

Cosmo Metals Limited

ACN 653 132 828

Remuneration Policy

Adopted: 12 November 2021

1. Introduction

This document sets out the remuneration policy for Directors, senior executives and senior managers of Cosmo Metals Limited (**Company** or **we**) and its subsidiaries.

2. Purpose of Policy – key principles

The purpose of this remuneration policy is to establish a framework for remuneration that is designed to:

- ensure that coherent remuneration policies and practices are observed which enable the attraction and retention of Directors, executives and managers who will create value for shareholders;
- fairly and responsibly reward Directors, executives and managers having regard to the Company's performance, the performance of the senior management and the general pay environment; and
- comply with all relevant legal and regulatory provisions.

3. Board responsibilities

3.1 Overall responsibility

The Board is responsible for determining the appropriate remuneration for Directors, senior executives and senior managers.

The Board has ultimate responsibility for the integrity of the Company's remuneration and employment policies and practices and the performance of Directors, officers and employees.

The particular responsibilities of the Board in relation to remuneration and employment are:

3.2 Executives Directors and Executive Officers

Determine:

- short and long-term remuneration for executive Directors, the Managing Director and the Chief Financial Officer;
- superannuation arrangements for executive Directors, the Managing Director and the Chief Financial Officer;

- any termination payments to be made to executive Directors, the Managing Director or the Chief Financial Officer (which are to be agreed in advance and include detailed provisions in case of early termination); and
- any equity-based plan to apply to executive Directors, the Managing Director and the Chief Financial Officer.

The Board should ensure that the remuneration policies and arrangements:

- motivate executive Directors and officers to pursue the long-term growth and success of the Company;
- demonstrate a clear relationship between performance and remuneration; and
- involve an appropriate balance between fixed and incentive remuneration, reflecting the short and long-term performance objectives to the Company circumstances and goals.

3.3 **Remuneration - Non-executive Directors**

Review and determine remuneration for non-executive Directors (including fees and other benefits).

3.4 **Equity incentives and incentive scheme participation**

Review the appropriate grant of any equity securities and participation in any employee incentive scheme of the Company.

3.5 **Human resource policies**

Review human resource policies and practices for the Company's employees.

3.6 **Nomination related matters**

The responsibilities of the Board with regard to nomination-related matters are:

- consider the appointment and retirement of Directors;
- assess the necessary and desirable competencies of Directors;
- oversee the Directors' induction programme;
- ensure that Directors have the appropriate mix of competencies to enable the Board to discharge its responsibilities effectively;
- ensure that Directors have access to appropriate continuing education to update and enhance their skills and knowledge;
- develop Board succession plans to ensure an appropriate balance of skills, experience and expertise is maintained;
- review the time commitment required from Non-executive Directors and whether Directors are meeting that commitment; and
- evaluate the Board's performance.

4. Remuneration Policy

4.1 Principles

In order to fulfil the roles set out above, the Board must refer to the purpose and key principles underpinning this Policy as outlined in paragraph 2, when developing recommendations and making decisions regarding remuneration.

In making its determinations, the Board should ensure that the remuneration and employment policies and practices of the Company:

- motivate executive Directors and officers to pursue the long-term growth and success of the Company;
- demonstrate a clear relationship between performance and remuneration; and
- involve an appropriate balance between fixed and incentive remuneration, reflecting the short and long-term performance objectives to the Company circumstances and goals.

4.2 Remuneration packages for executive Directors and senior executives

Remuneration for executive Directors, senior executives and senior managers may incorporate fixed and variable pay performance elements with both a short-term and long-term focus.

Remuneration packages may contain any or all of the following:

- (a) annual base salary - reflecting the value of the individuals' personal performance, their ability and experience, as well as the Company's obligations at law and labour market conditions and should be relative to the scale of the business of the Company;
- (b) performance-based remuneration - rewards, bonuses, special payments and other measures available to reward individuals and teams following a particular outstanding business contribution having regard to clearly specified performance targets and to the Company's circumstances, values and risk appetite;
- (c) equity-based remuneration - share participation via employee share and option schemes, reflecting the Company's short, medium and long-term performance objectives;
- (d) other benefits - such as holidays, sickness benefits, superannuation payments and long service benefits;
- (e) expense reimbursement - for any expenses incurred in the course of the personnel's duties; and
- (f) termination payments - any termination payments should reflect contractual and legal obligations and will not be made when an executive is removed for misconduct.

4.3 Remuneration for non-executive Directors

Remuneration for non-executive Directors may contain any or all of the following:

- (a) annual fees - reflecting the value of the individuals' personal performance, time commitment and responsibilities of the role;
- (b) equity-based remuneration - issues of shares or securities, reflecting the contribution of the Director towards the Company's medium and long-term performance objectives; and
- (c) other benefits - superannuation payments, but not including retirement benefits that are additional to the individual's superannuation.

4.4 Assessing remuneration

The Board will make decisions regarding the remuneration of executive Directors and senior managers having regard to various factors including performance and any recommendations made by the Managing Director, senior management, compensation consultants and other advisors.

The Board will also make a decision regarding the remuneration of non-executive Directors having regard to, amongst other things, any recommendations made by compensation consultants and other advisors.

4.5 Economic risk management for equity participation schemes

No Director or member of senior management (including any employee who is a restricted employee under the Company's Securities Trading Policy) who participates in an equity-based remuneration scheme established by the Company may enter into any transaction designed to limit the economic risk of participating in the equity-based remuneration scheme.

5. Corporate group

In this document, a reference to the Company includes any 'related body corporate' (as defined in the Corporations Act) of the Company, as the context requires.

6. Review and publication of this Policy

The Board will review and may amend this Policy on a periodic basis to ensure that it is appropriate for the Company's business and operations and is up to date with applicable laws and regulations.

The Company will publish this Policy on the Company's website at www.cosmometals.com.au.