

Macarthur Minerals Limited

REMUNERATION POLICY

June 2020



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MACARTHUR MINERALS LIMITED**AND ITS SUBSIDIARIES****(THE “COMPANY” OR “MACARTHUR”)****REMUNERATION POLICY****(Adopted by the Board of Directors on 29 June 2020)****1. OVERVIEW**

- 1.1 **Macarthur Minerals Limited, ACN 103 011 436** and its subsidiaries (**Company**) is committed to ensuring that it implements transparent and fair remuneration guidelines.
- 1.2 The board of directors (**Board**) of the Company has established this Remuneration Policy (**Policy**) for the purpose of ensuring that the Company has remuneration guidelines that:
- (a) are appropriate to attract, retain and motivate high quality directors and executives who will generate value for shareholders;
 - (b) are fair and reasonable having regard to the performance of the Company and the relevant director or executive; and
 - (c) comply with applicable securities and corporate laws and the rules of the Toronto Stock Exchange (TSX or TSX-V) and Australian Stock Exchange (ASX).

2. REMUNERATION STRUCTURE**2.1 Distinction between Non-Executive and Executive Remuneration**

The Board, with the support of the Remuneration and Nomination Committee will ensure that a clear distinction is maintained between the structure of non-executive directors’ remuneration on one hand and that of executive directors and other senior executives on the other.

2.2 Remuneration of executive directors and other senior executives

- (a) The Remuneration and Nomination Committee will make recommendations to the Board regarding the remuneration of executive directors and other senior executives (**Executive Remuneration**).
- (b) Executive Remuneration packages should include an appropriate balance between fixed remuneration that is comparable with current market rates and performance based remuneration, linked to clearly specified performance targets that align with the Company’s short and long term objectives and which are appropriate to the Company’s circumstances and goals.

2.3 Remuneration of non-executive directors

- (a) Remuneration and Nomination Committee will make recommendations to the Board regarding the remuneration of non-executive directors.
- (b) Non-executive directors should be remunerated in accordance with current market rates for comparable companies and at a level that enables the Company to attract and retain non-executive directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

- (c) The aggregate remuneration paid to non-executive directors is approved by shareholders in accordance with the requirements of the Corporations Act 2001 (Cth). Non-executive directors appointed to the Board are to be provided with a formal letter of appointment setting out the key terms and conditions of their appointment.
- (d) Non-executive directors who are called upon to perform extra services beyond the director's ordinary duties may be paid additional fees for those services.
- (e) The Board reviews non-executive director remuneration annually and may seek independent external advice, when required. No non-executive director's fees are linked to the performance of Macarthur.

3. EQUITY BASED REMUNERATION

3.1 If any equity-based remuneration plans are adopted, the Board with the support of the Remuneration and Nomination Committee will be responsible for reviewing their terms and overseeing their administration, including:

- (a) considering whether shareholder approval is required;
- (b) ensuring that payments and awards of equity are made in accordance with their terms and any shareholder approval; and
- (c) ensuring compliance with applicable laws and regulations and the Company's relevant Policies.

4. DISCLOSURE OF REMUNERATION

Total remuneration reported will include appropriate values for all elements of remuneration, incorporating fixed remuneration, performance-based remuneration comprising payments made or value provided for at risk components, superannuation and value for benefits provided and equity-based components of remuneration. Other than disclosure in the corporate governance statement in annual reports, annual information forms and proxy circulars or disclosure required by law or regulatory and compliance requirements, remuneration information is confidential as between Macarthur and the employee, pursuant to a mutual obligation and expectation to maintain confidentiality of remuneration data. Remuneration and performance data may be used for internal benchmarking, performance management and general review and analysis of the Company.

5. REVIEW OF THIS POLICY

- 5.1 The Board will review this Policy at least annually to ensure that it accords with best practise and remains consistent with the Board's remuneration objectives and responsibilities.
- 5.2 This Policy may be amended from time to time by resolution of the Board.