



MACARTHUR MINERALS LIMITED

ACN 103 011 436

REMUNERATION AND NOMINATION COMMITTEE CHARTER

(Reviewed 29 June 2020)

ARTICLE 1 PURPOSE

The general purpose of the Remuneration and Nomination Committee (the “**Committee**”) is to assist the board of directors (the “**Board**”) of Macarthur Minerals Limited (the “**Company**”) in:

- (a) evaluating, reviewing and recommending all forms of remuneration for the CEO, CFO, COO and other key employees’ (the “**Management**”);
- (b) recommending the annual remuneration budget to the Board;
- (c) recommending compensation for existing directors;
- (d) providing nominations for directors;
- (e) evaluating the collection of tangible and intangible skills, and qualities necessary for an effective board and planning for the succession of the Board;
- (f) reviewing recruitment, retention and termination policies for Management;
- (g) monitoring and assessing the functions of the Board, committees of the Board and individual members of the Board; and
- (h) considering and reviewing diversity and strategies for managing diversity and remuneration by gender within the Company and on the Board.

ARTICLE 2 COMPOSITION, PROCEDURES AND ORGANIZATION

2.1 Number of Members

The Committee shall be comprised of a minimum of three non-executive members of the Board.

2.2 Member Qualifications

- (a) Every Committee member must be a director of the Company.

- (b) Every Committee member must be “independent¹” within the meaning of all applicable legal and regulatory requirements (except in the circumstances, and only to the extent, permitted by all applicable legal and regulatory requirements).
- (c) All members of the Committee shall meet all requirements and guidelines for remuneration committee service as specified in applicable securities and corporate laws and the rules of the Toronto Stock Exchange (TSX or TSX-V) and Australian Securities Exchange (ASX).

2.3 Member Appointment and Removal

Members of the Committee shall be appointed by the Board for such terms as the Board deems appropriate and shall hold office for such time or until they are removed by the Board or cease to be directors of the Company.

Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board on the recommendation of the Committee and shall be filled by the Board if the membership of the Committee falls below three directors.

2.4 Committee Structure and Operations

(a) Chair

Each year, the Board shall appoint one member of the Committee to be the Chair of the Committee. The Chair of the Committee may be removed at any time at the discretion of the Board. If in any year, the Board does not appoint a Chair, the incumbent Chair will continue in office until a successor is appointed.

If the Chair of the Committee is absent from any meeting, the Committee shall select one of the other members of the Committee to preside at that meeting.

(b) Meetings

The Chair, in consultation with the Committee members, shall determine the schedule and frequency of the Committee meetings. However, the Committee shall meet at least two times per year and as many additional times as the Committee deems necessary to carry out its duties.

The Chair or any two members of the Committee may call a meeting.

(c) Notice

Notice of the time and place of every meeting shall be given in writing to each Committee member, the Chairman of the Board, the Chief Executive Officer of the Company and the Chief Financial Officer of the Company at least one week prior to the time fixed for such meeting.

¹ Whether a director is “independent” will be determined in accordance with all applicable laws and regulations, including the applicable securities laws of Australia, Canada and the United States and the regulations and policies of any stock exchange or quotation system on which the Company’s securities are listed or quoted.

The external auditor of the Company shall be given notice of every meeting of the Committee and, at the expense of the Company, shall be entitled to attend and be heard thereat.

If requested by a member of the Committee, the external auditor shall attend every meeting of the Committee held during the term of office of the external auditor.

(d) *Quorum*

A majority of the Committee shall constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present in person or by means of such telephonic, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously.

(e) *Attendees*

The Committee may invite such directors, officers and employees of the Company and advisors as it sees fit from time to time to attend meetings of the Committee and assist in the discussion and consideration of matters relating to the Committee. The Committee shall meet without management present whenever the Committee deems it appropriate.

(f) *Secretary*

The Committee may select an individual to act as secretary for the Committee, who will be either:

- (i) A member of the Committee other than the chair;
- (ii) the Corporate Secretary; or
- (iii) Another individual who is not a member of the management of the Company.

The Secretary, in conjunction with the Chair shall draft an agenda, which will be circulated at least one week prior to each meeting.

(g) *Records*

Minutes of meetings of the Committee shall be recorded and maintained by the Secretary to the Committee and shall be subsequently presented to the Committee for review and approval.

Confidential matters may be recorded in a confidential minute book and not be circulated to the Board.

(h) *Liaison*

The Company Secretary shall act as management liaison with the Committee.

2.5 Reporting to the Board

The Committee shall report to the Board in a timely manner with respect to each of its meetings held. This report may take the form of circulating copies of the minutes of each meeting held excluding confidential minutes.

2.6 Authority of the Committee

The Committee discharges its responsibilities by making recommendations to the Board. The Committee does not have any executive powers to commit the Board or Management to their implementation. The Committee is not responsible for supervising the performance of executives and does not become involved in day-to-day operations, management functions or decision making.

The Committee has the authority to delegate to individual members or subcommittees of the Committee.

The Committee has the authority to engage and compensate any outside advisor that it determines to be necessary or advisable to permit it to carry out its duties. For greater certainty, the Committee has sole authority to retain and terminate any consulting firm to be used to evaluate the Chief Executive Officer or the remuneration of the Chief Executive Officer or any other officers or senior management personnel.

2.7 Committee and Charter Review

The Committee shall conduct an annual review and assessment of its performance, effectiveness and contribution, including a review of its compliance with this Charter, in accordance with the process developed by the Board. The Committee shall conduct such review and assessment in such manner as it deems appropriate and report the results thereof to the Board.

The Committee shall also review and assess the adequacy of this Charter on an annual basis, taking into account all legislative and regulatory requirements applicable to the Committee, as well as any best practice guidelines recommended by regulators or the ASX and the Toronto Stock Exchange (TSX or TSX-V, as applicable) and shall recommend changes to the Board thereon.

ARTICLE 3 DUTIES AND RESPONSIBILITIES

3.1 General

The Committee is responsible for reviewing the Company's overall remuneration philosophy.

3.2 CEO remuneration

With respect to remuneration of the CEO, the Committee is responsible for:

- (a) reviewing and approving corporate goals and objectives relevant to CEO remuneration;

- (b) evaluating the CEO's performance in light of those corporate goals and objectives; and
- (c) determining or making recommendations to the Board with respect to the CEO's remuneration level based on this evaluation.

In setting corporate goals and objectives relevant to CEO remuneration, the Committee should consider both short-term and long-term remuneration goals, including analysis of the short and long-term tax, accounting, cash flow and dilution implications of the remuneration package. In determining the long-term incentive component of the remuneration of the CEO, the Committee shall consider the Company's performance and relative shareholder return, the value of similar incentive remuneration given to CEO's at comparable companies and the remuneration given to the CEO in past years.

The Committee shall annually review and assess the competitiveness and appropriateness of the remuneration package of the CEO. In conducting such review, the Committee shall consider:

- (a) the remuneration package of the CEO for the prior year;
- (b) the Committee's evaluation of the performance of the CEO;
- (c) the Company's performance and relative shareholder return, as well as other key measures of performance;
- (d) whether the remuneration package reflects an appropriate balance between salary and incentive remuneration, as well as the mix between short and longer-term incentives to improve performance of the Company;
- (e) the competitiveness of the remuneration package, including the value of similar incentive awards and benefits such as pensions and supplementary executive retirement plans, paid to equivalent officers and positions at comparable companies;
- (f) the impact of the level and form of awards on the Company and its shareholders from a tax, accounting, cash flow and dilution perspective; and
- (g) the awards given to the CEO.

3.3 Remuneration of Management

With respect to remuneration of Management, the Committee is responsible for:

- (a) recommending the process and criteria to be used to evaluate the performance of Management;
- (b) reviewing and approving the performance evaluations of the Company's Management; and

- (c) In consultation with the CEO, the Committee shall oversee the evaluation of Management and shall make recommendations to the Board with respect to the total remuneration package for Management other than the CEO.

The Committee should consider all forms of remuneration when determining the level of remuneration paid to Management, including long-term incentives and benefits. The Committee should also consider information regarding other companies, the nature of the Company's business, the need to obtain qualified individuals, short-term and long-term performance goals and actual performance and shareholder returns and evaluations and remuneration in previous years.

3.4 Remuneration of Directors

The Committee shall, on an annual basis :

- (a) review the adequacy, amount and form of the remuneration to be paid to each director, maintaining a clear distinction between non-executive and executive directors' remuneration;
- (b) consider whether such remuneration realistically reflects the time commitment, responsibilities and risks of the directors;
- (c) the effectiveness of the Board, each committee and each director in achieving its mandate, and
- (d) make recommendations to the Board thereon.

With assistance of Management, the Committee will monitor trends in compensation of directors and review the Company's Remuneration Policy, compensation plans and make recommendations to the Board.

The Committee also shall make recommendations to the Board on minimum share ownership requirements for directors of the Company.

3.5 Incentive-remuneration Plans

With respect to incentive-remuneration plans, the Committee is responsible, taking into consideration the Company's Remuneration Policy, for reviewing and making recommendations to the Board with respect:

- (a) the adoption and amendment of executive incentive-remuneration plans and all awards under such plans.
- (b) all payments made under the Company's short and long-term incentive plans; and
- (c) any Management change of control contracts, special benefits and any other senior officer financial arrangements or changes thereto.

3.6 Equity-Based Plans

With respect to equity-based plans, the Committee is responsible for periodically reviewing and making recommendations to the Board regarding equity-based remuneration plans that the Company establishes for, or makes available to, its employees and/or consultants, including the designation of those who may participate in such plans, share and option availability under such plans and the administration of share purchases thereunder.

With respect to equity-based plans, the Committee is responsible for reviewing such plans and making recommendations to the Board the number of securities, and the terms thereof, that may be issued under any such plan during any particular period.

In addition, the Committee shall review periodically the extent to which these forms of remuneration are meeting their intended objectives, and shall make recommendations to the Board regarding modifications to more accurately relate such remuneration to employee performance.

The Committee will conduct periodic reviews of the status of any equity-based plans, and submit recommendations for Board consideration and approval with respect to any proposed material amendments to, and any proposed grants (or changes to previous grants) under such plans.

3.7 Disclosure

With respect to disclosure, the Committee is responsible for:

- (a) obtaining advice on and tracking disclosure requirements related to executive remuneration disclosure;
- (b) reviewing executive remuneration disclosure information before the Company publicly discloses this information; and
- (c) in particular, reviewing the “Executive remuneration” or “Key Management Remuneration” and “Indebtedness” sections and preparing the “Remuneration Report” or “Report on Executive remuneration” section of the management information circular (or similarly captioned disclosure).

ARTICLE 4 NOMINATION RESPONSIBILITIES

4.1 General Duties

The Committee shall be responsible for:

- (a) annual review of the remuneration and indemnification policies of the Company and D&O insurance policy(s), if any;
- (b) establishment and oversight of new director orientation and ongoing education;
- (c) determine the number of independent directors who should sit on the Board;

- (d) reviewing the proportion of women at all levels in the Company and address strategies on Board gender diversity and diversity in general; and
- (e) review of Board succession plans

4.2 Recruitment

With respect to the director recruitment in general, the Committee will be responsible for:

- (a) adopting a formal and transparent process for the selection, appointment and reappointment of directors to the Board to promote investor understanding and confidence in that process;
- (b) analysis of the collection of tangible and intangible skills and qualities necessary for an effective Board given the Company's current operational and financial condition, the industry in which it operates and the strategic outlook of the Company;
- (c) periodically comparing the tangible and intangible skills and qualities of the existing Board members with the analysis of required skills and identifying opportunities for improvement; and
- (d) recommending, as required, changes to the selection criteria used by the Board to reflect the needs of the Board.

If the Company is legally required by contract or otherwise to provide third parties with the right to nominate directors, the selection and nomination of those directors need not involve the approval of the Committee.

4.3 Identification of Nominees

With respect to the identification of potential nominees, the Committee will be responsible for:

- (a) identifying individuals qualified to become new Board members and recommending to the Board the new director nominees for the next annual meeting of shareholders;
- (b) defining roles and expectations of Board members; and
- (c) identifying and maintaining a list of potential directors that possess the qualifications established by the Committee.

4.4 Recommendation of Nominees

In making its recommendations to the Board, the Committee will consider:

- (a) the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess;

- (b) the qualities such as integrity, business judgment, independence, business or professional expertise, international experience, residency and familiarity with geographic regions relevant to the Company's strategic priorities
- (c) the competencies and skills that the Board considers each existing director to possess; and
- (d) the competencies and skills each new nominee will bring to the boardroom.

4.5 Membership Qualifications

With respect to membership qualifications, the Committee is responsible for monitoring director membership to ensure qualifications under applicable laws are maintained.

Every year, the Committee will review the credentials and performance of nominees proposed for election to the Board. In doing so, it will consider director qualifications under applicable laws, regulations and rules, as well as the needs of the Company and the talents already represented on the Board.

4.6 Board & Committee Review

The Committee shall conduct an annual review of the size, composition, mandate and performance of the Board and various committees of the Board, and make recommendations for appointment, removal of directors or adjustment as appropriate.