

REMUNERATION AND NOMINATION COMMITTEE CHARTER

Revised and approved by the Board 23 August 2019



1. General

- 1.1 The Remuneration and Nomination Committee (the Committee) is established by the Board under the Constitution of Sandfire Resources Limited (the Company).
- 1.2 In this Charter the following terms have the following meanings:
 - a. **CEO** means the Chief Executive Officer of the Company.
 - b. **Senior Executives** means the executives of the Company that report directly to the CEO.

2. Purpose

- 2.1 The purpose of the Committee is to provide assistance and recommendations to the Board in fulfilling its responsibilities. Specifically these include but are not limited to:
 - a. the remuneration strategy of the Company and its application to the CEO and Senior Executives, and the remuneration of non-executive Directors;
 - b. the nomination of Directors and composition of the Board; and
 - c. the establishment of a succession plan for the CEO and the Board.

3. Composition

- 3.1 The Committee must consist of:
 - a. only non-executive Directors;
 - b. a majority of independent Directors; and
 - c. a minimum of 3 members.
- 3.2 The Committee Chair will:
 - a. be an independent non-executive Director, who is not Chair of the Board;
 - b. oversee the planning and conduct of the Committee meetings including approval of the agenda and minutes.
- 3.3 The Company Secretary or designate will be the secretary of the Committee.
- 3.4 The Board may appoint such additional non-executive Directors to the Committee or remove and replace members of the Committee by resolution.
- 3.5 Members may withdraw from membership by written notification to the Board.
- 3.6 Non-committee members, including members of management may attend all or part of a meeting of the Committee at the invitation of the Committee Chair. If the invitee has a material personal interest in a matter being considered he/she must not be in attendance whilst such a matter is being considered.

4. Meetings

- 4.1 The Committee will meet as frequently as required in order to fulfil its role but not less than four times a year.
- 4.2 Any member may, and the Company Secretary must, upon request from any member, convene a meeting of the Committee.

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- 4.3 At least three days' notice of each meeting confirming date, time, venue and agenda (including any supporting papers) will be given to every member of the Committee at the member's advised address for service of notice (or such other pre-notified interim address where relevant) but acknowledgement of receipt of notice by all members is not required before the meeting may be validly held.
- 4.4 A quorum of the Committee will be at least two members. In the absence of the Committee Chair, Committee members must elect one of their members to act as Chair for that meeting.
- 4.5 Each member of the Committee will have one vote and questions will be decided by a majority of votes. The Chair does not have a casting vote.
- 4.6 The Company Secretary or their designate will keep minutes of proceedings and resolutions of the Committee together with copies of supporting papers. These records will be available to any Board member upon request.
- 4.7 The Committee will develop an Annual Program to meet its responsibilities.
- 4.8 The Committee Chair will provide a brief oral report at the next Board meeting as to any material matters arising out of the Committee meeting. All Directors will be permitted, within the Board meeting, to request information of the Committee Chair or members of the Committee.

5. Committee Responsibilities

- 5.1 In addition to any other matters that may be delegated to the Committee by the Board, the Committee has the following responsibilities.

5.2 Remuneration

- a. Reviewing and recommending to the Board the remuneration arrangements for the Chairman and the non-executive Directors, including fees and other benefits;
- b. Reviewing and recommending to the Board, the CEO's arrangements and the arrangements of the Senior Executives, including contract terms, annual remuneration and participation in the Company's incentive plans;
- c. Reviewing the annual remuneration review applying generally across the Company, taking into account the recommendations of the CEO;
- d. Overseeing and administering (where appropriate, through its delegate) the Company's executive and employee incentive arrangements, including:
 - i. approving the proposed terms of, and authorise the making of, offers to eligible employees of the Group, including determining the eligibility criteria applying in respect of an offer;
 - ii. reviewing and approving the total target reward, including short and long term incentives, for the CEO and Senior Executives;
 - iii. recommending to the Board the extent to which the achievement of measurable strategic objectives, including diversity objectives, will be linked to the key performance indicators for the CEO and Senior Executives;
 - iv. reviewing and approving any changes to the short term incentive strategy, performance measures and bonus payment;
 - v. reviewing and approving the performance hurdles applicable to the CEO and Senior Executives who participate in the Company's short and long term incentives; and
 - vi. reviewing and approving, within the parameters of the plans, any changes and developments to the executive and employee equity based incentive plans;
- e. Reviewing and approving any proposed termination payments to the CEO and Senior Executives;
- f. Ensuring that the Company's obligations regarding employment benefits and entitlements are being met;
- g. Monitoring compliance with the Company's remuneration strategy and framework as approved by the Board and overseeing the implementation of the Company's remuneration strategy and framework;

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- h. Advising the Board on aspects of remuneration that should be subject to shareholder approval and/or disclosure; and
- i. Ensuring 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 non-executive Directors and making recommendations to the Board for any adjustment to this amount at the Annual General Meeting.

5.3 Remuneration Report

- a. Oversee the preparation of the Remuneration Report and make recommendations to the Board as to its adoption in the annual Directors' Report.

5.4 Performance review

- a. Ensuring the performance of the CEO and Senior Executives are reviewed against their pre-determined key performance indicators and the terms of the employment and or engagement contracts and advising the Board of the outcomes of the performance reviews and any recommended actions; and
- b. Ensuring that a process for evaluating the overall performance of the Board (including committees and Directors) is developed and implemented.

5.5 Nominations, size and composition of the Board and succession plans

- a. Developing a policy and procedure for the selection and appointment of Directors, including undertaking appropriate checks before appointing a Director or putting forward to shareholders a candidate for election as a Director, including checks as to the person's character, experience, education, criminal record and bankruptcy history;
- b. Assisting the Board to develop and review a Board skills matrix setting out the mix of experience, qualifications, backgrounds and other dimensions that are necessary for effective company governance and leadership;
- c. Reviewing existing Directors backgrounds against this matrix for the purposes of development and succession;
- d. Regularly reviewing the size and composition of the Board and making recommendations to the Board with regard to any appropriate changes, including:
 - i. reviewing Board succession plans and the succession of the Chairman and Managing Director, having regard to the objective that the Board comprise Directors from a broad range of backgrounds with diverse skills, expertise, experience and gender; and
 - ii. making recommendations for the re-election of Directors, subject to the principle that a Committee member must not be involved in making recommendations to the Board in respect of themselves;
- e. Ensuring that an effective Director induction process is in place and that all newly appointed Directors undertake the Company induction process;
- f. Ensuring all Directors have access to relevant professional development opportunities that support the work of Sandfire Directors and the Board; and
- g. Reviewing succession plans for the CEO and Senior Executives annually to maintain an appropriate balance of skills, experience, diversity and expertise on the executive management team and advising the Board of the outcomes of the succession plan reviews and any recommended actions.

6. Access to resources

- 6.1 The Committee is to have access to adequate internal and external resources. The Committee may seek the advice of the Company's solicitors or other independent advisers as to any matter pertaining to the powers or duties of the Committee or the responsibilities of the Committee, as the Committee may require.
- 6.2 The responsibility of the Committee is to approve the appointment of remuneration consultants for the purposes of the Corporations Act 2001. If the Committee seeks external remuneration advice, the Committee will ensure that any such recommendations will be made free from bias and undue influence by

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members of the key management personnel to whom the recommendations may relate. In these instances, the Chair of the Committee must directly engage the remuneration consultant, and receive all reports directly from the remuneration consultant.

7. Review

- 7.1 The composition and annual agenda for the Committee will be reviewed at least annually, and the Charter at least every two years, to determine its adequacy for current circumstances. Any recommendations with respect to the composition of the Committee or changes to the Charter will require approval of the Board.