

## **Corporate Governance Practices**

### **Remuneration Committee Charter**

#### **1. Introduction**

The Board of Directors (**Board**) of Centaurus Metals Limited (**Company**) has established a Remuneration Committee (**Committee**).

The Board has approved this Charter which prescribes the role and responsibilities, composition, structure and membership requirements for the Committee.

#### **2. Role**

The role of the Committee is to review and assist the Board in developing the Company's remuneration, recruitment, retention and termination policies.

#### **3. Authority**

The Committee is authorised to:

- (a) consult with and seek any information from Key Management Personnel\* (**KMP**) or employees of the Company or any external party;
- (b) obtain, at the Company's expense, outside legal or other professional advice on any matters within its Charter; and
- (c) require the attendance of any employee of the Company or invite any external party to attend Committee meetings.

*\*The term "Key Management Personnel" includes those people having authority and responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly and includes the Company's executive and non-executive Directors.*

#### **4. Composition**

The members of the Committee are appointed by the Board. The Committee shall consist of at least three non-executive Directors, consisting of a majority of independent Directors. The Chairman of the Committee should be an independent Director. All persons appointed to the Committee should have sufficient professional expertise, knowledge and understanding to allow them to discharge their duties.

#### **5. Responsibilities**

The main responsibilities of the Committee include:

##### **5.1 Remuneration**

- (a) reviewing and recommending an executive remuneration policy for KMP that:
  - balances the Company's desire to attract and retain KMP against its interest in not paying excessive remuneration;
  - provides an appropriate balance between fixed and incentive pay, reflecting short and long term performance objectives appropriate to the Company's circumstances and goals;
  - clearly distinguishes the structure of non-executive remuneration from that of executive Directors and senior executives;
  - motivates KMP to pursue the long term growth and success of the Company; and

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- demonstrates a clear relationship between KMP's performance and remuneration.
- (b) reviewing and monitoring the ongoing appropriateness and relevance of the remuneration policy;
- (c) reviewing superannuation arrangements;
- (d) reviewing remuneration by gender; and
- (e) appointing Remuneration Consultants and reviewing their recommendations.

#### **5.2 Recruitment, Retention and Termination**

The Committee will review and make recommendations to the Board in relation to the Company's policies and practices relating to recruitment, training, retention and promotion, review and appraisal of performance and termination of employment of KMP.

#### **5.3 Executive Directors and Senior Management**

The Committee will review and make recommendations to the Board on remuneration for each executive Director and senior executive (including base pay, incentive payments, equity awards, retirement rights, termination payments, service contracts) having regard to the Company's remuneration policy.

#### **5.4 Incentive and Equity-Based Plans**

The Committee will:

- (a) monitor and make recommendations to the Board in respect of the design and implementation of:
  - executive cash-based incentive plans; and
  - executive and employee equity-based plans,
- (b) review these plans in the light of legislative, regulatory and market developments;
- (c) in relation to equity-based plans, consider each year whether awards should be made and the amounts thereof; and
- (d) consider whether circumstances exist under which it would be appropriate for the Board to exercise any discretion reserved to it under the rules of the plans.

#### **5.5 Non-Executive Directors**

The Committee will review and make recommendations to the Board on remuneration for each non-executive Director (as distinct from the remuneration structures of executive directors and senior management) having regard to the Company's remuneration policy.

#### **5.6 Remuneration Consultants**

Remuneration Consultants are required to be appointed by, and report directly to, the Committee. The Committee will ensure the Remuneration Consultant is sufficiently independent.

#### **5.7 Succession Planning**

The Committee will review succession plans in place for KMP to ensure that an appropriate balance of skills, experience and expertise is maintained.

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#### **5.8 Termination Payments**

The Committee will review termination payments for KMP to ensure that they are consistent with the rules of any incentive scheme and the Company's remuneration policy, and that any payments are fair to the individual and to the Company.

#### **5.9 Annual Reporting**

The Committee will review the remuneration report and policy disclosures included in the Company's annual report for consistency with the remuneration principles of the ASX Corporate Governance Principles and Recommendations.

#### **6. Meetings**

The Committee will meet as frequently as necessary, but at least once a year, in order to carry out the responsibilities of the Committee. Any Committee member may convene a meeting of the Committee.

A quorum consists of two members of the Committee. The vote of a majority of the members present will constitute an act of the Committee.

The Committee may extend an invitation to any person to attend all or part of any meeting which it considers appropriate. The Committee may meet with external advisers, any executive or other employee, any other non-executive Director, and may do so with or without the presence of management. If any such person has a material personal interest in a matter being considered that person must not be present when that matter is being considered.

All Board members wishing to attend are entitled to be present at Committee Meetings (except in circumstances where there is a conflict of interest). The Managing Director and Company Secretary will normally be invited to attend meetings.

The Chairman of the Committee will report to the Board, at the following Board meeting, on the proceedings of each meeting of the Committee, bringing forward all recommendations of the Committee which require Board endorsement or approval. A copy of Committee papers should be circulated to all Directors who are not members of the Committee.

#### **7. Review**

This Charter will be reviewed regularly and updated as required.

Updated by the Board on 4 September 2013.