

## Nomination and Remuneration Committee Charter

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### 1 Applicability

This Nomination and Remuneration Committee Charter (**Charter**) applies to all members of the Magnetite Mines Limited ABN 34 108 102 432 (**Company**) Nomination and Remuneration Committee (**Committee**).

The composition of the Committee is based on the size and composition of the Board and consideration was given to compliance against the ASX Corporate Governance Principles and Recommendations 4<sup>th</sup> edition (**Principles and Recommendations**).

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### 2 Role

The role of the Committee is to assist the Company's board of directors (**Board**) by reviewing and making appropriate recommendations to the Board on remuneration and nomination-related matters, including:

#### *Remuneration*

- (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) driving behaviours that support the Company's risk management framework and promote accountability for decisions and reinforce the desired culture which is consistent with the Company's Code of Conduct;
- (e) structuring remuneration to assist in attracting, retaining and motivating staff who are critical to Company's success;
- (f) aligning remuneration outcomes with the Company's financial and non-financial outcomes, reward appropriate conduct and penalise inappropriate conduct assessed by reference to outcomes for customers, clients, staff, shareholders and communities in which the business operates;
- (g) supporting and reinforcing the interests of shareholders and staff to promote the Company's sustainable performance in a manner that supports the long-term interests of the Company;
- (h) superannuation arrangements for directors, senior executives and other employees;
- (i) remuneration by gender;

### *Nomination*

- (j) succession planning generally, including ensuring that there are plans in place to manage the succession of the Chief Executive Officer and other senior executives;
- (k) oversee and approve all direct reports to the CEO, who have their employment either terminated or leave via resignation to ensure the appropriateness of the exit terms and conditions;
- (l) induction and continuing professional development programs for directors;
- (m) the development and implementation of a process for evaluating the performance of the Board, its committees and directors;
- (n) the process for recruiting a new director; and
- (o) the appointment and re-election of directors.

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## **3 Composition**

The Committee will be structured so that it has at least three members, two of whom are independent non-executive directors. The majority of members must be independent directors. The Chair of the Committee must be an independent director. If, for a particular Committee meeting, the Committee chairperson is not present within 10 minutes of the nominated starting time of the meeting, the Committee may elect a chairperson for the meeting.

Each member must be free from any interest, position, association or relationship which, in the opinion of the Board, could, or could reasonably be perceived to, materially interfere with the exercise of his or her independent judgement as a member of the Committee.

Where the Committee includes an executive director, they must not be involved in deciding their own remuneration and must be alive to the potential conflict of interest in being involved in setting the remuneration for other executives that may indirectly affect their own (e.g. through setting a benchmark or because of relativities).

The company secretary of the Company is the secretary of the Committee.

The Board will review the composition of the Committee annually to ensure it comprises the appropriate balance of skills, knowledge and experience to be able to discharge the Committee's mandate effectively.

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## **4 Committee meetings and process**

Meetings and proceedings of the Committee are governed by the provisions in the Company's Constitution regulating meetings and proceedings of the Board and committees of the Board in so far as they are applicable and not inconsistent with this charter.

Committee members may attend meetings in person or by electronic means.

The Committee will meet as frequently as required to perform its functions. The chairperson must call a meeting of the Committee if requested by any member of the Committee, the external auditor, the internal auditor or the chairperson of the Board.

Two directors constitute a quorum for meetings of the Committee.

The Committee chairperson may invite the CEO, chief financial officer, other senior executives, directors who are not members of the Committee and external advisers to attend meetings of the Committee. Directors who are not members of the Committee are entitled to attend Committee meetings and access Committee papers, subject to any conflicts.

Unless otherwise agreed or considered necessary by the chairperson, notice of each meeting confirming the venue, date and time, together with an agenda of items to be discussed and supporting documentation, will be circulated by the secretary to each Committee member and any other individual invited to attend, a reasonable time before the meeting.

The secretary will keep minute books to record the proceedings and resolutions of Committee meetings.

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## 5 Responsibilities

The Committee has the following responsibilities:

### *Remuneration*

- (a) **Remuneration Policy:** Reviewing the Company's Remuneration Policy and making appropriate recommendations to the Board. In considering the Company's Remuneration Policy, the Committee will take into account the guidelines for non-executive director remuneration and executive remuneration set out in Box 8.2 in the Principles and Recommendations, the implications for the Company's reputation and standing in the community based on the Company's current remuneration structure and (as necessary) the perspective of external proxy advisers and shareholders on the remuneration policies, practices and the annual remuneration report of the Company.
- (b) **Senior-executive remuneration:** Reviewing senior executives' remuneration and incentives and making appropriate recommendations to the Board.
- (c) **Non-executive director remuneration:** Reviewing the remuneration framework for non-executive directors, including the process by which the pool of directors' fees approved by shareholders is allocated to directors, and making appropriate recommendations to the Board.
- (d) **Incentive plans:** Reviewing and making recommendations on incentive compensation plans, including equity-based plans. In fulfilling these responsibilities, the Committee will ensure that any incentive schemes for executive directors and other senior executives encourage them to pursue the growth and success of the entity without rewarding conduct that is contrary to the Company's values or risk appetite. The Committee is responsible for overseeing the administration of equity-based plans (including compliance with applicable laws that restrict participants from hedging the economic risk of their security holdings) and for considering whether shareholder approval is required or desirable for the plans and for any changes to them.
- (e) **Superannuation:** Reviewing superannuation arrangements for directors, senior executives, and other employees.
- (f) **Termination payments:** Reviewing termination payments.
- (g) **Remuneration reporting and disclosure:** Reviewing remuneration-related reporting requirements, including disclosing a summary of the Company's policies and practices (if any) 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 a summary of the Company's policies and practices regarding any minimum shareholding ('skin in the game') requirements (if any) for non-executive directors.
- (h) **Remuneration equality:** Reviewing whether there is any gender or other inappropriate bias in remuneration for directors, senior executives, or other employees.

### *Nomination*

- (i) **Size and composition of the Board:** Regularly reviewing the size and composition of the Board and considering any appropriate changes to the Board to ensure that the Board is of a size and composition conducive to making appropriate and efficient decisions, with the benefit of a variety of perspectives and skills and in the best interests of the Company as a whole.

- (j) **Board skills matrix:** Identifying and assessing necessary and desirable director skills and competencies using a Board skills matrix. Recommending the board skills matrix (which sets out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership) to the Board for approval.
- (k) **Succession planning:** Reviewing any succession plans for the Board, Chief Executive Officer and other senior executives. Being conscious of each director's tenure, to maintain an appropriate balance of skills, experience, expertise and diversity collectively on the Board while also allowing for Board renewal.
- (l) **Board induction and continuing professional development:** Oversee development of the Company's induction program for directors. Oversee development of appropriate programs so that directors have access to ongoing education relevant to their position in the Company, including ongoing education on material developments in laws, regulations and accounting standards relevant to the Company and any training or development that could be undertaken to fill any gaps identified in the Board skills matrix.
- (m) **Board performance evaluation:** Developing a process for the evaluation of the Board, its committees (if any), and individual directors, including the Board chairperson.
- (n) **Director selection and (re)appointment:** Developing the Company's Policy and Procedure for the Selection and (Re)Appointment of Directors (**Policy**) for approval by the Board. The Policy should take into account the Board skills matrix and independence and diversity considerations. Assisting the Board in assessing the independence of each non-executive director. Identifying and making recommendations to the Board for the appointment / re-appointment of new Board candidates, having regard to their skills, experience, and expertise and the Board skills matrix including any specific skill gaps required to be enhanced. Otherwise carrying out the functions ascribed to the Committee in the Policy.
- (o) **Diversity:** If considered appropriate, making recommendations to the Board as to appropriate measurable objectives for achieving gender diversity, and annually reviewing those objectives and the Company's progress towards achieving them. Identifying ways to promote an inclusive culture, supportive of diversity, including recruitment from a diverse pool of candidates. Overseeing the development, implementation, and periodic review of a diversity policy as recommended in the ASX Principles and Recommendations and recommending it to the Board for approval.
- (p) **Legal compliance:** Monitoring compliance with applicable legal and regulatory requirements relevant to remuneration and nomination related matters and any changes in the legal and regulatory framework in relation to remuneration and nomination.
- (q) **Other:** Perform such other functions related to this Charter as requested by the Board.

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## 6 Operations

When matters within the responsibility of the Committee are to be considered, they are marked as separate agenda items at meetings of the Board. The Board deals with any conflicts of interest that may occur by ensuring that the director with a conflicting interest is not a party to the relevant discussions.

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## 7 Engaging remuneration consultants

The Committee is responsible for making any recommendations to the Board (for approval by the Board) for engaging remuneration consultants. The Committee must ensure that policies or guidelines are in place to assist the Company to meet its obligations under the *Corporations Act 2001* (Cth) in relation to remuneration consultants. In particular, the Committee will ensure that:

- (r) 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 nor a member of the Committee;
- (s) adequate arrangements are put in place to ensure that a remuneration consultant is not unduly influenced by any member of the key management personnel to whom the remuneration recommendation relates; and
- (t) the Company's remuneration report includes the details relating to remuneration consultants as required by section 300A(1)(h) of the Corporations Act;

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## **8 Authority and resources**

The Committee is authorised to:

- (u) seek any information it requires to perform its duties from any employee of the Company;
- (v) obtain, at the Company's expense, external legal or other professional advice on any matter within its responsibilities as set out in this Charter; and
- (w) seek input or advice from external consultants or other specialists. For example, the Committee may engage external consultants in its search for a new director, particularly as a means to increase the presentation of candidates which meet the requirements and objectives of the Company's Diversity Policy.

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## **9 Reporting**

The Chair of the Committee will report to the Board, at the following Board meeting, on the proceedings of each meeting of the Committee, bringing forward all recommendations of the Committee which require Board approval, and reporting on any actions taken by the Remuneration Committee.

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## **10 Review**

The Committee will review its charter annually to keep it up to date and consistent with the Committee's authority, objectives and responsibilities and report to the Board any changes it considers should be made. The charter may be amended by resolution of the Board.