



## **FIREFINCH LIMITED**

### **REMUNERATION AND NOMINATION COMMITTEE CHARTER**

<b>DATE</b>	<b>ACTION</b>	<b>CHANGE</b>	<b>REVISION</b>
28.01.2021	Adoption of Charter	N/A	
27.07.2021	Review and update	Update for consistency across policies and in line with Corporate Governance Principles and Recommendations	1

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## 1 INTRODUCTION

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

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## 2 PURPOSE

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

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## 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.

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## 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.

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## 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.

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## 6 RESPONSIBILITIES

The Committee is responsible for:

### i) Remuneration:

- (a) reviewing the Company's Remuneration Policy and making appropriate recommendations to the Board. In considering the Company's Remuneration Policy, the Committee refers to the guidelines for non-executive director remuneration and executive remuneration set out in the commentary to recommendation 8.2 in the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations"(4<sup>th</sup> edition) (**CGPR**);
- (b) reviewing senior executives' remuneration and incentives, and making appropriate recommendations to the Board;
- (c) reviewing the remuneration framework for non-executive directors, including the process by which the pool of directors' fees approved by shareholders is allocated to directors, and making appropriate recommendations to the Board;
- (d) reviewing and making recommendations to the Board on short and long term incentive compensation plans, including equity based plans;
- (e) reviewing superannuation arrangements for directors, senior executives and other employees;
- (f) reviewing termination payments;<sup>1</sup>
- (g) reviewing remuneration related reporting requirements, including disclosing a summary of the Company's policies and practices (if any) regarding the deferral of performance-based remuneration and the reduction, cancellation, or clawback of performance-based remuneration in the event of serious misconduct or a material misstatement in the Company's financial statements;
- (h) reviewing whether there is any gender or other inappropriate bias in remuneration for directors, senior executives, or other employees
- (i) monitoring compliance with applicable legal and regulatory requirements relevant to remuneration-related matters and any changes in the legal and regulatory framework in relation to remuneration; and
- (j) performing such other functions as assigned by law or the Company's constitution.

### ii) Nomination:

- (a) **Size and composition of the Board:** Regularly reviewing the size, composition and diversity of the Board and considering any appropriate changes to the Board and identifying and assessing necessary and desirable director skills and competencies using a Board skills matrix and providing advice on the skills and competency levels of directors with a view to enhancing the Board, including considering what training or development could be undertaken to fill any gaps identified.
- (b) **Board skills matrix:** Developing and recommending to the Board for approval the board skills matrix setting out the mix of skills and diversity that the Board currently

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<sup>1</sup> Note also the restrictions that apply under sections 200 to 200J of the Corporations Act 2001 (Cth) to termination payments by companies incorporated in Australia (and their associates) to those who hold a managerial or executive office in the company or in a related body corporate. Listing Rule 10.19 also contains additional restriction in relation to termination payments payable to officers.

has or is looking to achieve in its membership for inclusion in the Company's corporate governance statement.

- (c) **Succession planning:** Reviewing any succession plans for the Board, Managing Director or Chief Executive Officer (**CEO**) and other senior executives.
- (d) **Induction:** Ensuring an effective Induction Program is in place for newly appointed Directors (including, where appropriate, training on key accounting matters and on the responsibilities of directors in relation to the Company's financial statements) and review of those induction procedures;
- (e) **Continuing professional development:** Developing the appropriate processes so that directors have access to ongoing education relevant to their position in the Company, including ongoing education on developments in accounting standards.
- (f) **Performance evaluation:** Developing a process for the evaluation of the Board, its committees, and individual directors.
- (g) **Director selection and (re)appointment:** Developing the Company's Policy and Procedure for the Selection and (Re)Appointment of Directors, including evaluating the balance of skills, knowledge, experience, independence, and diversity on the Board and, in the light of this evaluation, preparing a description of the role and capabilities required for a particular appointment. The Committee will also carry out the functions ascribed to the Committee in the Policy and Procedure for the Selection and (Re)Appointment of Directors.
- (h) **Gender Diversity:** If considered appropriate and having regard to Recommendation 1.5 of the CGPR, making recommendations to the Board as to appropriate measurable objectives for achieving gender diversity, and annually reviewing those objectives and the Company's progress towards achieving them.
- (i) **Other:** Performing such other functions as assigned by law or the Company's constitution.

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## 7 OPERATIONS

When matters within the responsibility of the Committee are considered, they are marked as separate agenda items at meetings of the Board. The Board deals with any conflicts of interest that may occur by ensuring that the director with a conflicting interest is not party to the relevant discussions.

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## 8 AUTHORITY AND RESOURCES

The Company will provide the Committee with sufficient resources to undertake its duties, including providing educational information on accounting policies and other financial topics relevant to the Company, to assist the Committee in fulfilling its duties.

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. For example, the Committee may engage external consultants in its search for a new director, particularly as a means to increase the presentation of

candidates which meet the requirements and objectives of the Company's Diversity Policy.

(c) Engaging remuneration consultants

A **Remuneration Consultant** is a person: (a) who makes a Remuneration Recommendation under a contract for services with the Company to whose Key Management Personnel the recommendation relates: and (b) who is not an officer or employee of the Company.

**Key Management Personnel** are persons having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly, including any directors (whether executive or otherwise) of the Company. A **Remuneration Recommendation** is defined in section 9B of the Corporations Act 2001 (Cth) (**Corporations Act**).

If the Company engages a Remuneration Consultant, it is the Committee who is responsible for their engagement.

The Committee will, in accordance with any policies or guidelines set by the Board from time to time:

- (i) ensure that the requirements of Part 2D.8 of the Corporations Act are complied with including:
  - (A) reviewing and approving all remuneration consultancy contracts (as defined in section 206K(1) of the Corporations Act) before they are entered into by the Company; and
  - (B) ensuring that any Remuneration Recommendation is provided directly to the non-executive directors (unless the Board consists only of executive directors) and that the Remuneration Recommendation is not provided to a person who is neither a director of the Company or a member of the Committee;
- (ii) put in place arrangements to ensure that a Remuneration Consultant is not unduly influenced by a member or members of Key Management Personnel to whom a Remuneration Recommendation relates;
- (iii) ensure that the Company's remuneration report includes the details relating to Remuneration Consultants as required by section 300A(1)(h) of the Corporations Act;
- (iv) authorise the distribution of any Remuneration Recommendation by any person other than the Remuneration Consultant beyond the non-executive directors (unless the Board consists only of executive directors); and
- (v) set policies or guidelines to ensure that the Company meets its obligations under the Corporations Act, including its reporting obligations, in relation to Remuneration Consultants.

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

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## 9 REVIEW

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