

**ANOVA METALS LIMITED
ACN 147 678 779**

REMUNERATION AND NOMINATION COMMITTEE CHARTER

1 INTRODUCTION

This is the Remuneration and Nomination Committee charter for Anova Metals Limited (**"the Company"**). This charter governs the procedures of the Remuneration and Nomination Committee (**"Committee"**) and outlines the procedures and guidelines in relation to the nomination and remuneration of directors and senior executives of the Company.

2 COMPOSITION

The Committee shall be appointed by the Board and shall be composed of:

- (a) only non-executive Directors
 - (b) at least three members, the majority of whom are independent; and
 - (c) A Chairman, also appointed by the Board, who is one of the independent non-executive Directors.
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3 ROLE OF THE REMUNERATION AND NOMINATION COMMITTEE

3.1 In relation to Remuneration:

The primary functions of the Committee in relation to Remuneration is to review and recommend:

- (a) an executive remuneration and incentive policy;
- (b) the remuneration of the chief executive officer and any other executive director, the company secretary and all senior executives reporting directly to the chief executive officer;
- (c) an executive incentive plan;
- (d) an equity based incentive plan;
- (e) the remuneration of non-executive directors;
- (f) superannuation arrangements;
- (g) recruitment, retention, performance measurement and termination policies and procedures for non-executive directors, the chief executive officer and any other executive director, the company secretary and all senior executives reporting directly to the chief executive officer; and

- (h) the disclosure of remuneration in the Company's public materials including ASX filings and the annual report.

3.2 In relation to Nominations:

The primary functions of the Committee in relation to Nominations are to:

- (a) assess the skills and competencies required on the Board;
- (b) from time to time assessing the extent to which the required skills are represented on the Board;
- (c) establishing processes for the review of the performance of individual directors and the Board as a whole;
- (d) establishing processes for the identification of suitable candidates for appointment to the Board; and
- (e) recommending the appointment and removal of directors.

Further the Committee is entitled to direct any special investigation that the Committee considers appropriate and to consult any independent expert that the Committee considers appropriate to carry out its duties. The Company bears the costs of any such investigation or consultations.

The Committee is entitled to call on and use any employee of the Company to the extent that the Committee considers appropriate to carry out the Committee's role and responsibilities.

3.3 Meetings

- (a) Frequency

The Committee will meet as frequently as required but not less than two times a year. Any Committee member or the company secretary may call a Committee meeting.

- (b) Calling meetings and notice

A notice of each meeting confirming the date, time, venue and agenda and including relevant supporting papers must be forwarded to each Committee member seven working days before the date of the meeting.

- (c) Advice

The Committee may have access to professional advice from employees within the Company and from appropriate external advisers. The Committee may meet with these external advisers without management being present.

- (d) Minutes

Minutes of proceedings and resolutions of Committee meetings will be kept by the secretary and will be made available to any director upon request to the secretary, providing no conflict of interest exists.

4 EXECUTIVE REMUNERATION POLICY

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.

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.

5 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 annual general meeting;
- (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.

6 DUTIES AND RESPONSIBILITIES

The Committee will:

- (a) Executive remuneration policy
 - (i) review the Company's policy for determining executive remuneration including, but not limited to, pension rights and compensation payments, and any amendments to that policy proposed from time to time by management;

- (ii) review the on-going appropriateness and relevance of the executive remuneration policy and other executive benefit programs;
 - (iii) consider whether to seek shareholder approval of the executive remuneration policy; and
 - (iv) oversee the implementation of the remuneration policy within the Company.
- (b) Executive directors and senior management
 - (i) consider on the entire specific remuneration for the chief executive officer and any other executive director (including base pay, incentive payments, equity
 - (ii) awards, retirement rights, service contracts) having regard to the executive remuneration policy, and determine whether any shareholder approvals are required and that any equity-based executive remuneration is made in accordance with shareholder approvals; and
 - (iii) review the proposed remuneration (including incentive awards, equity awards and service contracts) for the company secretary and all senior executives reporting directly to the chief executive officer.
- (c) Executive incentive plans
 - (i) review the design of all executive incentive plans; and
 - (ii) review the total proposed payments from each executive incentive plan.
- (d) Equity based plans
 - (i) review the design of all equity based plans;
 - (ii) keep all plans under review in the light of legislative, regulatory and market developments;
 - (iii) for each equity based plan, determine each year whether awards will be made under that plan;
 - (iv) review regarding total proposed awards under each plan;
 - (v) in addition to considering awards to the company secretary or any senior executives reporting directly to the chief executive officer, review proposed awards under each plan on an individual basis for executives as required under the rules governing each plan or as determined by the Committee; and
 - (vi) review and keep under review performance hurdles for each equity based plan.
- (e) Non-executive director remuneration

- (i) review and establish the level of remuneration for non-executive directors to attract the best candidates for the Board while maintaining a level commensurate with boards of similar size and type;
 - (ii) where necessary seek an increase in the amount of remuneration for non-executive directors approved by shareholders; and
 - (iii) the Committee may request management or external consultants to provide necessary information upon which the Board may make its determination.
- (f) Skill requirements
 - (i) periodically assess the skills required to discharge the Board's duties, having regard to the strategic direction of the Company, and report the outcome of that assessment to the Board.
 - (ii) as and when it considers appropriate, but in any event whenever an existing non-executive director retires, assess the skills represented on the Board by the non-executive directors and determine whether those skills meet the required skills as identified.
- (g) Skill enhancement
 - (i) make recommendations to the chairman of the Board on means by which skill levels of existing non-executive directors can be enhanced.
- (h) Candidate identification
 - (i) implement a process for the identification of suitable candidates for appointment to the Board of non-executive directors, having regard to the skills required and the skills represented.
 - (ii) in determining the process for the identification of suitable candidates, the Committee will ordinarily ensure that a search is undertaken by an appropriately qualified independent third party acting on a brief prepared by the Committee which identifies the skills sought.
 - (iii) make recommendations to the Board on candidates it considers appropriate for appointment.
- (i) Re-nomination of retiring non-executive directors
 - (i) inform the Board of the names of non-executive directors who are retiring in accordance with the provisions of the constitution and will make recommendations to the Board as to whether the Board should support the re-nomination of that retiring director.
 - (ii) review the retiring non-executive director's performance during the period in which the non-executive director has been a member of the Board. The Committee will conduct that review by whatever means it considers appropriate.
 - (iii) A member of the Committee will not participate in the review of his or her own performance.

7 DISCLOSURE

In order to maintain transparency the role of the Committee is to be fully and fairly reported. Consistent with the disclosure policy, the Committee will review all public disclosures and statements concerning the matter the subject of this policy including disclosures in:

- (a) ASX filings;
- (b) the annual report; and
- (c) press releases.

The Committee will ensure that any notice of meeting containing a resolution for the election of a director is appropriately framed and includes information that investors might reasonably need in order to make an informed decision about the relevant candidates.

8 EVALUATION PROCESS

A performance evaluation process applies to:

- (a) the Board;
- (b) Board committees; and
- (c) individual directors.

The objective of this process is to add value to the contribution made by each director and the Board, rather than to merely implement a checklist approach.

9 APPROVALS

An annual review of this Charter will be conducted to ensure that the Charter continues to reflect the current processes and guidance utilised when assessing the appropriate remuneration of the directors and the senior executives. The Board will need to approve any amendments to the Charter that stem from the review.