

Scope and Authority

The Board of Cape Lambert Resources Limited (**Company**) has established a Remuneration Committee (**Committee**) in accordance with the Constitution of the Company (**Constitution**).

The proceedings and meetings of the Committee will be governed by the provisions of the Constitution in so far as they are applicable and not inconsistent with this Charter.

The Committee shall have full authority and resources to investigate all matters falling within its Charter. The Committee may, at the Company's expense, obtain any external independent professional advice as it considers necessary.

Composition

The Committee, including Chairman of the Committee, will be appointed by the Board. In appointing the members, the Board will have due regard to ASX Listing Rules and the *Corporations Act 2001 (Cth)*.

The Committee will aim to consist of a minimum of three (3) Non-Executive Directors. It is intended that the Chairman and a majority of the Committee be independent Directors. Committee member independence is determined in accordance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd Edition).

In the temporary absence of the Chair, one of the other Committee members will act as Chair.

The Company Secretary of the Company shall be the Secretary of the Committee.

Meetings

The Committee shall meet as often as is required to undertake its role effectively. All Committee members are expected to attend each meeting in person or via teleconference.

A quorum will comprise two (2) members.

The Committee may invite any members of senior management or other individuals to attend meetings, or provide the necessary information, as it considers appropriate.

A notice of each meeting confirming the date, time, venue and agenda will be forwarded to each member of the Committee in advance of the meeting. The notice will include supporting papers for the agenda items to be discussed.

Minutes of proceedings and resolutions of Committee meetings shall be maintained by the Secretary. Minutes will be available for inspection by any Director at all times. Minutes of meetings will be provided to all Committee members and relevant invitees.

Reporting

Committee meeting minutes are to be tabled at the Board meeting following the Committee meeting. The Chairman of the Committee, or delegate, shall ensure the Board is made aware of significant matters.

Role and Responsibilities

Executive and Senior Management Remuneration

- Review and approve the Company's policy for determining executive remuneration including, but not limited to, salary, superannuation, incentive awards, compensation payments, equity awards and service contracts and any amendments to that policy proposed from time to time; and
- Review the on-going appropriateness and relevance of the executive remuneration policy and other executive benefit programs, including a review of the Company's recruitment, retention, termination and succession policies and personnel procedures for executives and senior management.

Executive Chairman Remuneration

Consider and make recommendations to the Board on the entire remuneration arrangements for the Executive Chairman (including base pay, incentive payments, equity awards, retirement rights, service contracts) having regard to the executive remuneration policy and performance.

Non-Executive Director Remuneration

Consider and make recommendations to the Board on remuneration of Non-Executive Directors with regard to the aggregate amount of fees approved by Shareholders.

Incentive Plans

- Review and approve the design and total proposed payments for all executive incentive plans; and
- Review and approve the design of all equity based plans.

Succession Planning

To review and advise on appropriate succession planning for the role of Executive Chairman.

Review of Charter

The Committee shall review this Charter as required and discuss any proposed changes with the Board. Approval of the Committee charter is by way of a resolution of the Board.

This Charter was approved by the Board of the Company on 12 August 2016.