



# REMUNERATION COMMITTEE CHARTER

## 1 Introduction

This is the Remuneration Committee charter for Adriatic Metals plc (“Adriatic”). The charter governs the procedures of the Remuneration Committee (“**Committee**”) and outlines the procedures and guidelines in relation to the remuneration of directors and senior management of Adriatic<sup>1</sup>.

## 2 Remuneration Committee

The role of the Committee is to review and make recommendations to the Board in respect of:

- an executive remuneration and incentive policy;
- the remuneration of the chief executive officer and all senior management reporting directly to the chief executive officer;
- an executive incentive plan;
- an equity based incentive plan;
- the remuneration of non-executive directors;
- superannuation arrangements;
- accidental death and disability insurance and other insurance arrangements;
- recruitment, retention, performance measurement and termination policies and procedures for non-executive directors, the chief executive officer, the company secretary and all senior management reporting directly to the chief executive officer;
- whether there is any gender or other inappropriate bias in remuneration for directors, senior executives or other employees. and
- the disclosure of remuneration in Adriatic public materials including ASX filings and the annual report.

Further, the Committee is entitled to direct any special investigation that the Committee considers appropriate and to consult any independent expert that the Committee considers appropriate to carry out its duties. Adriatic bears the costs of any such investigation or consultations.

The Committee is entitled to call on and use any employee of Adriatic to the extent that the Committee considers appropriate to carry out the Committee’s role and responsibilities.

### 2.1 Composition

The Committee will comprise at least three members and subject to availability it is preferable for the committee to consist of a majority of independent non-executive directors. If practical, the Board will appoint an independent non-executive director as the Chairman of the Committee.

The Board will appoint the members of the Committee with due regard to the provisions of the Corporations Act 2001 (Cth).

#### 2.1.1 Removal or resignation

If a member of the Committee retires, is removed or resigns from the Board, that member ceases to be a member of the Committee. The Board will appoint the successor.

#### 2.1.2 Committee may invite

The Committee may invite any senior management member or any other individual to attend a meeting of the Committee, as they consider appropriate.

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<sup>1</sup> ASX Corporate Governance Council’s revised Corporate Governance Principles and Recommendations 3<sup>rd</sup> edition 8.1

The chief executive officer will be the principal liaison between senior management and the Committee on remuneration matters and will be invited to attend meetings when the Committee considers appropriate.

### **2.1.3 Secretary**

The company secretary is the secretary of the Committee.

## **2.2 Meetings**

### **2.2.1 Frequency**

The Committee will meet as frequently as required but not less than once a year. Any Committee member or the company secretary may call a Committee meeting.

### **2.2.2 Calling meetings and notice**

A notice of each meeting confirming the date, time, venue and agenda must be forwarded to each member of the Committee (with a copy to all board members) seven working days before the date of the meeting. The notice for members will include relevant supporting papers for the agenda items to be discussed.

### **2.2.3 Advice**

The Committee may have access to professional advice from employees within Adriatic and from appropriate external advisers. The Committee may meet with these external advisers without management being present.

### **2.2.4 Report to board**

The Committee chairman, or delegate, will report to the Board following each meeting. The Committee will report to the Board regularly on the matters set out in **section 2** of this document.

The Committee will prepare for approval by the Board any report on the matters set out in **section 2** that may be:

- required by any listing rule, legislation, regulatory body or other regulatory requirement; or
- proposed for inclusion in the annual report.

### **2.2.5 Minutes**

Minutes of proceedings and resolutions of Committee meetings will be kept by the secretary. Minutes will be distributed to all Committee members and the chairman of the Board, after the Committee chairman has given the preliminary approval. Minutes, agenda and supporting papers will be made available to any director upon request to the secretary, providing no conflict of interest exists.

### **2.2.6 Quorum and voting**

If practical and subject to availability, a quorum will comprise of two independent non-executive director Committee members. In the absence of the Committee chairman or appointed delegate, the members will elect one of their number as chairman for that meeting.

Each member will have one vote and the chairman of the Committee will not have a second or casting vote.

### **3 Duties and responsibilities**

In order to fulfil its responsibilities to the Board the Committee will on an annual basis:

#### **3.1 Executive remuneration policy**

- review and make recommendations to the Board regarding Adriatic 's policy for determining executive remuneration including, but not limited to, superannuation arrangements and compensation payments, and any amendments to that policy proposed from time to time by management;
- review the on-going appropriateness and relevance of the executive remuneration policy and other executive benefit programs;
- consider whether to seek shareholder approval of the executive remuneration policy; and
- oversee the implementation of the remuneration policy within Adriatic .

#### **3.2 Executive directors and senior management**

- consider and make recommendations to the Board on the entire specific remuneration for the chief executive officer and any other executive director, (including base pay, incentive payments, equity awards, retirement rights, service contracts) having regard to the executive remuneration policy, and determine whether any shareholder approvals are required and that any equity-based executive remuneration is made in accordance with shareholder approvals and
- review and make recommendations to the Board regarding the proposed remuneration (including incentive awards, equity awards and service contracts) for the company secretary and all senior management reporting directly to the chief executive officer.

#### **3.3 Executive incentive plans**

- review and make recommendations to the Board regarding the design of all executive incentive plans; and
- review and make recommendations to the Board regarding the total proposed payments from each executive incentive plan.

#### **3.4 Equity based plans**

- review and make recommendations to the Board regarding the design of all equity based plans;
- keep all plans under review in the light of legislative, regulatory and market developments;
- for each equity based plan, determine each year whether awards will be made under that plan;
- review and make recommendations to the Board regarding total proposed awards under each plan;
- in addition to considering awards to any senior management reporting directly to the chief executive officer, review and make recommendations to the Board regarding 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
- review, make recommendations to the Board and keep under review performance hurdles for each equity-based plan.

### **3.5 Non-executive director remuneration**

- review and establish the level of remuneration for non-executive directors. The level of director remuneration is to be set so as to attract the best candidates for the Board while maintaining a level commensurate with boards of similar size and type;
- where necessary recommend that the Board seek an increase in the amount of remuneration for non-executive directors approved by shareholders;
- the Committee may request management or external consultants to provide necessary information upon which the Board may make its determination.

### **3.6 Approvals**

Before implementing any of the following proposals the Board will ask the Committee to review the proposal and make a recommendation to the Board in relation to it:

- any change to the remuneration or contract terms of the chief executive officer and any other executive director, the company secretary and all senior management reporting directly to the chief executive officer;
- the design of any new equity plan or executive cash-based incentive plan, or the amendment of any existing equity plan or executive cash-based incentive plan;
- the total level of award proposed from equity plans or executive cash-base incentive plans;
- any termination payment to the chief executive officer or any senior management reporting directly to the chief executive officer. A termination payment to any other departing executive must be reported to the Committee at its next meeting.

## **4 Review**

The Committee chairman will conduct an annual review of this Charter to ensure that the Charter continues to reflect the current best industry practice processes and guidance utilised when assessing the appropriate remuneration of the directors and the senior management. The Board will need to approve any amendments to the Charter that stem from the review.