



RESOURCES LIMITED

XS Resources Limited

ACN 624 766 114

Nomination and Remuneration Committee Charter

April 2018

1. Introduction

- 1.1 This Charter governs the operation of the Nomination and Remuneration Committee of XS.
- 1.2 This Charter outlines the procedures and guidelines in relation to the nomination of persons to the Board of Directors of the Company and the remuneration of Directors and senior executives of the Company.
- 1.3 Committees should not lead to an abrogation of responsibilities or a failure to properly inform the full Board.

2. Explanation of Terms

- 2.1 In this charter:

ASX means Australian Securities Exchange;

Board means the board of directors of XS Commodities Limited;

CFO means Chief Financial Officer (or equivalent);

Chairperson means the chair of the Board;

Charter means this Audit and Risk Committee Charter;

Company Secretary means the company secretary of XS;

Director means a director of XS;

XS means XS Resources Limited;

Group means XS Resources Limited and its controlled entities;

MD means the Managing Director or Chief Executive Officer (or equivalent);

Senior Executive means the employees of XS who manage XS pursuant to the directions and delegations of the Board.

3. Composition

- 3.1 The Committee will be appointed by the Board and will consist of not of less than three members. A majority of the appointees will be independent Directors where considered appropriate and possible.
- 3.2 The Chairperson of the Committee will be an independent Director and, where practicable, will not be the Chairperson of the Company.
- 3.3 If a member of the Committee retires, is removed or resigns from the Board, that member ceases to be a member of the Committee. The Board will appoint the successor.
- 3.4 Any director may attend a meeting of the Committee for the purposes of discussion but is not entitled to vote.
- 3.5 The Committee may invite any executive team member or any other individual to attend a meeting of the Committee, as they consider appropriate. Any invitation to attend a meeting of the Committee is subject to the invitee not having a material personal interest in the matter being considered.
- 3.6 The Company Secretary will act as Secretary to the Committee.

4. Authority

- 4.1 The Committee is authorised to carry out its responsibilities as set out in this Charter, and to make recommendations to the Board arising therefrom.
- 4.2 In discharging its responsibilities, the Committee has access to the facilities and personnel of XS, from whom it may receive information and advice, and the authority to engage, and to set and pay the compensation of, independent accountants, legal counsel and other advisers as it determines necessary to carry out its duties.
- 4.3 The Committee may also communicate directly with the auditors, legal and other advisors, management and employees of XS to carry out its responsibilities and duties set out in this Charter.

5. Primary Objectives

5.1 The primary objectives of the Committee are to:

- (a) enable XS to identify, attract, retain and motivate suitably qualified and experienced Directors and executives with necessary and desirable competencies;
- (b) reward Directors and executives fairly and responsibly, having regard to the financial performance of the Company, individual performance and general remuneration conditions;
- (c) oversee the formation and review of XS's recruitment, retention, succession and termination policies generally; and
- (d) comply with relevant provisions of ASX Listing Rules and *Corporations Act, 2001*.

6. Roles and Responsibilities

6.1 Nomination and Review Processes

The Committee is established by the Board to periodically review, evaluate and make recommendations to the Board in relation to:

- (a) the necessary and desirable competencies of the Board and individual Directors and the assessment of those competencies;
- (b) the appointment of suitably qualified candidates to the Board;
- (c) the time required to fulfil the obligations of being a Director and whether the Directors are able to meet those expectations;
- (d) the appointment of the Managing Director;
- (e) the performance of the Board, Board Committees, Managing Director and individual directors;
- (f) induction and continuing professional development of the Board, Board Committees and individual directors; and
- (g) Board and Managing Director succession plans.

6.2 Remuneration Processes

The Committee is established by the Board to periodically review, evaluate and make recommendations to the Board in relation to:

- (a) remuneration arrangements (including salary, incentives, bonuses, superannuation, retirement plans, termination benefits, and services contracts) for the Executive Directors, the Non-Executive Directors, the Managing Director, the Company Secretary and executives reporting to the Managing Director;
- (b) remuneration policies and practices;

- (c) termination policies and practices;
- (d) policies and practices for recruitment, retention, and performance measurement;
- (e) incentive plans proposed by the Managing Director, the basis of their application amongst differing levels of staff and the determination of plan outcomes; and
- (f) succession planning to ensure the continuity and quality of management.

6.3 Remuneration to be Appropriate and Not Excessive

Periodically, the Committee must confirm in writing that the remuneration arrangements for the Executive Directors, the Non-Executive Directors, the Managing Director, the Company Secretary and executives reporting to the Managing Director are appropriate and not excessive.

7. Meetings

- 7.1 The Committee will meet as frequently as required to fulfil its role. Any Committee member or the Company Secretary may call a Committee meeting.
- 7.2 A notice of each meeting confirming the date, time, venue and agenda must be forwarded to each member of the Committee allowing reasonable time for preparation.
- 7.3 A quorum is at least two Committee members present. In the absence of the Committee chair, the members will elect as one of their number as chair for that meeting.
- 7.4 Minutes of proceedings and resolutions of Committee meetings will be kept by the Secretary.
- 7.5 The Committee chair will keep the Board informed on the deliberations of the Committee and any recommendations arising.

8. Role of the Chair

- 8.1 The Chair of the Committee's role is to provide leadership to the Committee to enhance the Committee's effectiveness and ensure adherence to this Charter.
- 8.2 The Chair of the Committee is responsible for managing the Committee, including:
 - (a) chairing all meetings of the Committee in a manner that promotes meaningful discussion;
 - (b) preparing or providing direction to the Secretary to prepare an appropriate agenda for Committee meetings and ensuring pre-meeting material is

distributed in a timely manner and is appropriate in terms of relevance, efficient format and detail;

- (c) adopting procedures to ensure that the Committee can conduct its work effectively and efficiently, including committee structure and composition, scheduling, and management of meetings; and
- (d) ensuring meetings are appropriate in terms of frequency, length and content.

9. Self-Assessment

- 9.1 The Committee will undertake periodically a self-assessment of the effectiveness of the Committee with a view to ensuring that the performance of the Committee accords with best practice including:
- (a) comparing the Committee's practices with its Charter requirements;
 - (b) identifying any enhancements to the Charter; and
 - (c) implementing practices designed to enhance the Committee's effectiveness.

10. Reporting Obligation

- 10.1 Any member of the Committee is able, and obliged, to bring any matter to the immediate attention of the Board, if that Committee member believes the matter has not been dealt with adequately by the Committee, or is of significant importance that the Board should be informed directly.

11. Performance and Fees

- 11.1 The performance of the Committee will be reviewed by the Board periodically.
- 11.2 Committee members may be entitled to receive additional remuneration as determined from time to time by the Board. The level of remuneration would have regard to current appropriate benchmarks.

12. Review

- 12.1 The Committee will periodically review this Charter to ensure its relevance and effectiveness.