for setting remuneration levels for directors, Management and Committees;
- (e) any matter that in the opinion of the Committee should be brought to the attention of the Board and any recommendation requiring Board approval or action;
- (f) at least annually, a review of the formal written Charter and its continuing adequacy, and an evaluation of the extent to which the Committee has met the requirements of the Charter; and
- (g) providing details of the Company's policies and practices for the deferral of performance based remuneration and the reduction, cancellation or claw back of performance based remuneration in the event of serious misconduct or a material misstatement in the Company's financial statements.

7.2 Annual Report

In addition, the Chairperson must submit an annual report to the Board (at the Board meeting at which the year-end financial statements are approved) summarising the Committee's activities during the year including:

- (a) a summary of the Committee's main authority, responsibilities and duties;
- (b) biographical details of the Committee's members, including expertise, appointment, dates and terms of appointment;
- (c) details of meetings, including the number of meetings held during the relevant period and the number of meetings attended by each member; and
- (d) details of any change to the independent status of each member during the relevant period, if applicable.

8. MEETINGS

- (a) There is no requirement that the Committee meet a set number of times or intervals during a year. Rather, the Committee will meet at such intervals as required to fulfil its obligations.
- (b) In addition, the Committee Chairperson is required to call a meeting of the Committee if requested to do so by any Committee member, the internal or external auditors, the Chairperson of the Board or any other Board member.

9. ATTENDANCE AT MEETINGS

Other directors (executive and non-executive) have a right of attendance at meetings. However, no director is entitled to attend that part of a meeting at which the remuneration of that director or a related party of that director is being discussed.

10. ACCESS

10.1 General Access

- (a) The Committee will have access to employees of the Company and appropriate external advisers. The Committee may meet with these external advisers without Management being present.
- (b) The Committee will also have the ability and authority to seek any information it requires to carry out its duties from any officer or employee of the Company and such officers or employees will be instructed by the Board to co-operate fully in provision of such information.
- (c) The Committee will have the ability to interview Management where considered necessary or appropriate.

10.2 Independent Experts

The Committee also has the authority to consult independent experts where they consider it necessary to carry out their duties. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.

11. GENERAL MATTERS

11.1 Meeting

- (a) A quorum will consist of two members.
- (b) Meetings may be held in any location and may be held by means of teleconference or videoconference.

11.2 Chair

- (a) The chair of the Board may be Chairperson of the Committee, however, a separate chair should be appointed if and when the Committee is dealing with the appointment of a successor to the Chairperson.
- (b) Should the Chairperson be absent from a meeting and no acting chairperson has been appointed, the members of the relevant Committee present at the meeting have authority to choose one of their number to be Chairperson for that particular meeting.

11.3 Secretary

The Chairperson will appoint an executive or the Company Secretary to act as secretary to that Committee who will be responsible:

- (a) in conjunction with the Chairperson, for drawing up the agenda, supported by explanatory documentation, and circulating it to the relevant Committee members prior to each meeting; and
- (b) for keeping the minutes of each meeting of that Committee and circulating them to Committee members and to the other members of the Board.

11.4 Remuneration

A member of each Board committee is entitled to receive remuneration as determined from time to time by the Committee.

11.5 Charter

The Charter is to be reviewed annually by the Committee to ensure it remains consistent with the Committee's authority, objectives and responsibilities.

Significant changes to the Charter must be recommended by the Committee and approved by the Board.

The duties and responsibilities of a member of the Committee are in addition to those duties set out for a director of the Board.

To the extent of any inconsistency between this Charter and any applicable laws that apply to the Company, such applicable laws shall prevail.