

Nomination and Remuneration Committee Charter

1. Applicability

A reference to **Deep Yellow** or **the Company** in this Charter is a reference to Deep Yellow Limited (ABN 97 006 391 948).

This Charter applies to all members of the Nomination and Remuneration Committee (**Committee**) established by the board of directors (**Board**).

2. Role

The role of the 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) nomination related matters including:
 - (i) succession planning generally, including ensuring that there are plans in place to manage the succession of the Managing Director/CEO (**CEO**) and other senior executives;
 - (ii) induction and continuing professional development programs for directors;
 - (iii) the development and implementation of a process for evaluating the performance of the Board, its committees and directors;
 - (iv) the process for recruiting a new director; and
 - (v) the appointment and re-election of directors.
- (b) remuneration related matters including:
 - (i) the Company's remuneration framework;
 - (ii) remuneration packages for senior executives;
 - (iii) 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; and
 - (iv) remuneration by gender.

3. Composition

The Committee will be structured so that it has at least two members, both of whom are independent directors. The Chairman of the Committee must be an independent director.

Where the 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).

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

The Board will review the composition of the Committee annually to ensure it comprises the appropriate balance of skills, knowledge and experience to be able to discharge the Committee's mandate effectively.

4. Responsibilities

The Committee has the following responsibilities:

4.1 Nomination

- (a) **Size and Composition of the Board:** Regularly reviewing the size and composition of the Board, including the balance of independence on the Board, and considering any appropriate changes to the Board and identifying and assessing necessary and desirable director skills, competencies using a Board skills matrix and providing advice on the skills and competency levels of directors with a view to enhancing the Board, including considering what training or development could be undertaken to fill any gaps identified.
- (b) **Board Skills Matrix:** Developing and recommending to the Board for approval the board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership for inclusion in the Company's corporate governance statement.
- (c) **Succession Planning:** Reviewing any succession plans for the Board, CEO and other senior executives.
- (d) **Induction and Continuing Professional Development:** Developing the Company's Induction Program and developing the appropriate programs so that directors have access to ongoing education relevant to their position in the Company, including ongoing education on developments in accounting standards.
- (e) **Performance Evaluation:** Developing a process for the evaluation of the Board, its committees, and individual directors.

- (f) **Director Selection and (Re)Appointment:** Developing the Company's Policy and Procedure for the Selection and (Re)Appointment of Directors, including evaluating the balance of skills, knowledge, experience, independence, and diversity on the Board and, in the light of this evaluation, preparing a description of the role and capabilities required for a particular appointment. The Committee will also carry out the functions ascribed to the Nomination Committee (or equivalent) in the Policy and Procedure for the Selection and (Re)Appointment of Directors.
- (g) **Diversity:** If considered appropriate, making recommendations to the Board as to appropriate measurable objectives for achieving gender diversity, and annually reviewing those objectives and the Company's progress towards achieving them.

4.2 Remuneration

- (a) Reviewing the Company's Remuneration Policy and making appropriate recommendations to the Board. In considering the Company's Remuneration Policy, the Committee refers to the guidelines for non-executive director remuneration and executive remuneration set out in Box 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 termination payments¹.
- (f) 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 and a summary of the Company's policies and practices regarding any minimum shareholding ('skin in the game') requirements (if any) for non-executive directors.
- (g) Reviewing whether there is any gender or other inappropriate bias in remuneration for directors, senior executives or other employees.

¹ Also note 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.

- (h) 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.
- (i) Verifying the composition of the Committee is in accordance with the Committee Charter.

4.3 Other

- (a) Reviewing and recommending updates to the Committee Charter to the Board.
- (b) Performing such other functions related to this Charter as requested by the Board.

5. Operations

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

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 Committee who is responsible for their engagement.

The 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 Committee (excluding any executive directors on the 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 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 Committee (excluding any executive directors on the 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.

7. Authority and Resources

The Company will provide the Committee with sufficient resources to undertake its duties to assist the Committee in fulfilling its duties.

The Committee is authorised to:

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

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

8. Reporting

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

9. Review

This Charter will be reviewed annually and communicated as required.

Policy and Procedure for the Selection and (Re)Appointment of Directors of Deep Yellow Limited

1. Size and Composition of the Board

The board of directors (**Board**) of Deep Yellow Limited (ABN 97 006 391 948 (**Company**)) should be structured in such a way that it has a proper understanding of, and competence to deal with, the current and emerging issues of the business and encourages enhanced performance of the Company. Reference is made to the Company's size and operations as they evolve from time to time in determining the appropriate size of the Board, and its composition.

2. Selection and Appointment of New Directors

It is the policy of the Board that in determining candidates for the Board, the following process shall occur:

- (a) the Nomination and Remuneration Committee (or equivalent) (**Committee**) evaluates the mix of skills, experience, expertise, and diversity of the existing Board. In particular, the Committee is to identify the particular skills and diversity that will best increase the Board's effectiveness. Consideration is also given to the balance of independent directors on the Board. Regard must also be had to the Company's Diversity Policy in identifying appropriate candidates;
- (b) the Committee will identify potential candidates by seeking applications from suitably qualified individuals; and/or placing advertisements in appropriate media; and/or engaging external consultants that will present diverse candidates;
- (c) the Committee interviews selected candidates;
- (d) potential candidate is considered with reference to their skills and expertise in relation to other Board members. The Committee will also have regard to the other matters identified in this Policy and Procedure for Selection and Re(Appointment) of Directors as relevant when identifying and considering candidates for the Board;

- (e) if relevant, the Committee recommends an appropriate candidate for appointment to the Board. The Committee must undertake appropriate checks before recommending an appropriate candidate for appointment to the Board. These should include checks as to the person's character, experience, education, criminal record, and bankruptcy history; and
 - (f) the Company must enter into a written agreement with each director appointed to the Board setting out the terms of their appointment.
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3. Board Renewal

Under the ASX Listing Rules:

- (a) the Company must hold an election of directors each year; and
 - (b) a director of the Company must not hold office (without re-election) past the third annual general meeting following the director's appointment or three years, whichever is longer; and a director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting of the Company. This rule does not apply to the Managing Director.
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4. Commitment to the Board

Non-executive directors must provide to the Committee, prior to their appointment or re-election, details of their other commitments and an indication of the time involved in carrying out those other commitments.

All directors should consider the number and nature of their directorships and calls on their time from other commitments. Prior to appointment or being submitted for re-election non-executive directors are required to specifically acknowledge to the Company that they will have sufficient time to fulfil their responsibilities as a director.

5. Providing Candidate Information to Shareholders

Shareholders will be informed of the names of candidates submitted for election as directors. So that shareholders can make an informed decision on whether or not to elect or re-elect a candidate as a director, the following information will be supplied to shareholders in the relevant meeting materials at which shareholder approval will be sought:

- (a) biographical details, including their relevant qualifications and experience and the skills they bring to the Board;
 - (b) details of any other material directorships currently held by the candidate;
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- (c) if the candidate is standing for election as a director for the first time:
 - (i) any material adverse information revealed by the checks the Company has performed about the candidate;
 - (ii) details of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgment to bear on issues before the Board and to act in the best interests of the Company and its security holders generally; and
 - (iii) if the Board considers that the candidate will, if elected, qualify as an independent director, a statement to that effect;
 - (d) if the candidate is standing for re-election as a director:
 - (i) the term of office currently served by the director; and
 - (ii) if the Board considers the director to be an independent director or a non-independent director; a statement to that effect; and
 - (e) a statement by the Board as to whether it supports the election or re-election of the proposed candidate.
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6. Review

This Policy will be reviewed annually and communicated as required.