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# REMUNERATION & NOMINATION COMMITTEE CHARTER

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## Gulf Manganese Corporation Limited (the 'Company')

### Objectives

1. Due to the modest size and scale of the Company's operations, the full Board will undertake the responsibilities of the Remuneration & Nominations Committee until such time as the Company decides otherwise.
2. The objective of the Remuneration and Nominations Committee/Board is to fulfil its corporate governance responsibilities in regard to:
  - (a) Board appointments and performance;
  - (b) Directors' induction program;
  - (c) Committee membership;
  - (d) Executive Directors and Executive management succession planning, remuneration policies, appointments and terminations;
  - (e) Remuneration policies for Non-Executive Directors;
  - (f) Diversity obligations;
  - (g) Human resources policies; and
  - (h) Other matters referred to the Committee by the Board.
3. In particular, the Board is to undertake the functions of the nomination and remuneration committees set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

### Membership

4. When/if the Board decides to establish a separate Board sub-committee, the Committee is to consist of:
  - (a) a majority of independent Directors;
  - (b) at least 3 members; and
  - (c) a Chair who is an independent Director.

Where the composition of the Board does not allow the Committee to consist of all of the above, the Board is to establish the Committee with those Directors who are considered to be the best qualified to serve on the Committee given their background and experience.

5. The Company Secretary is to attend Committee meetings, or to otherwise receive an update from the Chairman on proceedings of Committee meetings, to ensure minutes are taken of each meeting.
6. Where a separate committee is established, Directors who are not Committee members may attend meetings.

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## Meetings

7. The Committee/Board is to meet as requested by the Chairman and must meet at least twice per year.
8. As required by the Company's Constitution, a quorum for a Committee/Board Meeting is two members.
9. Meetings of the Committee/Board may be held using any means of audio or audio visual communication by which each Committee member can hear and be heard by each other Committee member participating.
10. The Chief Executive Officer is to attend such portion of each meeting as requested by the Chairman.
11. The Committee/Board may approve remuneration for executive management. All other recommendations of the Committee are to be referred to the Board for approval.

## Access to Information and Independent Advice

12. The Committee/Board has the authority to seek any information it requires from any employee of the Company and all employees must comply with such requests.
13. The Committee/Board may take such independent legal, financial, remuneration, recruitment or other advice as it considers necessary.
14. The Committee/Board may seek input from individuals on remuneration policies, but no individual should be directly involved in deciding his/her own remuneration.

## Duties and Responsibilities

### ***Board Appointments and Performance***

15. The Committee/Board will:
  - (a) assess the necessary and desirable competencies of Directors;
  - (b) ensure the Directors have the appropriate mix of competencies to enable the Board to discharge its responsibilities effectively;
  - (c) ensure that directors have access to appropriate continuing education to update and enhance their skills and knowledge (including key developments in the Company and the industry);
  - (d) develop Board succession plans to ensure an appropriate balance of skills, experience and expertise is maintained;
  - (e) make recommendations relating to the appointment and retirement of Directors;
  - (f) review the time commitment required from Non-Executive Directors and whether directors are meeting that commitment; and
  - (g) ensure there is a regular board performance review.
16. A Director Selection Policy has been adopted to assist the Board in this matter.

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### **Remuneration Policies for Non-Executive Directors**

17. The Committee/Board will review and make recommendations to the Board on remuneration policies for Non-Executive Directors (including fees, travel and other benefits). In making its recommendations, the Committee/Board should take into account the following guidelines:
- (a) Non-Executive Directors should be remunerated by way of fees – in the form of cash, non-cash benefits or superannuation contributions;
  - (b) Non-Executive Directors should not participate in schemes designed for remuneration of executives;
  - (c) Non-Executive Directors may receive options but will not receive bonus payments;
  - (d) Non-Executive Directors should not be provided with retirement benefits other than statutory superannuation; and
  - (d) The maximum aggregate annual remuneration is approved by shareholders.

### **Remuneration Policies for Executive Directors and Executive Management**

18. The Committee will review and make recommendations to the Board on the remuneration of Executive Directors and Executive Management, including:
- (a) Fixed annual remuneration (including superannuation) and short term and long term incentive awards (including performance targets);
  - (b) Any termination payments (which are to be agreed in advance and include provisions in case of early termination); and
  - (c) Offers of equity under Board approved employee equity plans. Any issue of Company shares or options (if any) made to Executive Directors are to be placed before shareholders for approval.
19. In making its recommendations, the Committee/Board's objectives are that the remuneration policies:-
- (a) Motivate Executive Directors and Executive Management to pursue the long-term growth and success of the Company;
  - (b) Demonstrate a clear relationship between performance and remuneration; and
  - (c) Involve an appropriate balance between fixed and incentive remuneration, reflecting the short and long-term performance objectives appropriate to the Company's circumstances and goals.

### **Directors' Induction Program**

20. The Committee/Board should encourage each new Director to undertake an induction program which enables o them to gain an understanding of:-
- (a) The Company's operations;
  - (b) The Company's financial, strategic, operational and risk management position;
  - (c) Their rights, duties and responsibilities; and
  - (d) The role/responsibilities of Board Committees (if any).

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**Human Resources Policies**

21. The Committee/Board will review human resource policies and practices for Executive Management.

**Committee Membership**

22. Where sub-committees have been established and when it is considered appropriate, the Committee is to review the composition of Committees and submit recommendations to the Board for changes to those Committees.

**Executive Directors and Executive Management Succession Planning, Appointments and Terminations**

23. In respect of all Executive Management, the Committee/Board is to review and recommend to the Board:-

- (a) Succession planning; and
- (b) Recommendations made to the Chief Executive Officer for appointments and terminations.

**Other**

24. The Committee/Board will consider any other matters referred to the Committee by the Board.

**Reporting**

25. Where a committee of the Board has been established, the Committee will report on its meetings to the Board.

**Committee Performance**

26. To determine whether it is functioning effectively, once each year the Committee/Board shall:

- (a) review this Charter; and
- (b) undertake an evaluation of its performance.

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