

## Remuneration Committee Charter

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## **1.0 PURPOSE**

The Board of Directors of Lycopodium Limited ("the Board") has established a Remuneration Committee ("the Committee") within the terms of the "Board of Directors Charter" ("Board Charter").

The overall purpose of the Committee is to provide assistance and recommendations to the Board in fulfilling its corporate governance responsibilities in relation to:

- overall remuneration strategy of the Company
- remuneration of Directors
- remuneration of the Managing Director and/or Chief Executive Officer and Senior Executives.

The Committee does not make the decisions on behalf of the Board unless such authority in respect of any matter is expressly delegated by the Board.

## **2.0 CONSTITUTION AND AUTHORITY**

The Remuneration Committee is governed by the Company's constitution regulating the meetings of the Board and the committees formed by it.

The Remuneration Committee shall have the authority to establish a procedure for developing policies on executive remuneration and the remuneration packages for directors.

The Committee may obtain such independent legal, financial and other advice as it considers necessary with the cost to be borne by the Company.

## **3.0 MEMBERSHIP**

The Remuneration Committee shall be appointed by the Board from amongst its members, and shall comprise of not less than three (3) Directors.

Members will be appointed and removed by the Board.

## **4.0 MEETING ARRANGEMENTS**

The Remuneration Committee shall meet at least twice a year. Additional meetings may be held if requested by the Committee Chairperson.

Matters under consideration by the Remuneration Committee can be progressed external to convened Remuneration Committee meetings both verbally and in writing provided that any associated recommendations agreed are confirmed by circular resolution.

A quorum for Remuneration Committee meetings shall be two members present and voting.

The Chairperson may invite the Managing Director and/or Chief Executive Officer and senior management to attend meetings as appropriate. The Chairperson may also invite advisors, consultants and experts to attend meetings as appropriate.

The secretary of the Remuneration Committee shall be the Company Secretary and will be responsible for the minutes of meetings.

## **5.0 RESPONSIBILITIES**

The Remuneration Committee will assist the Board in the implementation of its remuneration strategy by:

- the Company having coherent remuneration policies and practices which are observed and which enable it to attract and retain executives and directors of such quality to create value for shareholders
- fairly and responsibly rewarding executives having regard to the performance of the Company, performance of the individual and the market environment
- reviewing and recommending Company policy and strategy in respect to total fixed remuneration, incentive remuneration and share and equity based plans for executives and employees
- reviewing and making recommendations to the Board on the proposed remuneration strategy and package for directors, both executive and non-executive
- reviewing and recommending all equity based plans
- reviewing the potential impact of changes in industrial relations legislation
- obtaining external advice on human resources and remuneration matters particularly in relation to the market position of the Managing Director and/or Chief Executive Officer
- reviewing company compliance with equal opportunity employment legislation
- considering and recommending to the Board the total target reward in relation to Short Term Incentives (STI) and Long Term Incentives (LTI) for each member of the executive team taking into account the recommendations of the Chief Executive Officer
- reviewing and commenting on the Managing Director and/or Chief Executive Officer succession plans for members of the executive team
- reviewing the recommendation of the Managing Director and/or Chief Executive Officer for the remuneration package of new members of the executive team

- reviewing the overall annual change to the base salary of employees taking into account the recommendations of the Managing Director/Chief Executive Officer to maintain compliance with industry movements and affordability.

## **6.0 REPORTING MECHANISM TO THE BOARD**

The secretary shall circulate the minutes of all meetings of the Remuneration Committee to members of the Board.

The Remuneration Committee shall report to the Board after each Committee meeting the outcome of Committee proceedings and any reviews, and any recommendations.

The Board shall disclose the names of the members of the Remuneration Committee, the number of meetings held in the year, and the attendance of each of the members at such meetings in the Company's annual report.

## **7.0 RELIANCE**

The Committee members are entitled to rely on employees of the Company or professional advisors or consultants engaged by the Committee or the Company where:

- there are reasonable grounds to believe that the employee, advisor or consultant is reliable and competent; and
- reliance was made in good faith and after making an independent assessment of the information.

## **8.0 REVIEW PROCESS**

The Charter, composition and annual agenda for the Remuneration Committee will be reviewed at least annually. Any changes to this Charter will require the approval of the Board.

The Remuneration Committee will undertake a formal process of self-assessment on at least an annual basis. The results of this assessment will be communicated to the Board in order to assist the Board in its periodic review of the effectiveness of the Remuneration Committee.

This Charter was approved by the Lycopodium Limited Board on 26 November 2019.



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**Michael Caratti**  
**Chairman**