



# Resource Generation Limited ACN 059 950 337

## Remuneration Policy

### 1. Introduction and remuneration philosophy

The Board recognises that the Group's performance and success depends on its ability to attract, retain and motivate suitably qualified and experienced people in a competitive remuneration market. At the same time, remuneration practices must take account of the nature and size of the organisation and its current state of development.

Remuneration of Non-Executive Directors and Executives of the Group is to be determined and structured in accordance with this Policy.

This Policy is established by, and the responsibility of, the Remuneration Committee.

### 2. Principles

This Policy sets out the broad principles and practices that will be used to structure remuneration for Non-Executive Directors and Executives of the Group. The Remuneration Policy adopted has been designed to:

- align with shareholder and business objectives and expectations;
- attract and retain suitably qualified and experienced people;
- provide a level and composition of remuneration that is reasonable, fair and aligned to market;
- encourage Directors and Executives to pursue the long-term growth and success of the Group, balanced against the need to also achieve critical short-term business objectives;
- comprise of a guaranteed fixed base salary together with short-term and long-term cash or equity based incentives
- align corporate and individual performance;
- be internally consistent;
- be transparent with respect to setting performance goals and the measurement of performance against those goals; and
- align with regional and industry good practice standards and practices as well as regulatory requirements.

In establishing and reviewing the Remuneration Policy, the Remuneration Committee will consider comparable information from relevant industry sectors and other listed companies in similar industries.

### **3. Non-executive Director Remuneration**

#### *(i) Remuneration Structure*

The Board's policy is to remunerate Non-Executive Directors at market rates for comparable companies for the time, commitment and responsibilities undertaken by Non-Executive Directors.

Remuneration payable to Non-Executive Directors consists of fixed fees payable within the aggregate Director fee pool approved by shareholders. In addition, statutory employer superannuation contributions are payable where relevant.

Base fixed fees payable to Non-Executive Directors will take account of work undertaken on Board committees. No additional fees will be paid to Directors who serve on committees as the objective is to share this workload across all Board members.

It is the expectation that all Board members will make every effort to attend meeting whether in person or by telephone. Consequently, the agreed remuneration does not contain a separate meeting attendance component.

Other than by way of payment of statutory employer superannuation contributions, retirement benefits will not be granted to Non-Executive Directors.

From time to time, the Board may ask individual Directors to devote extra time or undertake additional duties. At the Board's discretion, Directors who undertake these further tasks may receive additional payment for this work.

#### *(ii) Remuneration Setting and Review*

The Remuneration Committee is responsible for determining appropriate levels and structure of remuneration for Non-Executive Directors.

The Remuneration Committee will review the remuneration of Non-Executive Directors annually. If considered necessary, the Remuneration Committee will recommend that shareholders be asked to consider, and if considered appropriate, to approve any increase in the aggregate Non-Executive Director fees. The total amount of fixed fees paid to non-executive Directors must not exceed the maximum amount authorised by shareholders from time to time. Remuneration for work undertaken on behalf of the Group outside of the scope of Non-Executive Director responsibilities will be market-related and at arms-length and based on a fixed hourly and/or daily rate.

Where relevant, the Remuneration Committee will seek advice from independent third parties to benchmark Non-Executive Director remuneration against relevant market practice.

### **4. Executive Remuneration**

#### *(i) Remuneration Structure*

Remuneration packages may consist of fixed remuneration, short-term incentives and long-term equity based benefits. Remuneration packages can be tailored to an individual's requirements to maximise available salary packaging options.

Total fixed remuneration consists of base salary, non-cash benefits provided inclusive of FBT costs, as well as employer contributions to superannuation.

Short-term incentives under employee contracts are determined on the basis of an individual's performance and contribution during the year and include both financial and non-financial indicators (which are relevant, verifiable and include stretch targets) linked to the business strategy and driving shareholder value. The non-financial metrics will include matters such as health and safety, environment and governance. The Remuneration Committee oversees the annual performance assessment process which will be linked to the financial year.

Long-term incentives are offered by way of equity based compensation under the Resgen Employee Share Plan, and are granted based on an assessment made by the Remuneration Committee taking account of the market and an individual's position and service and is linked to long term shareholder returns or project development outcomes.

The Employee Share Plan is managed by the Remuneration Committee who reviews the structure, recommends/approves grants to individuals together with the applicable terms and performance criteria.

#### *(ii) Remuneration Setting and Review*

The Remuneration Committee is responsible for determining appropriate levels and structure of remuneration for executives. The policies and practices are reviewed regularly (at least on bi-annual basis) to ensure the mix of fixed and variable pay, in cash, shares and other elements, meets the Company's needs and are aligned with the strategic objectives.

The Remuneration Committee is responsible for approving performance metrics for executives and measuring performance against those metrics and reviewing the accuracy of key performance measures determined for the purposes of vesting with the executive. All performance metrics are to be focused on the executive's contribution to Company performance.

The Remuneration Committee is responsible for setting caps that apply to the multiple of the base salary in relation to the short and long-term performance incentive plans. Currently this is set at 40% of the base salary for short-term incentives. The cap for long-term incentives will only be set once the Company reaches 'Financial Close' for development of the Boikarabelo Mine and in the interim no such incentives are being granted.

The Remuneration Committee is not able to alter the terms of short or long-term incentive equity based schemes once they have been approved for a particular financial year. This applies to matters such as the exercise price for options, extending the exercise periods or amending performance criteria.

The Remuneration Committee will monitor short and long-term incentive schemes to ensure that these do not encourage behaviour that is contrary to the Company's risk management strategy.

The Remuneration Committee will from time to time benchmark remuneration practices with its peers. Where relevant, the Remuneration Committee is also able to seek advice from independent third parties to benchmark executive remuneration packages against relevant market position.

It is also the role of the Remuneration Committee to scrutinise all benefits, whether of monetary value or in kind, which employees receive.

## **5. Disclosure**

The Company's remuneration practices are disclosed annually in the Remuneration Report set out within the Annual Report.

Approved by the Board: 16 August 2017