

REMUNERATION AND NOMINATION COMMITTEE CHARTER

1. PURPOSE

The Remuneration and Nomination Committee (“**Committee**”) is a standing Board Committee appointed by, and accountable to, the Board of Highfield Resources Limited (the “**Board**”).

The principal purpose of the Committee is to assist the Board fulfil its governance and oversight responsibilities in relation the Highfield Group’s remuneration practices and practices so that they:

- Link rewards to the creation of value for shareholders;
- Facilitate operational excellence by attracting and retaining talent;
- Fairly and responsibly reward individuals having regard to individual and Company targets and performance as well as industry remuneration conditions; and
- Comply with applicable regulatory obligations.

In addition, the Committee will oversee selected nomination activities so that Boards within the Highfield Group comprise individuals who are best able to discharge the responsibilities of Directors having regard to the law and excellence in governance standards.

The Committee will primarily fulfil these responsibilities by carrying out the activities detailed in Appendix 1. For the purposes of this document “the **Company**” refers to all entities and operations controlled by Highfield Resources Limited.

2. COMPOSITION

The Committee shall be appointed by the Board and shall:

- Comprise only non-executive Directors;
- Comprise at least three members and have a majority of independent non-executive members;
- Have between its members sufficient contemporary expertise and understanding of remuneration and related matters to be able to discharge the Committee’s responsibilities; and
- Be chaired by a non-executive independent Director who is not Chairman of the Board.

The table below shows the current members:

CURRENT REMUNERATION AND NOMINATION COMMITTEE MEMBERS

Ms Pauline Carr	Independent Non-executive Director	(Committee Chairman)
Mr Richard Crookes	Independent Non-executive Director	(Board Chairman and Committee Member)
Mr Roger Davey	Independent Non-executive Director	(Committee Member)

3. AUTHORITY

- 3.1. The Committee acts 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.
- 3.2. The Committee is authorised by the Board to review and consider any activity within its charter and any additional matters as requested by the Board and may obtain independent professional advice, including from the external auditor or, in satisfaction of its duties at the Company's cost.
- 3.3. The Committee's Chairman shall have unfettered access to personnel, records and the senior management of the Company, as appropriate, and have direct access to the Company's resources as reasonably required to carry out the Committee's duties.

4. MEETINGS

- 4.1. The Committee shall meet at least twice a year or more frequently as required.
- 4.2. The Committee may consider matters and reach agreement via a circulating written resolution if it is signed by all members.
- 4.3. A quorum for a Committee meeting is two (2) members.
- 4.4. The Company Secretary shall act as Secretary to the Committee and distribute meeting papers one week prior to each meeting.
- 4.5. A standing invitation to attend meetings shall be extended to the Board Chairman, other non-executive directors and the CEO (unless conflicted) and the HR Director, subject to the Chairman's discretion to determine otherwise.
- 4.6. The proceedings and meetings of the Committee will be governed by the Constitution of the Company for regulating the meetings and proceedings of the Board in so far as they are applicable and are not inconsistent with this Charter.

5. REPORTING

- 5.1. The Committee Chairman shall report on the key matters discussed at each meeting at the next regular Board Meeting.
- 5.2. Minutes shall be circulated to all Committee members within 10 days of the meeting and a copy shall be included in the Board's meeting pack for noting at its next regular meeting.

6. OTHER MATTERS

- 6.1. The Committee shall review its Charter at least once every two years and, if appropriate, recommend changes to the Board.
- 6.2. In order to ensure that the Committee is fulfilling its duties, it will undertake a self-assessment of its performance against the requirements of its Charter and provide that information to the Board at least once every two years.

APPENDIX 1: SPECIFIC RESPONSIBILITIES OF THE REMUNERATION AND NOMINATION COMMITTEE

7.1. Remuneration Framework and Policies

- a) Periodically review the Company's remuneration framework and policy for ongoing appropriateness and relevance for the size and nature of the business, market conditions and alignment with the Company's risk management framework.
- b) Review all new and any proposed amendments to existing remuneration, retention, termination policies and practices as well as any material or strategic HR policies.

7.2. Non-executive Director Remuneration

- a) Review and make recommendations to the Board on the remuneration framework, policies and aggregate pool of Directors fees, fee levels and structure for non-executive Directors on the Highfield Resources Limited Board.
- b) Review and make recommendations on any extra exertion payments to non-executive Directors.
- c) Review and make recommendations on any options or securities issued to any non-executive Directors
- d) Opine on all matters concerning the operation of any equity plan in which Directors may be entitled to participate in from time to time.
- e) Determine the remuneration (if any) to be paid to any non-executive Directors of subsidiary company Boards.

7.3. CEO's Remuneration and Performance

- a) Review and make recommendations to the Board annually on the contractual and remuneration arrangements for the CEO having regard to the Company's Remuneration Policy, including:
 - fixed remuneration levels and superannuation arrangements;
 - short and long term performance targets and outcomes;
 - any retention, sign-on or equity buy-out awards;
 - any equity based plan to apply to the CEO; and
 - any other forms of remuneration or benefits.
- b) Annually review the CEO's performance against Company and individual short term key performance indicators, long term objectives and performance hurdles and make recommendations to the Board as to the quantum of performance based awards.

7.4. Executive Remuneration and Performance

- a) Review the individual contract arrangements for all new and existing executives who are direct reports to the CEO.
- b) Review any non-routine remuneration or benefit arrangements proposed or provided to senior staff.
- c) Review the CEO's annual performance assessment of his direct managerial reports against short term key performance indicators, long term objectives and performance hurdles and consider his/her recommendations as to their quantum of performance based awards.

7.5. General Remuneration across the Highfield Group

- a) Annually review the general remuneration conditions of Highfield Group employees not within the senior executive ranks and recommend the size of any pool for salary increases to be applied individually at the discretion of management.
- b) Annually review and recommend the size of variable reward pools based on consideration of pre-determined business performance indicators and the Company's financial soundness.
- b) Consider any proposed major changes to employee benefits or structures.
- c) Review and endorse any remuneration arrangements outside of the Remuneration Framework or policy relating to individuals or groups of individuals which may be significant because of their sensitivity, precedent or disclosure implications.
- d) Provide a final determination on any staff grievances about remuneration or performance matters which are unable to be resolved by the management team.

7.6. Performance Incentive Plans and/or Equity Based Plans

- a) Monitor and make representations to the Board in relation to the design and implementation of all performance incentive plans and equity based plans, including performance hurdles, incentive pool amounts and participation.
- b) Review such plans in the light of any proposed legislative and regulatory changes as well as the market accepted "norms" for such plans.
- c) Review and endorse the proposed award of all incentives and equity under the plans.
- d) Consider whether circumstances exist under which it would be appropriate for the Board to exercise any discretion reserved to it under the plan rules and consider any requests for the exercise of the Board's discretion.
- e) Periodically review the performance hurdles and the effectiveness of incentive and equity based plans and make recommendations as to their future operation or discontinuance.

7.7. CEO and Executive Appointments

- a) Develop recruitment strategies as appropriate.
- b) Co-ordinate search and recruitment and onboarding processes for the CEO.
- c) Ensure that all proposed CEO and CFO appointments meet the good fame and character test as well as any other probity checks required by regulators.
- d) Review and endorse all proposed executive appointments directly reporting to the CEO.

7.8. Termination / Transition to Retirement

- a) Review the quantum and appropriateness of any proposed termination payments to any executive Director or direct reports to the CEO.
- b) Review and oversee any transition to retirement (or out of the business) arrangements for any executive Director or direct reports to the CEO.

7.9. Statutory Reporting and Shareholder Communication

- a) Review 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 prior to release.
- c) Oversee the Company's compliance with applicable legal and regulatory requirements associated with remuneration reporting.
- d) Consider any reports and voting recommendations on remuneration related matters prepared by governance advisors and proxy advisory firms and make recommendations regarding liaison and communication with key stakeholders in relation to remuneration governance issues as required.

7.10. Culture

- a) Monitor the Group's culture for its alignment with Company values, sound risk management and the reputation and brand of the Company.
- b) Consider behaviours arising from the Group's remuneration and incentive behaviours.

7.11. Diversity and Gender Pay Parity

- c) Review the Company's Diversity Policy for appropriateness and regulatory compliance.
- d) Oversee the progress towards the establishment of measurable targets and objectives for achieving diversity and monitor progress towards their attainment annually.
- e) Review all public reporting on diversity performance and remuneration by gender prior to release.
- f) Consider reports on remuneration by gender.

7.12. Remuneration Consultants

- a) Oversee the Group's dealings with remuneration consultants for compliance with regulatory requirements (including the Corporations Act).
- b) Review the policy for engaging and dealing with remuneration consultants for Directors and Key Management Personnel.
- c) Review and approve all engagement documents with external remuneration consultants for Directors and Key Management Personnel.

7.13. Succession Planning

- a) Annually review the succession plans for the CEO and his/her direct reports.
- b) Undertake succession planning for the Highfield Resources Limited Board, taking into account the challenges and opportunities facing the Group and the skills and expertise likely to be required on the Board for the future.

7.14. Board Composition and Review

- a) Identify and assess the necessary and desirable competencies of the Board.

- b) Periodically review the collective skill set of the Board as a whole to assess whether it has the appropriate breadth and level of skills for effective and prudent oversight and stewardship of the Company.
- c) Identify any Board training or development needs.
- d) Review the size and composition of the Board having regard to the optimum number and skill mix of Directors, subject to the limits imposed by the Company's Constitution and the terms served by existing Non-executive Directors.
- e) Assist the Board in recruiting new Directors. Identify, assess and recommend suitable candidates for appointment to the
 - i. Board of Highfield Resources Limited;
 - ii. The Highfield Group's subsidiary company Boards;
 - iii. Highfield's representatives to any joint venture boards or committees or representatives to any external Board in which the Company is entitled to, or has negotiated, Board representation.
- f) Make recommendations to the Board on the appointment, re-election and removal of Directors and the composition of Board Committees.
- g) Oversee the Director appointment process including assessments of required skills, diversity, experience, expertise and independence as well as Director good fame and character and other probity checks as required by regulator.
- h) Oversee the Board induction process and the on-boarding of new Directors. Periodically assess of the effectiveness of the induction process.
- i) Review the process for the evaluation of the Board, Directors and Committees and assist the Chairman of the Board manage the process as requested.
- j) Review policies relating to Director independence, appointment, induction, development, tenure, Board composition and size.

7.15. Other

- a) Monitor the Company's leave liability.
- b) Undertake any other activities as requested by the Board from time to time.