



LEO LITHIUM LIMITED
ACN 638 065 068

REMUNERATION AND NOMINATION COMMITTEE CHARTER

DATE	ACTION	CHANGE	REVISION
28.04.2022	Adoption of Charter	N/A	

1 INTRODUCTION

The Board of Directors (the **Board**) of Leo Lithium Limited (**Leo Lithium** or the **Company**) has resolved to establish a Remuneration and Nomination Committee of the Board (the **Committee**).

2 PURPOSE

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

3 ROLE

The role of the Committee is to assist the Board in fulfilling its corporate governance responsibilities with respect to remuneration framework for directors and senior executives by reviewing and making appropriate recommendations to the Board and to address Board succession issues, review Board composition and performance, and examine the director selection and appointment practices of the Company.

4 COMPOSITION

Committee members are appointed by the Board for a term considered appropriate by the Board. The Board may appoint additional directors to the Committee and may remove or replace members of the Committee by ordinary resolution. The membership of the Committee shall include at least 3 members:

- (a) all of whom must be non-executive Directors and a majority of whom are independent Directors;
- (b) its members between them should have specific skills and expertise as required.

The Chairman of the Committee must be an independent Director and must not be Chairman of the Board (the latter may, however, be a member of the Committee).

The Company Secretary or another person approved by the Committee is the secretary to the Committee.

Members of the Committee may withdraw from the Committee by notifying the Board in writing.

5 MEETINGS

The Committee will meet as often as the Committee members deem necessary in order to fulfil their role. However, it is intended that the Committee will meet at least four times each year. A notice of meeting, agenda and relevant supporting documents where practicable be provided at least seven days before each meeting.

A quorum consists of the lesser of two members or a majority of members of the Committee.

The Company Secretary or another person approved by the Committee will attend all Committee meetings as minute secretary. All minutes of the Committee will be entered into a minute book maintained for that purpose and will be open at all times for inspection by any Director.

Non-members may attend meetings by invitation of the Committee. Invitees may take part in the business of, and discussions at, the meeting but have no voting rights.

6 RESPONSIBILITIES

The Committee is responsible for:

6.1 Remuneration:

- (a) Executive Remuneration Policy
 - (i) Review and approve the Company's recruitment, retention and termination policies and procedures for senior executives to enable the Company to attract and retain executives and directors who can create value for shareholders;
 - (ii) review the on-going appropriateness and relevance of the executive remuneration policy and other executive benefit programs; and
 - (iii) ensure that remuneration policies fairly and responsibly reward executives having regard to the performance of the Company, the performance of the executive and prevailing remuneration expectations in the market.
- (b) Non-executive director remuneration

Consider and make recommendations to the Board on the remuneration of non-executive directors (including fees and other benefits).
- (c) Executive Directors and Senior Executives
 - (i) Consider and make recommendations to the Board on the short and long-term remuneration of the Managing Director/Chief Executive Officer and, in consultation with the Managing Director/Chief Executive Officer, other executive directors, the Company Secretary and the direct reports of the Managing Director/Chief Executive Officer ("Senior Executives") having regard to the executive remuneration policy;
 - (ii) determine for each Senior Executive appropriate performance objectives or key performance indicators; and
 - (iii) oversee an annual performance evaluation of the Senior Executive team. This evaluation is based on specific criteria, including the business performance of the Company and its subsidiaries, whether strategic objectives are being achieved and the development of management and personnel.
- (d) Incentive Plans
 - (i) Review and make recommendations to the Board on any existing incentive plans including any equity based plans or plans that may be introduced (**Plans**) in the light of legislative, regulatory and market developments;
 - (ii) for each Plan, recommend to the Board each year whether awards will be made under that Plan and, if awards are recommended, make recommendations as to the actual awards; and
 - (iii) review, approve and keep under review general performance hurdles for each equity based Plan.

- (e) Other
Perform any other duties and activities that it or the Board considers appropriate.

6.2 Nomination:

- (a) Board composition
- (i) Make recommendations to the Board on matters relating to the size and composition of the Board;
 - (ii) make recommendations to the Board in relation to the appropriate mix of skills, experience, expertise, independence and diversity on the Board and assess the extent to which the required skills are represented on the Board through a Board skill matrix; and
 - (iii) make recommendations to the Board in relation to director succession, including the succession of the Chair of the Board, to maintain an appropriate mix of skills, experience, expertise and diversity;
- (b) Appointment, election and re-election of directors
- (i) Establish processes for the selection of suitable candidates for appointment to the Board and the re-appointment of incumbent directors;
 - (ii) make recommendations to the Board regarding the appointment and re-appointment of directors; Nomination Committee Charter
 - (iii) make recommendations to the Board regarding the terms of appointment of non-executive directors; and
 - (iv) ensure that an appropriate program is in place for inducting new directors and providing appropriate professional development opportunities for directors to maintain the skills and knowledge needed to perform their role effectively.
- (c) Management succession
Make recommendations to the Board on succession planning for the Managing Director.
- (d) Other
Perform any other duties and activities that it or the Board considers appropriate.

7 AUTHORITY AND RESOURCES

The Committee is authorised to:

- (a) Seek any information it requires to perform its duties, from any employee of the Company (but no individual should be directly involved in deciding their own remuneration).
- (b) Obtain, at the Company's expense, external legal or other professional advice on any matter within its responsibilities as set out in this Remuneration & Nomination Committee Charter.
- (c) Engage remuneration consultants
If the Company engages a Remuneration Consultant, it is the Committee who is responsible for their engagement.

The Committee has the power to conduct or authorise investigations into any matter within its scope of responsibilities.

8 REVIEW

This Remuneration & Nomination Committee Charter will be reviewed at least annually and updated as required.

SCHEDULE A

In addition to the duties and responsibilities set out in the Charter of the Remuneration & Nomination Committee, the Chairman of the Remuneration & Nomination Committee has the duties and responsibilities described below:

- (a) Provide overall leadership to facilitate the effective functioning of the Committee, including:
 - (i) overseeing the structure, composition, membership and activities delegated to the Committee;
 - (ii) chairing every meeting of the Committee and encouraging free and open discussion at meetings of the Committee;
 - (iii) scheduling and setting the agenda for Committee meetings with input from other Committee members, the Chairman of the Board and management as appropriate;
 - (iv) facilitating the timely, accurate and proper flow of information to and from the Committee;
 - (v) arranging for management, external advisors and others to attend and present at Committee meetings as appropriate;
 - (vi) arranging sufficient time during Committee meetings to fully discuss agenda items;
 - (vii) encouraging Committee members to ask questions and express viewpoints during meetings; and
 - (viii) taking all other reasonable steps to ensure that the responsibilities and duties of the Committee, as outlined in its Charter, are well understood by the Committee members and executed as effectively as possible.
- (b) Foster ethical and responsible decision making by the Committee and its individual members.
- (c) Following each meeting of the Committee, report to the Board on the activities, findings and any recommendations of the Committee.
- (d) Carry out other such duties as may reasonably be requested by the Board.