

# Remuneration Committee Charter

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## Contents

1. Applicability
  2. Role
  3. Composition
  4. Responsibilities
  5. Operations
  6. Engaging Remuneration Consultants
  7. Authority and resources
  8. Reporting
  9. Review
- 

## 1 Applicability

This Remuneration Committee Charter applies to all members of the Remuneration Committee established by the board of directors (**Board**) of Deep Yellow Limited ABN 97 006 391 948 (**Company**).

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## 2 Role

The role of the Remuneration Committee is to assist the Board in fulfilling its corporate governance responsibilities with respect to remuneration by reviewing and making appropriate recommendations to the Board on:

- (a) the Company's remuneration framework for directors;
  - (b) remuneration packages for senior executives;
  - (c) incentive and equity-based remuneration plans for senior executives and other employees, including the appropriateness of performance hurdles and total payments proposed to be made to senior executives;
  - (d) superannuation arrangements; and
  - (e) remuneration by gender.
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## 3 Composition

The Remuneration Committee will be structured so that it has at least three members. The Chairman of the Remuneration Committee must be an independent director.

Where the Remuneration Committee includes an executive director, they must not be involved in deciding their own remuneration and must be alive to the potential conflict of interest in being involved in setting the remuneration for other executives that may indirectly affect their own (e.g. through setting a benchmark or because of relatives).

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From time to time, non-Remuneration Committee members may be invited to attend Remuneration Committee meetings, if it is considered appropriate.

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#### **4 Responsibilities**

The responsibilities of the Remuneration Committee include:

- (a) reviewing the Company's Remuneration Policy, and making appropriate recommendations to the Board. In considering the Company's Remuneration Policy, the Remuneration Committee refers to the guidelines for non-executive director remuneration and executive remuneration set out in the commentary to recommendation 8.2 in the [Principles and Recommendations](#);
- (b) reviewing senior executives' remuneration and incentives, and making appropriate recommendations to the Board;
- (c) reviewing the remuneration framework for non-executive directors, including the process by which the pool of directors' fees approved by shareholders is allocated to directors, and making appropriate recommendations to the Board;
- (d) reviewing and making recommendations on incentive compensation plans, including equity based plans;
- (e) reviewing superannuation arrangements for directors, senior executives and other employees;
- (f) reviewing termination payments<sup>1</sup>;
- (g) reviewing remuneration related reporting requirements, including disclosing a summary of the Company's policies and practices (if any) regarding the deferral of performance-based remuneration and the reduction, cancellation or clawback of performance-based remuneration in the event of serious misconduct or a material misstatement in the Company's financial statements;
- (h) reviewing whether there is any gender or other inappropriate bias in remuneration for directors, senior executives or other employees;
- (i) monitoring compliance with applicable legal and regulatory requirements relevant to remuneration-related matters and any changes in the legal and regulatory framework in relation to remuneration;
- (j) verifying the composition of the Remuneration Committee is in accordance with the Remuneration Committee Charter;
- (k) reviewing and recommending updates to the Remuneration Committee Charter to the Board; and
- (l) performing such other functions as assigned by law or the Company's constitution.

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#### **5 Operations**

The Remuneration Committee meets at least once per year and otherwise as required. Minutes of all meetings of the Remuneration Committee are kept. The minutes are tabled at each subsequent meeting of the Board. Remuneration Committee meetings will be governed by the same rules set out in the Company's Constitution as they apply to meetings of the Board.

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<sup>1</sup> Note also the restrictions that apply under sections 200 to 200J of the Corporations Act 2001 (Cth) to termination payments by companies incorporated in Australia (and their associates) to those who hold a managerial or executive office in the company or in a related body corporate.

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## 6 Engaging remuneration consultants

A **Remuneration Consultant** is a person: (a) who makes a Remuneration Recommendation under a contract for services with the Company to whose Key Management Personnel the recommendation relates: and (b) who is not an officer or employee of the Company.

**Key Management Personnel** are persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any directors (whether executive or otherwise) of the Company. A **Remuneration Recommendation** is defined in section 9B of the Corporations Act 2001 (Cth) (**Corporations Act**).

If the Company engages a Remuneration Consultant, it is the Remuneration Committee who is responsible for their engagement.

The Remuneration Committee will, in accordance with any policies or guidelines set by the Board from time to time:

- (a) ensure that the requirements of Part 2D.8 of the Corporations Act are complied with including:
  - (i) reviewing and approving all remuneration consultancy contracts (as defined in section 206K(1) of the Corporations Act) before they are entered into by the Company; and
  - (ii) ensuring that any Remuneration Recommendation is provided directly to the Remuneration Committee (excluding any executive directors on the Remuneration Committee) and that the Remuneration Recommendation is not provided to a person who is neither a director of the Company or a member of the Remuneration Committee;
- (b) put in place arrangements to ensure that a Remuneration Consultant is not unduly influenced by a member or members of Key Management Personnel to whom a Remuneration Recommendation relates;
- (c) ensure that the Company's remuneration report includes the details relating to Remuneration Consultants as required by section 300A(1)(h) of the Corporations Act;
- (d) authorise the distribution of any Remuneration Recommendation by any person other than the Remuneration Consultant beyond the Remuneration Committee (excluding any executive directors on the Remuneration Committee); and
- (e) set policies or guidelines to ensure that the Company meets its obligations under the Corporations Act, including its reporting obligations, in relation to Remuneration Consultants.

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## 7 Authority and resources

The Company will provide the Remuneration Committee with sufficient resources to undertake its duties, including providing educational information on accounting policies and other financial topics relevant to the Company, to assist the Remuneration Committee in fulfilling its duties.

The Remuneration Committee is authorised to:

- (a) seek any information it requires to perform its duties, from any employee of the Company (but no individual should be directly involved in deciding their own remuneration);
- (b) obtain, at the Company's expense, external legal or other professional advice on any matter within its responsibilities as set out in this Remuneration Committee Charter.

The Remuneration Committee has the power to conduct or authorise investigations into any matter within its scope of responsibilities.

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**8 Reporting**

The Chairman of the Remuneration Committee will report to the Board, at the following Board meeting, on the proceedings of each meeting of the Remuneration Committee, bringing forward all recommendations of the Remuneration Committee which require Board approval, and reporting on any actions taken by the Remuneration Committee.

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**9 Review**

This Remuneration Committee Charter will be reviewed by the Remuneration Committee at least annually, and updated as required.

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| Date adopted   | 29 June 2017 |
| Last amendment |              |
| Last review    |              |