

 <b>KOGI IRON LIMITED</b>	<b>Remuneration &amp; Nomination Committee Charter</b>	<b>ACP 013</b> Page: 1 of 5
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## 1. PREAMBLE

The Remuneration and Nomination Committee ('Committee') is a committee that assists and advises the Board of Kogi Iron Limited ('the Company'), so as to achieve the following aims:

- Consider Board and committee structure, composition and succession planning as well as monitoring succession planning and the development of senior management
- Ensure that the Company has an appropriate reward strategy in place for executives that align their interests with that of Company shareholders.

The Committee does not relieve any directors of their responsibilities for these matters.

The Committee acts primarily as an advisory body to the Board and in making recommendations to the Board. The Committee does not, as of itself, have the power or authority of the Board in dealing with matters on which it advises except where certain powers are specifically set out in this Charter or are otherwise delegated by the Board.

## 2. ROLES AND OBJECTIVES

### 2.1 Nomination Related

Nominations of new directors, recommended by the Committee, are considered by the full Board. The Committee is responsible for:

- assessing the skills required on the Kogi Board and its subsidiaries;
- reviewing the structure, size and composition of the Board;
- from time to time assessing the extent to which the required skills are represented on the Board and ensuring an appropriate succession planning is in place;
- establishing processes for the review of the performance of individual Directors and the Board as whole, its committees and the executive; and
- establishing processes for the identification of suitable candidates for appointment to the Board; and
- Board induction and the provision of adequate training and development opportunities for Directors as required.

The Committee is also responsible for recommending to the Board, strategies on Board gender diversity and diversity in general, and for regularly reviewing these strategies.

### 2.2 Remuneration Related

The role of the Committee is to oversee all the Company's remuneration and compensation plans for the Company's senior executives, staff and Directors, having regard to the law and the highest standards of governance.

The Committee aims to achieve its objectives by:

- ensuring shareholder and employee interests are aligned;
- ensuring the Company is able to attract, develop and retain talented employees;
- recommending to the Board an appropriate executive remuneration policy;
- determining the remuneration of Directors;

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- reviewing and approving the remuneration of those reporting directly to the Managing Director and other senior managers, as appropriate;
- reviewing remuneration structures and packages for other staff, as appropriate; and
- reviewing all equity based plans for approval by the Board.

### 3. DUTIES AND RESPONSIBILITIES

The Committee supports and advises the Board in fulfilling its responsibilities to shareholders by:

#### Executive Remuneration Policy

- reviewing and making recommendations to the Board regarding the Executive Remuneration Policy for determining remuneration for senior executives and any amendments to that policy proposed from time to time;
- reviewing the ongoing appropriateness and relevance of the Executive Remuneration Policy and other executive benefit programs;
- considering whether it is necessary to seek shareholder approval of the Executive Remuneration Policy; and
- overseeing the implementation of the Executive Remuneration Policy within the Company.

#### Executive Directors and Senior Management

- considering and making recommendations to the Board on the remuneration for Executive Directors, (including, but not limited to, base pay, incentive payments, equity rewards, and retirement rights) having regard to the Executive Remuneration Policy;
- reviewing and making recommendations to the Board regarding the proposed remuneration (including, but not limited to, base rate, incentive payments, equity awards and retirement rights) for the Company Secretary and all Senior Management reporting directly to the Managing Director;
- considering whether it is necessary to seek shareholder approval for Executive Director and Senior Management pay rates; and
- ensuring that any equity based executive remuneration is made in accordance with shareholder approvals.

#### Executive Incentive Plans

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

#### Staff Remuneration and Manning

- reviewing proposed annual remuneration packages and manning levels for staff, as recommended by management

#### Equity Based Plans

- reviewing and making recommendations to the Board regarding the design of all equity based plans;
- keeping all plans under review in the light of legislative, regulatory and market developments;
- for each equity based plan, determining each year whether awards will be made under that plan;
- reviewing and making recommendations to the Board regarding total proposed awards under each plan;
- reviewing and making recommendations to the Board regarding proposed awards under each plan on an individual basis for senior executives as required under the rules governing each plan or as determined by the Committee; and

- making recommendations to the Board and keeping under review performance hurdles for each equity based plan.

#### Non-Executive Director Remuneration

- reviewing and establishing 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 whilst maintaining a level commensurate with Boards of similar size and type;
- where necessary, recommending that the Board seek an approved increase in the amount of remuneration for Non-Executive Directors from shareholders; and
- the Committee may request management or external consultants to provide necessary information upon which the Board may make its determination.

#### 4. DISCLOSURE

In order to maintain remuneration transparency, both the levels and process of setting the remuneration for Non-Executive and Executive Directors is to be fully and fairly reported. Consistent with the Company's Continuous Disclosure Policy the Committee will review all public disclosures and statements concerning the matter the subject of this policy, including disclosures in ASX announcements, the Annual Report and press releases.

#### 5. 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:

- any change to the remuneration or contract terms of the Managing Director and any other Executive Director (as may exist from time to time), the Company Secretary and all Senior Management reporting directly to the Managing Director;
- 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 based incentive plans; and
- any termination payment to an Executive Director (as may exist from time to time), the Company Secretary or any Senior Management reporting directly to the Managing Director. A termination payment to any other departing executive must be reported to the Committee at its next meeting.

#### 6. COMPOSITION

The Committee will comprise at least two members and a majority of the members of the Committee will be independent Directors. The Board will determine each director's independence having regard to any past and present relationships with the Company which, in the opinion of the Board, could influence the director's judgement.

The Chairman of the Committee shall be designated by the Board. In the event of a tied vote on any issue, the Chairman's vote shall decide the issue. Should the Chairman be absent from a meeting, the members of the Committee shall choose one of their number to be Chairman for the particular meeting.

The Committee shall be of sufficient size, independence and technical expertise so as to effectively discharge its mandate; the ability of the Committee to exercise independent judgment is vital.

The Board will appoint members of the Committee. The Board may remove and replace members of the Committee by resolution.

The Chairman of the Committee will not be the Chairman of the Board of Directors and will be an independent Director.

Remuneration consultants, the other Directors, the Managing Director, Chief Financial Officer, Company Secretary and other senior Company executives, may be invited to Committee meetings at the discretion of the Committee. Invitation will be issued by the Chairman or the Secretary at least 3 business days prior to the meeting. The invitation will clearly state the purpose of attendance and any matters anticipated to be discussed with or presented by the attendee.

## **7. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE**

The Remuneration & Nomination Committee shall report to the full Board of Directors and the report shall address all matters relevant to the Committee's duties and responsibilities.

## **8. MEETINGS**

The Committee will meet at least each half year and additionally as circumstances may require for it to undertake its role effectively.

Meetings are called by the Secretary at the request of the Chairman of the Committee, or as directed by the Board.

Where deemed appropriate by the Chairman of the Committee, meetings and subsequent approvals and recommendations can be implemented following the unanimous receipt of a circular written resolution or conference call.

A quorum shall consist of two members of the Committee. In the absence of the Chairman of the Committee or their nominee, the members shall elect one of their members as Chairman of that meeting. Other Board members shall also have the right of attendance.

All decisions will be based on a majority of votes with the Committee Chairman having a casting vote.

Minutes of each meeting are included in the papers for the next full Board meeting after each Committee meeting.

## **9. SECRETARY**

The Company Secretary or their nominee shall be the Secretary of the Committee and shall attend meetings of the Committee as required.

The Secretary will be responsible for keeping the minutes of meetings of the Committee and circulating them to Committee members and to the other members of the Board.

The Secretary shall distribute supporting papers for each meeting of the Committee as far in advance as possible.

The Secretary is entitled to attend any meeting of the Committee and is entitled to be heard on any matter dealt with at any of the meetings of the Committee.

## **10. RELIANCE ON INFORMATION OR PROFESSIONAL OR EXPERT ADVICE**

Each member of the Committee is entitled to rely on information, or professional or expert advice, to the extent permitted by law, given or prepared by:

- an employee of the Company whom the member believes on reasonable grounds to be reliable and competent in relation to the matters concerned;

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- a professional adviser or expert in relation to matters that the member believes on reasonable grounds to be within the person's professional or expert competence; or
- another Director or officer of the Company in relation to matters within the Director's or officer's authority.

## 11. ACCESS TO ADVICE

Members of the Committee have rights of access to management and to the books and records of the Company to enable them to discharge their duties as Committee members, except where the Board determines that such access would be adverse to the Company's interests.

Members of the Committee may consult independent legal counsel or other advisers they consider necessary to assist them in carrying out their duties and responsibilities, subject to prior consultation with the Board Chairman. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.

## 12. REVIEW OF MEMBERSHIP AND CHARTER

The Board will conduct an annual review of the membership and performance to ensure that the Committee has carried out its functions in an effective manner, and will update this Committee Charter as required, or as a result of new laws or regulations. The terms of the members of the Committee will coincide with their terms on the Board, unless the Board determines otherwise.

The Charter shall be made available to members on request, to senior management, to the external auditor and to other parties as deemed appropriate and will be posted to the Company's website.