

Remuneration Committee Charter

1 Overview

The Board of Realm Resources Limited ACN 008 124 025 (the **Company**) has established a Remuneration Committee (the **Committee**) to focus on appropriate procedures and guidelines in relation to the remuneration of key management personnel of the Company and its subsidiaries (the **Group**). This Remuneration Committee Charter (**Charter**) sets out the role and responsibilities of the Committee. Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group and other designated senior executives.

For the Company, Key Management Personnel comprise only the Managing Director, the Managing Director's direct management reporters and the non-executive Directors of the Company (collectively the **Key Management Personnel**).

This Charter sets out the role, responsibilities, composition and structure of the Committee.

2 Role and responsibilities

The Board has delegated certain responsibilities to the Committee which will require formal reporting back to the Board. Ultimate responsibility for remuneration policy matters rests with the Board.

The Committee is primarily responsible for reviewing and making recommendations to the Board in relation to:

- the remuneration structure of the Group;
- the remuneration arrangements for the Managing Director and other Executive Officers;
- the terms and conditions of long-term incentives and short-term incentives for the Managing Director and other Executive Officers (including setting short-term incentives);
- the remuneration to be paid to non-executive Directors, including the process by which any pool of Directors fees approved by shareholders is allocated to Directors; and
- the remuneration to be paid to board members of any subsidiaries of the Group.

The objective is to ensure that the remuneration policies and structures adopted by the Group are fair, competitive and aligned with the long-term interest of the Group. In doing this, the Committee may seek advice from independent expert remuneration consultants where applicable.

The Group's remuneration guiding principle is to align remuneration with the creation of value for shareholders by attracting and retaining appropriately qualified and experienced employees who will contribute to the Group's success, as well as motivating them to achieve outstanding performance against the Group's business objectives. This guiding principle applies to employees at all levels, including non-executive directors and Executive Officers.

The Committee will review the following matters and consider whether any significant matters should be brought to the attention of the Board or other Group boards:

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- the processes for overseeing performance accountability and effective monitoring of senior management, including setting and evaluating performance against goals and targets;
- the Group's remuneration structure;
- whether the Group's remuneration arrangements comply with applicable regulatory requirements;
- incentives and behaviours arising from the Group's remuneration structure;
- senior executive succession and key staff succession plans;
- recruitment, retention and termination strategies;
- the remuneration report; and
- other relevant matters identified or requested by the Board or other Group boards.

2.1 Executive Officer remuneration policy

The Committee is to ensure that:

- Executive Officers remuneration packages involve a balance between fixed and incentive pay, reflecting short and long term performance objectives which align with the Group's circumstances and objectives;
- a proportion of Executive Officers remuneration is structured in a manner designed to link reward to corporate and individual performances; and
- consider, adjust and recommend the quantum of bonuses to be paid to Executive Officers, with final approval being the responsibility of the Board.

2.2 Non-executive directors remuneration policy

The Committee is to ensure that:

- non-executive directors are remunerated by way of fees and long term incentives;
- non-executive directors are not provided with retirement benefits;
- fees paid to non-executive directors are within the aggregate director fee pool limit, as approved by shareholders and make recommendations to the Board with respect to the need for increases to this aggregate amount at the Company's annual general meeting; and
- fees paid to non-executive directors are reviewed annually by the Committee.

2.3 Extra duties and expenses

From time to time, the Board may ask individual directors to devote extra time or to undertake extra duties. Directors who undertake these tasks at the Board's direction may receive payment for this work if agreed by Board resolution. Directors are also to be reimbursed for all Group business related expenses, including travel on Group business, as may be incurred in the discharge of their duties.

3 Incentive plans and benefits programs

The Committee will:

- review and make recommendations concerning incentive compensation plans, including the use of share options and other equity-based plans. The Committee will act on behalf of the Board to administer equity-based and employee benefit plans, and as such will discharge any responsibilities under those plans, including making and authorising grants, in accordance with the terms of those plans;
- ensure that incentive plans have appropriate and realistic performance targets that measure relative performance and provide rewards when they are achieved; and
- review and if necessary recommend improvements to any existing benefit programs established for employees.

4 Approvals

Before implementing, the Committee will make a recommendation to the Board in relation to any of the following:

- any change to the remuneration or contract terms of the Managing Director;
- the design of any new equity plan or executive cash-based incentive plan, or amendment of any existing equity plan or executive cash-based incentive plan;
- the total level of award proposed from equity plans or executive cash-based incentive plans; and
- any payment to the Managing Director, other than payments made pursuant to a current employment agreement between the Company and the Managing Director.

5 Committee composition

5.1 Membership

The Committee will consist of two members appointed by the Board. The Board will also appoint a Committee Chairman.

The Committee composition does not currently adhere to the ASX Corporate Governance Council's recommendations on composition of remuneration committees. The Board will continue to assess the composition of the Committee with regard to any changes to the composition of the Board.

The secretary of the Committee will be the Company Secretary, or such other person as nominated by the Board or the Committee from time to time.

If a Committee member retires, is removed or resigns from the Board, that member ceases to be a member of the Committee. Any successor will be appointed by the Board.

5.2 Meetings

The Committee will meet as frequently as required in order to undertake its role effectively but must, at a minimum, meet twice a year. Special meetings may be convened as required.

A quorum is two members or any greater number determined by the Board.

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Proceedings of all meetings will be minuted and kept by the Company Secretary. The minutes shall be signed by the Committee Chair, and distributed to all Committee members and tabled at the next Board meeting for noting.

The Managing Director may attend Committee meetings. The Managing Director will not be present when issues relating to the Managing Director are discussed. Non-executive Directors who are not Committee members may also attend Committee meetings.

The Committee may invite other persons to its meetings as it deems necessary.

6 Access to information

6.1 Group Information and Personnel

The Committee is granted unrestricted access to all information of the Group and shall have right of access to:

- all records;
- all levels of management; and
- the external auditors.

Any Committee member may communicate directly with employees of the Group, but such communications are to be conducted with regard to the efficient operation of the Group and the need to preserve and maintain an effective chain of command and confidentiality in respect of the deliberations of the Board. All communications of a material or sensitive nature must be facilitated by the Committee Chair.

6.2 Independent Professional Advice

If a Committee member wishes to seek independent professional advice at the Group's expense, they must first obtain the permission of the Chairman. When doing so, the Committee member should provide the Chairman with:

- the reason for seeking the advice;
- the name of the person from whom the advice will be sought; and
- a quote from that person for the provision of the advice contemplated.

Upon receipt of the required information, the Chairman:

- must not unreasonably withhold permission to obtain the advice; and
- must inform the Board of the request as soon as possible.

Advice obtained at the Group's expense under these provisions must be made available to the Company.

7 Review

The Company Secretary, in conjunction with the Committee, will conduct an annual review of the Charter to ensure that it continues to reflect the current processes and guidance utilised when assessing the appropriate remuneration of non-executive directors and Executive Officers.

The Board will approve any amendments to this Charter.

8 Publication of the Charter

This Charter is made available to all directors and staff of the Group and published on the Group's website www.realmresources.com.au.