



CORPORATE GOVERNANCE POLICIES AND PRACTICES MANUAL REMUNERATION POLICY AND COMMITTEE CHARTER

1. Remuneration Policy

The Remuneration Policy of Gascoyne Resources Limited and its controlled entities ("the Company") has been put in place to ensure that:

- (a) remuneration policies and systems support the Company's wider objectives and strategies;
- (b) Directors' and Senior Executives' remuneration is aligned to the long-term interests of Shareholders within an appropriate control framework; and
- (c) there is a clear relationship between the executive's performance and remuneration.

2. Remuneration Committee

There is no separate Remuneration Committee.

Due to the small size and structure of the Board, the Board has decided there are no efficiencies to be gained from forming a separate remuneration committee. Rather, the Board considers that it is more appropriate to set aside time at Board meetings to specifically address the matters that would ordinarily fall to a Remuneration Committee.

When considering matters of remuneration, the Board functions in accordance with this Remuneration Committee Charter.

The Board considers and recommends: compensation arrangements for the Managing Director and senior Executives; remuneration policies and practices; retirement termination policies and practices; Company share schemes and other incentive schemes; Company superannuation arrangements and remuneration arrangements for members of the Board.

The full Board shall meet in its capacity as the Remuneration Committee at least once a year and otherwise as required.

2. Overall Remuneration Structure

Remuneration paid by the Company should be reasonable and fair, taking into account the Company's legal and industrial obligations, labour market conditions and scale of business. Remuneration comprises a base salary, benefits and may include Long Term and Short Term incentives to provide reward for materially improved Company performance.

The Managing Director and Senior Executives' remuneration is reviewed on an annual basis by the members of the Board. From time to time, a review of the total remuneration package by an independent consultant in this field may be undertaken to provide an independent reference point.

Any termination payments for the Executive Directors are agreed in advance. The Managing Director and Technical Director are not entitled to any additional termination payments under their Service Agreements except for compensation for the employment period for the remainder of the term of their agreement.

3. Responsibilities

Executive Remuneration and Incentive Policies

The Committee is to make decisions with respect to appropriate remuneration and incentive policies for Executive Directors and Senior Executives which:

- (a) will motivate Executive Directors and Senior Executives to pursue long term growth and success of the Company within an appropriate control framework;
- (b) demonstrate a clear correlation between key performance and remuneration; and



(c) will align the interests of key leadership with the long-term interests of the Company's shareholders.

Executive Remuneration Packages

The Committee is to ensure that:

- (a) executive remuneration packages involve a balance between fixed and incentive pay, reflecting short and long term performance objectives appropriate to the Company's circumstances and objectives;
- (b) a proportion of executives' remuneration is structured in a manner designed to link reward to corporate and individual performances; and
- (c) recommendations are made to the Board with respect to the quantum of bonuses to be paid to executives.

To the extent that the Company adopts a different remuneration structure for its Non-Executive Directors, the Committee shall document its reasons for the purpose of disclosure to stakeholders.

Non-Executive Directors

The Committee is to ensure that:

- (a) fees paid to Non-Executive Directors are within the aggregate amount approved by Shareholders and make recommendations to the Board with respect to the need for increases to this aggregate amount at the Company's AGM;
- (b) Non-Executive directors are remunerated by way of fees (in the form of cash and/or superannuation benefits);
- (c) Non-Executive Directors are not provided with retirement benefits other than statutory superannuation entitlements; and
- (d) Non-Executive directors are not entitled to participate in equity-based remuneration schemes designed for executives without due consideration and appropriate disclosure to the Company's shareholders.

To the extent that the Company adopts a different remuneration structure for its non-executive directors, the Committee shall document its reasons for the purpose of disclosure to stakeholders.

Incentive Plans and Benefits Programs

The Committee is to:

- (a) review and make recommendations concerning long-term incentive compensation plans, including the use of share options and other equity-based plans. Except as otherwise delegated by the Board, 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;
- (b) ensure that incentive plans are designed around appropriate and realistic performance targets that measure relative performance and provide rewards when they are achieved; and
- (c) continually review and if necessary improve any existing benefit programs established for employees.