



ABN 93 118 751 027

# REMUNERATION COMMITTEE CHARTER

# 1. INTRODUCTION

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The board of directors (Board) of Ironbark Zinc Limited ("IBG"), has resolved to establish a Remuneration Committee of the Board (Committee).

The Board has approved this Charter which prescribes the role and responsibilities, composition, structure and membership requirements for the Committee.

# 2. DEFINITIONS

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## 2.1 KEY MANAGEMENT PERSONNEL

The term Key Management Personnel includes those people having authority and responsibility for planning, directing, and controlling the activities of IBG, either directly or indirectly. Key Management Personnel includes both IBG's executive and non-executive directors.

## 2.2 REMUNERATION CONSULTANT

A Remuneration Consultant is a person who is not an employee or officer of IBG and who provides remuneration recommendations for one or more members of the Key Management Personnel under a contract for services with IBG.

# 3. ROLE

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The role of the Committee is to review and assist the Board in developing IBG's remuneration, recruitment, and retention and termination policies. The Committee is accountable to the Board for its performance.

The specific duties and responsibilities of the Committee are outlined below.

# 4. AUTHORITY

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Within the scope of its duties and responsibilities, the Committee is generally authorised to:

1. Consult with and seek any information from any director of IBG, any employee of IBG or any external party;
2. Obtain (at IBG's expense) financial, legal or other professional advice from external consultants or specialists it considers necessary to assist the Committee in meeting its responsibilities; and
3. Require the attendance of any IBG employee at Committee meetings.

## 5. COMPOSITION

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Committee members are appointed by the Board for a term considered appropriate by the Board. The Board may appoint additional directors to the Committee and may remove or replace members of the Committee by ordinary resolution.

The Committee must contain:

1. If practicable a majority of independent directors; and
2. at least three members.

Members of the Committee may withdraw from the Committee by notifying the Board in writing.

The Chairman of the Committee (the Committee Chair) if practicable should be an independent director and may be the Chairman of the Board. If the Committee Chair is unable to attend a Committee meeting, the Committee members present at that meeting must appoint a Committee member to chair the meeting.

All persons appointed to the Committee must have sufficient professional expertise, knowledge and understanding to allow them to discharge their responsibilities.

## 6. DUTIES AND RESPONSIBILITIES

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The duties and responsibilities of the Committee are as set out in this section. The Board may (from time to time) delegate other responsibilities and functions to the Committee.

### 6.1 REMUNERATION

The purpose of the Committee is to assist the Board in satisfying its responsibilities to IBG shareholders by:

1. Reviewing and approving an executive remuneration policy for Key Management Personnel that:
  - (i) Encourages Key Management Personnel to pursue the growth and success of IBG (both in the short term and over the longer term) without taking undue risks;
  - (ii) Balances IBG's desire to attract and retain Key Management Personnel against its interest in not paying excessive remuneration;
  - (iii) Provides an appropriate balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to IBG's circumstances and goals;
  - (iv) Clearly distinguishes the structure of non-executive remuneration from that of executive directors and senior executives.
  - (v) Motivates Key Management Personnel to pursue the long-term growth and success of IBG; and
  - (vi) Demonstrates a clear relationship between Key Management Personnel's performance and remuneration.

2. Reviewing and monitoring the ongoing appropriateness and relevance of the remuneration policy;
3. Reviewing equity based remuneration plans for Key Management Personnel and other employees;
4. Reviewing and commenting on superannuation arrangements;
5. Reviewing and commenting on remuneration by gender;
6. Reviewing whether there is any gender bias or other inappropriate bias in remuneration for directors, senior executives or other employees;
7. Appointing Remuneration Consultant(s) and receiving, reviewing and considering their recommendation(s), each in accordance with IBG's policy on the use of Remuneration Consultants and the overarching requirements of the Corporations Act 2001 (Cth) (Corporations Act); and
8. When making the above recommendations to the Board:
  - (i) considering the ASX Corporate Governance Council's guidelines in respect of executive remuneration packages and non-executive director remuneration set out in the ASX Corporate Governance Principles and Recommendations; and
  - (ii) ensuring that both cash and equity-based remuneration is structured in accordance with the thresholds and restrictions under IBG's constitution, the ASX Listing Rules and the Corporations Act 2001 (Cth).

## **6.2 RECRUITMENT, RETENTION AND TERMINATION**

The Committee will review and make recommendations to the Board in relation to IBG's policies and practices relating to recruitment, training, retention and promotion, review and appraisal of performance and termination of employment of Key Management Personnel.

## **6.3 EXECUTIVE DIRECTORS AND SENIOR MANAGEMENT**

The Committee must:

1. Consider and make recommendations to the Board on the remuneration for each executive director and senior executive (including base pay, incentive payments, equity awards, retirement rights, termination payments, service contracts) having regard to remuneration policy; and
2. Review and approve the proposed remuneration (including incentive awards, equity awards and service contracts) for each executive director and senior executive.

## **6.4 NON-EXECUTIVE DIRECTORS**

The Remuneration Committee must:

1. Consider and make recommendations to the Board on the remuneration for each non-executive director (as distinct from the remuneration structures of executive directors and senior executives) having regard to the remuneration policy; and
2. Review the on-going appropriateness and relevance of the remuneration policy for non-executive directors.

## **6.5 REMUNERATION CONSULTANTS**

If the Board is considering retaining a Remuneration Consultant to provide advice to the Board, the Committee must:

1. Approve the Remuneration Consultant prior to binding documentation being entered into between IBG and the Remuneration Consultant;
2. Receive, review and consider the recommendation(s) of the Remuneration Consultant;
3. Ensure that the Remuneration Consultant is sufficiently independent and the Committee has set aside sufficient time to ensure such independence;
4. Review the appointment of the Remuneration Consultant each year having regard to their independence, their competence to provide unbiased advice to IBG, their consultancy fees and any questions of resignation or dismissal; and
5. Report to the Board each year on the performance of the Remuneration Consultant.

To the extent an executive director is a member of the Committee, that executive director must excuse him or herself from, and not participate in, the matters set out above.

## **6.6 SUPERANNUATION**

The Committee will ensure that IBG carries out its obligations in respect of superannuation, retirement benefits and other related benefits and entitlements.

## **6.7 ANNUAL REPORTING**

The Committee will:

1. Review the remuneration report included in IBG's annual reports and make recommendations to the Board in relation to the remuneration report included in IBG's annual report; and
2. Review the remuneration policy disclosures made in the corporate governance section of IBG's annual report for consistency with the remuneration principles of the ASX Corporate Governance Principles and Recommendations.

The Company will disclose this Charter on its website and will disclose the following in its Annual Corporate Governance Statement:

1. Committee membership;
2. The relevant experience and qualifications of each Committee member;
3. The number of times the Committee has met during the financial year; and
4. The individual attendances of members at Committee meetings.

## **6.8 TERMINATION PAYMENTS**

The Committee will review termination payments for Key Management Personnel to ensure that they are consistent with the law and the rules of any incentive scheme and the remuneration policy, and that any payments are fair to the individual, and to IBG, and that failure is not rewarded and the duty to mitigate loss is fully recognised

## 7. ADMINISTRATIVE MATTERS

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The Committee will meet as often as the Committee members deem necessary in order to fulfil their role. A quorum consists of the lesser of two members or a majority of members of the Committee.

The Company Secretary will attend all Committee meetings as minute secretary. All minutes of the Committee will be entered into a minute book maintained for that purpose and will be open at all times for inspection by any director.

## 8. REPORTING

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The Committee must regularly update the Board about its activities and ensure the Board is aware of any matter relating to the Committee which may significantly impact the affairs of IBG. The Committee will do this by:

1. If requested, providing a report of the Committee's activities for inclusion in the Board papers for the next Board meeting;
2. If requested, the Committee Chair providing a report about any material matters arising out of a Committee meeting; and
3. At relevant Board meetings, providing the information that has been requested by a director.

## 9. REVIEW

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The Board will, at least once in each year review the membership and charter of the Committee to ensure it remains consistent with the Board's objective and responsibilities.

**This version approved and adopted by the board: June 2015**  
**Reviewed: September 2017**