



# Remuneration and Nomination Committee Charter

## 1. Background

The Remuneration and Nomination Committee is a Committee of the Board of Directors (**'Board'**) of Rimfire Pacific Mining NL (ACN 006 911 744) (**'Rimfire'** or the *'Company'*) that was established under the Company's constitution.

This charter sets out the scope of the Remuneration and Nomination Committee's responsibilities in relation to the Company and its controlled entities (*'Group'*). The Remuneration and Nomination Committee will assist the Board to meet its obligations under its Charter and as required by regulatory compliance, as well as addressing all matters pertaining to audit and risk matters as suggested by the 3rd Edition of the ASX Corporate Governance Principles.

The role of the Remuneration and Nomination Committee is not an executive role.

## 2. Purpose

The purpose of this Charter is to assist the Board to achieve its objective in relation to:

- (a) having a board of an effective composition, size and commitment to adequately discharge its responsibilities and duties;
- (b) having coherent remuneration policies and practices to attract and retain executives and directors who will create value for shareholders;
- (c) observing those remuneration policies and practices;
- (d) fairly and responsibly rewarding executives having regard to the performance of the Group, the performance of the executives and industry remuneration conditions;
- (e) the preparation of the Remuneration Report to be included in the Company's Annual Report; and
- (f) communicating the Company's remuneration policy to shareholders and any proposed changes to that remuneration policy and the Committee's work on behalf of the Board.

## 3. Board composition and director nominations and appointments

The Remuneration and Nomination Committee is responsible for:

- (a) identifying and recommending to the Board, nominees for membership of the board including the Managing Director;
- (b) identifying and assessing the necessary and desirable competencies and characteristics for Board members and assessing the extent to which those competencies and characteristics are represented on the Board;

- (c) assessing and identifying the skills, experience and knowledge represented on the Board and those desired and establishing processes for identifying suitable candidates for appointment to the Board to ensure an appropriate mix of expertise, experience and succession;
- (d) ensuring succession plans are in place to maintain an appropriate balance of skills on the Board and reviewing those plans;
- (e) assessing and determining the time commitment needed from each Board member to adequately perform his or her duties;
- (f) writing a job description for any vacancies on the Board, including a description of the skills, experience and knowledge desired in a candidate;
- (g) ensure that a search is undertaken by an appropriately qualified independent third party acting on a brief prepared by the Remuneration and Nomination Committee which identifies the skills, experience and knowledge sought;
- (h) identifying nominees for membership of the Board after making suitable inquiries of professional search and recruitment consultants and major shareholders for candidates;
- (i) assisting the Board in undertaking appropriate checks before appointing a person, or putting forward to shareholders a candidate for election, as a director, including checks as to the person's character, experience, education, criminal record and bankruptcy history; and
- (j) recommending to the Board nominees that have the identified skills, experience, knowledge and capabilities required for the vacancy; and
- (k) recommending the removal of directors.

#### **4. Performance and education of directors**

The Remuneration and Nomination Committee is responsible for:

- (a) annually reviewing the performance of the Managing Director;
- (b) establishing processes for evaluating the performance of the Board (and its Committees), both collectively and individually;
- (c) annually evaluating the performance of the Board (and its Committees), both collectively and individually;
- (d) regularly reviewing the time required from Non-Executive Directors to perform their functions and assessing whether they are satisfying time requirements;
- (e) establishing induction programmes for new Directors and Senior Executives to gain an understanding of:
  - (i) the Group's financial position, strategies, operations and risk management policies; and
  - (ii) the respective rights, duties and responsibilities and roles of the Directors, Senior Executives and the board; and

- (f) developing continuing education programmes for Directors.

The Remuneration and Nomination Committee will disclose to members of the Company the process for evaluating the performance of the Board, its Committees and individual directors in the Company's annual report or such other forum which the Board considers appropriate.

A member of the Remuneration and Nomination Committee must not participate in any review or assessment of their own performance.

## **5. Remuneration policies and practices**

In performing its responsibilities in relation to remuneration, the Remuneration and Nomination Committee must give appropriate consideration to the Company's performance and objectives, employment conditions and remuneration relativities.

Executive remuneration and incentive policies and practices must be designed to:

- (a) motivate the directors and management to pursue the Group's long term growth and success; and
- (b) demonstrate a clear relationship between the Group's overall performance and the performance of executives.

Structures for Non-Executive Directors' remuneration and Executive Directors' and Senior Executives' remuneration must be clearly distinguished.

The Committee will monitor developments in relevant employment and workplace legislation and regulations and oversee the Group's compliance with relevant legislation. In determining director and executive remuneration arrangements the Committee will give due regard to any relevant legal and regulatory requirements including the ASX Listing Rules.

The Remuneration and Nomination Committee is responsible for:

### **Executive remuneration and incentive policies**

- (a) reviewing, approving and recommending to the Board for adoption executive remuneration and incentive policies and practices; and

### **Executive Directors and Senior Executives**

- (a) annually considering, approving and recommending to the board each Executive Director's total remuneration (including base pay, incentive awards, equity awards, retirement rights and terms of engagement) having regard to executive remuneration and incentive policies;
- (b) determining if shareholder approval is needed for any change to remuneration of Directors or Senior Executives;
- (c) reviewing and approving, on the recommendation of the Managing Director:
  - (i) the total remuneration (including incentive awards, equity awards and retirement and termination payments);

- (ii) the terms of engagement; and
- (iii) any changes to the total remuneration and terms of employment,  
of direct reports of the Managing Director and other Senior Executives;
- (d) recommending to the Board for approval changes to the remuneration or terms of engagement of Executive Directors before implementation; and
- (e) preparing for approval by the Board any report on executive remuneration that may be:
  - (i) required by the ASX Listing Rules or the *Corporations Act 2001 (Cth)* (Corporations Act); or
  - (ii) proposed for inclusion in the annual report,  
and reporting regularly to the Board on those matters;

#### **Executive incentive plans**

- (a) reviewing, approving and recommending to the Board for adoption:
  - (i) the design of any executive incentive plan;
  - (ii) the total proposed payments from any executive incentive plan; and
  - (iii) reviewing, approving and recommending to the Board for adoption the design of any equity based plan;
- (b) reviewing any plan for legislative, regulatory and market developments;
- (c) reviewing, approving and recommending to the Board for approval the total proposal awards under any equity based plan;
- (d) reviewing, approving and recommending to the Board for approval any employee of the Company that is a participant of an equity based plan that is seeking to enter into a transaction that will limit the economic risk of participation in the plan;
- (e) reviewing, approving and recommending to the Board for approval the proposed award to each executive under the rules of any plan or as approved by the Remuneration and Nomination Committee; and
- (f) reviewing, approving, recommending to the Board for adoption and keeping under review the performance hurdles for any equity based plan;

#### **Non-Executive Directors**

- (a) reviewing the remuneration of non-executive directors for serving on the Board and any committee (both individually and in total);

- (b) recommending to the Board the remuneration and retirement policies for Non-Executive Directors having regard to market trends and shareholder interests;

**Superannuation**

- (a) reviewing superannuation arrangements;

**Reimbursement of expenses**

- (a) reviewing and monitoring the reimbursement of any expenses incurred by Directors and Senior Executives;

**Insurance and indemnities**

- (a) reviewing any insurance premiums or indemnities for the benefit of Directors and Officers.

**6. Recruitment and termination**

- (a) The Remuneration and Nomination Committee is responsible for:
  - (i) reviewing and recommending to the Board for adoption recruitment, retention and termination policies and practices;
  - (ii) reviewing and recommending to the Board for approval termination payments to Executive Directors before they are implemented; and
  - (iii) considering and, if appropriate, ratifying termination payments to direct reports of the Managing Director and other Senior Executives.
- (b) Any termination payment to any other departing Executive should be reported to the Remuneration and Nomination Committee at its next meeting.

**7. Statutory reporting and shareholder communication**

- (a) Review and endorse all remuneration related resolutions and explanatory materials being put to shareholders.
- (b) Review all public and statutory reporting by the Company of its remuneration policies and practices including any valuations applied to equity plans prior to its release.
- (c) Review and endorse the Remuneration Report in the Company's Annual Report prior to release and ensure that it complies with all applicable disclosure requirements.
- (d) Ensure the Company's compliance with applicable legal and regulatory requirements associated with remuneration reporting.
- (e) To communicate with shareholders on the Company's remuneration policy and the Remuneration and Nomination Committee's work on behalf of the Board. The Committee's Chairman will attend the Annual General Meeting and be prepared to respond to any shareholder questions on the Committee's activities.

- (f) Consider reports and voting recommendations on remuneration related matters prepared by governance advisors and proxy advisory firms.
- (g) Make recommendations regarding liaison and communication with key stakeholders in relation to remuneration governance issues as required.

## **8. Authority**

The Remuneration and Nomination Committee:

- (a) will act as an advisory body to the Board and, unless otherwise determined or delegated by the Board, its power and authority is limited to making recommendations to the whole Board;
- (b) is authorised by the Board to review and consider any activity within its terms of reference and any additional matters as requested by the Board and is tasked with recommending to the Board appropriate actions emanating from its deliberations;
- (c) shall have unfettered access to personnel, records and senior management of the Company, as appropriate;
- (d) shall have unfettered access to internal and external auditors to seek explanations and information from them, without management being present.
- (e) shall have direct access to the Company's resources as it may reasonably require to carry out its duties; and
- (f) is authorised by the Board to obtain outside legal or other independent professional advice in respect of any matter relating to its terms of reference. It may also secure the attendance of outsiders with relevant experience and expertise, if it considers this necessary. The Remuneration and Nomination Committee may meet with these external advisers without management being present. The cost of such advice will be borne by the Company.

## **9. Remuneration and Nomination Committee composition**

The composition of the Remuneration and Nomination Committee will be in accordance with the following:

- (a) ASX corporate governance guidelines recommend that the Remuneration and Nomination Committee should comprise no less than three Non-Executive Directors, all of whom shall also be independent;
- (b) the chairperson of the Remuneration and Nomination Committee shall be an independent Non-Executive Director appointed by the Board and should not be the chairperson of the Board;
- (c) the Board will decide appointments, rotations and resignations within the Remuneration and Nomination Committee having regard to the ASX Listing Rules and the Act; and
- (d) a member may act by their alternate.

## **10. Meetings**

The composition of the Remuneration and Nomination Committee will be in accordance with the following:

- (a) The Remuneration and Remuneration Committee will meet as often as it considers necessary;
- (b) A quorum for a Remuneration and Nomination Committee meeting is two Remuneration and Nomination Committee members;
- (c) Remuneration and Nomination Committee meetings may be held by any technological means allowing its members to participate in discussions even if all of them are not physically present in the same place. A member who is not physically present but participating by technological means is taken to be present;
- (d) The Remuneration and Nomination Committee may pass or approve a resolution without holding a meeting in accordance with the procedures (so far as they are appropriate) in section 248A of the Act;
- (e) Unless otherwise determined by the Remuneration and Nomination Committee, the Company Secretary shall act as Secretary to the Remuneration and Nomination Committee;
- (f) The Remuneration and Nomination Committee may invite other persons it regards appropriate to attend Remuneration and Nomination Committee meetings; and
- (g) The Managing Director and Chief Financial Officer will be invited to attend all meetings, unless otherwise determined by the Remuneration and Nomination Committee.

## **11. Minutes of Remuneration and Nomination Committee meetings**

- (a) The Remuneration and Nomination Committee must keep minutes of its meetings.
- (b) Minutes of each Remuneration and Nomination Committee meeting must be included in the papers for the next full board meeting after each meeting of the Remuneration and Nomination Committee.

- (c) Minutes must be distributed to all Remuneration and Nomination Committee members, after the Remuneration and Nomination Committee chairperson has approved them.
- (d) Minutes, agenda and supporting papers are available to Directors upon request to the Remuneration and Nomination Committee secretary, except if there is a conflict of interest.

## **12. Reporting to the Board**

The key matters discussed at each Committee Meeting shall be reported by the Chairman of the Remuneration and Nomination Committee to the Board at the next regular Board Meeting.

## **13. Other matters**

This Remuneration and Nomination Committee Charter will be made available on the Company's website.

The Remuneration and Nomination Committee will review this charter annually or as often as it considers necessary and the Board may change this charter from time to time by resolution.