



## **CORPORATE GOVERNANCE POLICIES**

### **REMUNERATION AND NOMINATION COMMITTEE CHARTER**

#### **Constitution**

The Remuneration and Nomination Committee has been established by resolution of the Board.

#### **Membership**

The Remuneration and Nomination Committee shall be appointed by the Board from among the non-executive Directors of the Company and shall consist of not less than two members with the majority being independent Directors (or non-executive's in the absence of independents) .

Directors will be appointed to the Remuneration and Nomination Committee for a term of three years or such shorter time as they remain in the office of Director. Directors may not serve consecutive terms on the Remuneration and Nomination Committee.

#### **Chairman**

The Remuneration Committee and Nomination shall appoint an independent Director (where possible) as the Chairman of the Committee.

#### **Secretary**

The Company Secretary shall be the Secretary of the Remuneration and Nomination Committee.

#### **Quorum**

A quorum shall be two members.

#### **Meeting Frequency**

Remuneration and Nomination Committee meetings will be held not less than once a year to enable the Committee to undertake its role effectively.

#### **Reporting Procedures**

The Secretary shall circulate the minutes of the meetings of the Remuneration and Nomination Committee to all members of the Committee for comment and change before being signed by the Chairman of the Committee and circulated to the Board with the Board papers for the next Board meeting. The minutes are to be tabled at the Board meeting following the remuneration committee meeting along with any recommendations of the Remuneration Committee.

## **Duties**

The duties of the Remuneration and Nomination Committee are to:

### *Remuneration Duties*

1. assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and policies including incentive policies for directors and senior executives;
2. assess the market to ensure that senior executives are being rewarded commensurate with their responsibilities;
3. obtain the best possible advice in establishing salary levels;
4. set policies for senior executives' remuneration;
5. review the salary levels of senior executives and make recommendations to the Board on any proposed increases;
6. propose, for full Board approval, the terms and conditions of employment for the executive directors;
7. review the Company's recruitment, retention and termination policies and procedures for senior management;
8. review and make recommendations to the Board on the Company's incentive schemes;
9. review and make recommendations to the Board on the Company's superannuation arrangements; and

### *Nomination Duties*

1. Developing and regularly reviewing a policy on Board structure.
2. Developing criteria for Board membership.
3. Identifying and screening specific candidates for nomination.
4. Ensuring there is an appropriate induction and orientation program in place.
5. Making recommendations to the Board for committee membership.
6. Ensuring there is an appropriate Board succession plan in place.
7. Ensuring the performance of the Board and its members is regularly reviewed.
8. Developing with Directors an appropriate training and development program.
9. Overseeing management's succession planning.
10. Assisting the Chairman in advising Directors about their performance and possible retirement.
11. Reviewing the policy in respect of tenure, remuneration and retirement of Directors.

## **Remuneration Arrangements**

It is the company's objective to provide maximum stakeholder benefit from the retention of a high quality board by remunerating directors fairly and appropriately with reference to relevant employment market conditions. To assist in achieving the objective the Board links the nature and amount of executive directors' emoluments to the company's financial and operational performance. The expected outcomes of this remuneration structure are:

- Retention and motivation of Directors
- Performance rewards to allow Directors to share the rewards of the success of Catalyst Metals Limited

The remuneration of an executive director will be decided by the Remuneration and Nomination Committee. In determining competitive remuneration rates the Committee reviews local and international trends among comparative companies and the industry generally. It also examines terms and conditions for the employee share option plan.

The maximum remuneration of non-executive Directors is the subject of Shareholder resolution in accordance with the Company's Constitution, and the Corporations Act as applicable. The appointment of non-executive Director remuneration within that maximum will be made by the Board having regard to the inputs and value of the Company of the respective contributions by each non-executive Director.

The Board may award additional remuneration to non-executive Directors called upon to perform extra services or make special exertions on behalf of the Company.

There is no scheme to provide retirement benefits, other than statutory superannuation, to non-executive directors.

All remuneration paid to directors and executives is valued at the cost to the company and expensed. Options are valued using the Black-Scholes methodology.