

## 1. Introduction

The Board has established a Remuneration Committee to assist the Board in its oversight of:

- (a) the integrity of the Company's remuneration practices.
- (b) the Company's remuneration, including the remuneration of executives and the CEO.
- (c) the Company's compliance with applicable legal and regulatory obligations.

This Remuneration Charter (Charter) sets out the responsibilities and functions, and composition, structure, and membership requirements of the Remuneration Committee.

The Charter is available to shareholders of the Company via the Company website ([www.kglresources.com.au](http://www.kglresources.com.au)).

## 2. Purpose

The purpose of the Committee is to assist the Board in the effective discharge of its responsibilities as they relate to Remuneration.

Specifically, these include but are not limited to overseeing:

- (a) reviewing remuneration levels of the Board and senior management and recommending changes as appropriate.
- (b) oversight of management incentive schemes including employee short-term and long-term incentives.
- (c) material risks insofar as they relate to remuneration matters

## 3. Responsibilities and Functions

### 3.1. Risk

The responsibilities of the Committee in respect of risk oversight are to:

- (a) monitor material risks insofar as they relate to people and remuneration matters and reporting to the Board;

### 3.2 Remuneration

The responsibilities of the Committee in respect of remuneration are to:

- (a) review and recommend to the Board the employment and remuneration arrangements for the MD & CEO and Executives, including contract terms, annual remuneration and participation in the Company's incentive plans;
- (b) review and recommend to the Board the employment and remuneration arrangements and contract terms for each of the Non-Executive Directors;

## 3.2 Remuneration (continued)

- (c) at least annually or as appropriate review the Company's remuneration framework on Director, MD & CEO and executive remuneration to confirm that it:
  - (i) encourages and sustains a culture aligned with the Company's values;
  - (ii) is performance based and supports the Company's strategic objectives and long-term financial soundness;
  - (iii) is aligned with the Company's risk management framework and risk appetite; and
  - (iv) attracts and retains high performing executives, and delivers against the stated remuneration objectives set out in section 4;
- (d) monitor developments in market practice and recommend changes to the Company's remuneration framework and superannuation arrangements to ensure market competitiveness and alignment;
- (e) recommend major changes and developments in the remuneration framework and superannuation arrangements for the Company;
- (f) review compliance with the Company's obligations regarding superannuation and other employment benefits and entitlements;
- (g) advise the Board on aspects of remuneration that should be subject to shareholder approval and/or disclosure;
- (h) ensure that fees paid to Non-Executive Directors are within the aggregate amount approved by shareholders, advising the Board with respect to the process by which this aggregate amount is allocated to Directors, and making recommendations to the Board for any adjustment to this amount at the Annual General Meeting;
- (i) regularly review and recommend to the Board the terms of the Company's equity-based incentive schemes, including a consideration of performance thresholds and regulatory and market requirements;
- (j) review and recommend to the Board the terms of any incentive offers made to the MD & CEO and other members of the executive team (including short term and long term awards), including any applicable performance targets and the relevant award opportunities;
- (k) review and approve any proposed termination payments to the CEO and executives;
- (l) approve the appointment of remuneration consultants for the purposes of the Corporations Act 2001 (Cth);

## 3.2 Remuneration (continued)

- (m) review and recommend to the Board for approval of any proposed consultancy arrangements with a Non-Executive Director, Executive or a related party of a Non-Executive Director or executive;
- (n) review and recommend to the Board to approve the remuneration report prepared in accordance with the Corporations Act 2001 (Cth) to be published in the Company's Annual Report; and
- (o) review and facilitate shareholder and other stakeholder engagement in relation to the Company's remuneration policies and practices.

## 3.3 Goals and Performance Reviews

The responsibility of the Committee in respect of performance reviews is to:

- (a) develop and recommend to the Board to approve the individual goals for the MD & CEO;
- (b) review and recommend to the Board to approve the individual goals for executives;
- (c) review and recommend to the Board to approve the company goals; and
- (d) assist the Board in relation to the performance evaluation of the MD & CEO and executives, including reviewing performance against pre-determined individual goals and the terms of their employment contracts and advising the Board of the outcomes of the performance reviews and any recommended actions.

# 4. Remuneration policies and practices

- (a) Executive remuneration and incentive policies and practices must be performance based and aligned with the Company's purpose, values, strategic objectives and risk appetite.
- (b) Executive remuneration and incentive policies and practices must be designed to:
  - (i) motivate executives to pursue the long-term growth of the Company, without rewarding conduct that is contrary to the Company's values or risk appetite;
  - (ii) demonstrate a clear link between the Company's overall performance and the remuneration of executives;
  - (iii) attract and retain high-performing executives and employees;
  - (iv) appropriately incentivise positive risk behaviour and improved customer outcomes, encourage sound risk management of both financial and non-financial risks, and discourage unnecessary and excessive risk taking;
  - (v) allow for proper adjustments to be made, including where risk and compliance failures occur;

- (vi) ensure any termination benefits are justifiable and appropriate; and
- (vii) be reasonable and fair.

#### 4. Remuneration policies and practices (continued)

- (c) In the discharge of the Committee's responsibilities, no executive should be directly involved in determining their own remuneration.
- (d) The Committee must at all times have regard to, and notify the Board as appropriate of, all legal and regulatory requirements, including any shareholder approvals which are necessary to obtain.

## 5. Membership

### 5.1. Composition

The Remuneration Committee is to consist of the following:

- (a) only non-executive Directors;
- (b) a majority of Independent Directors;
- (c) an independent Chairman who is not the Chairman of the Board; and
- (d) at least three members, where there are not three or more non-executive Directors of the Company, the Board may appoint executive Directors to the Committee.

Each member of the Remuneration Committee must be financially literate and at least one member of the Committee is to have relevant qualifications and/or experience in accounting or related financial management matters, and more than one member must have an understanding of the industry in which the Company operates, such that the Committee as a whole is able to discharge its mandate effectively.

The Chief Financial Officer will be the Secretary of the Remuneration Committee.

## 6. Administration

### 6.1. Meetings

The Remuneration Committee will meet at least two times a year or more frequently as required. A quorum for a Committee meeting will be a majority of Committee members.

The Remuneration Committee may, at the discretion of its Chairman, meet with:

- (a) Management to discuss any issues within its responsibilities; and
- (b) External experts to discuss any issues relating to the discharge of the Committee's responsibilities.

## 6.2. Attendees

Other Directors (executive and non-executive) have a right of attendance at meetings, subject to exclusion as deemed appropriate by the Chairman of the Remuneration Committee.

Remuneration Committee may invite any person to attend any meeting or part of any meeting of the Remuneration Committee.

## 7. Reporting

Minutes of the proceedings of all Remuneration Committee are to be prepared and approved by the Chairman of the Remuneration Committee.

The Remuneration Committee through its Chairman is to report to the Board at the earliest possible Board meeting after each Remuneration Committee meeting.

Minutes of all Remuneration Committee meetings are to be circulated to the Board. The Remuneration Committee is to report to the Board all matters relevant to the Committee's role and responsibilities including an annual report on the performance and effectiveness of the Committee.

## 8. Access

The Remuneration Committee shall have access to Management for the purpose of obtaining information to discharge its functions. The Remuneration Committee shall also have the ability and authority to seek any information it requires to carry out its discharge its duties from any Director, member of Management or Employee and such persons shall be instructed by the Board to co-operate fully in the provision of such information.

The Remuneration Committee also has the authority to seek advice from external experts where it considers it necessary or appropriate to carry out its duties. Any costs incurred as a result of the Committee consulting an external expert will be borne by the Company.

## 9. Annual General Meeting

The Chairman of the Remuneration Committee is to be present at the Annual General Meeting to answer questions, through the Chairman of the Board.

## 10. Review

The Remuneration Committee will conduct an annual review of its performance and effectiveness. This review process will include a review of the terms of this Charter.



**Simon Finnis**  
Managing Director

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