



CORPORATE GOVERNANCE POLICIES

NOMINATION AND REMUNERATION COMMITTEE CHARTER

The Nomination and Remuneration Committee (Committee) is a committee of the Board of Directors of Catalyst Metals Limited (Company) with specific powers delegated under this charter. The charter sets out the Committee's function, composition, mode of operation, authority and responsibilities.

FUNCTION

The primary function of the Committee is to review and make recommendations to the Board in relation to:

- Recruitment, retention and termination of Directors, Managing Director & CEO and Senior Executives reporting to the Managing Director & CEO (as recommended by the Managing Director & CEO).
- Assist the Board in identifying the skills and experience required to constitute an effective Board.
- Board, Managing Director & CEO and Senior Executive composition and succession.
- Ensure the remuneration of Directors, Managing Director & CEO and Senior Executives is designed to support the Company's vision, strategy, values, policies and short and long-term sustainable success.
- Compensation arrangements for the Managing Director & CEO and all non-executive directors.
- Assist the Board in overseeing the implementation of the Company's commitment to diversity and inclusion.

The Committee is accountable to the Board for its performance. The Committee Chair (or their delegate) will report to the Board on the Committee's activities and will also consider if any material matters arising out of Committee meetings should be advised to any other committee and, if so, ensure that this occurs.

REMUNERATION RESPONSIBILITIES

The Company's remuneration policies are designed to align executive remuneration with shareholders' interests and with the Company's values and risk appetite and to retain appropriately qualified executive talent for the benefit of the Company. The main responsibilities of the Committee in relation to remuneration matters are:

- Review, and make recommendations to the Board, in relation to the remuneration of Directors, the Managing Director & CEO and Senior Executives reporting to the Managing Director & CEO;
- Review benchmarking reports and analysis, market practice and trends in relation to remuneration and recommendations (if any) from remuneration consultants and make recommendations to the Board on the following matters:
 - (a) the remuneration arrangements and contract terms for the Managing Director & CEO and Senior Executives reporting to the Managing Director & CEO.
 - (b) the terms and conditions of long-term incentive plans, short term incentive plans (and bonus payments), including performance measures, hurdles for the Managing Director & CEO and Senior Executives reporting to the Managing Director & CEO.
 - (c) the instruments to be used in any long-term incentive plan.
 - (d) the Group's policies regarding superannuation arrangements and other benefits.
 - (e) the remuneration to be paid to Non-Executive Directors.
- Review recommendations from the Managing Director & CEO regarding the annual salary review budget and its application.

- Review and recommend to the Board any consultancy arrangements for non-executive directors who provide services outside of and in addition to their duties as non-executive directors.
- Monitor consistency between remuneration policies and practices applied to the Managing Director & CEO and Senior Executives and those applied by the Managing Director/CEO for roles below Senior Executives including reviewing and approving recommendations from the Managing Director & CEO of any significant change in policies and practices for employees below Senior Executives.
- Review annually, and report to the Board on, reports from management on remuneration by gender to assess pay equity.
- Oversee the implementation of processes to ensure that the Company's annual remuneration report includes the information required by the Corporations Act.
- Oversee the implementation of processes to ensure that the Company puts to the vote at its annual general meeting a resolution that its remuneration report be adopted and that the chair of the annual general meeting allows a reasonable opportunity for the members as a whole to ask questions about, or make comments on, the remuneration report (see section 250R and 250SA of the Corporations Act).

NOMINATION RESPONSIBILITIES

The responsibilities of the Committee in relation to nomination related matters are to:

- regularly review the size and composition of the Board, based on a preferred mix of skills, knowledge, experience, diversity and capabilities which will enable the Board to facilitate successful strategic direction and to deal with new and emerging business and governance issues.
- When a Board vacancy exists, the Committee is responsible for initiating the selection process for potential directors and making recommendations of preferred candidates to the Board.
- Consider and make recommendations to the Board in relation to the process by which candidates for the Board and Managing Director & CEO are identified and selected, including whether or not an external consultant is engaged to identify and assess candidates and any steps required to ensure that a diverse range of candidates is considered.
- Consider the time commitment required of Directors (including consideration of the appropriate number of other positions held by Non-Executive Directors).
- Assess the independence of each Non-Executive Director at least annually at or around the time that the Board or the Committee considers candidates for election or re-election to the Board
- Review at least annually the Board's skills matrix and report to the Board on any gaps identified in the collective skills and experience needed on the Board to address existing and emerging business and governance issues relevant to the Company.
- Consider and make recommendations to the Board in relation to Board succession planning, terms of appointment and re-appointment of Directors with a view to maintaining an appropriate level of experience, skills, diversity and expertise on the Board.
- Consider and make recommendations to the Board in relation to Managing Director & CEO succession and, in collaboration with the Managing Director & CEO, succession planning in respect of senior executives reporting to the Managing Director & CEO.
- Periodically review the need for directors to undertake professional development programmes to develop and maintain the skills and knowledge needed to perform their role as directors of the Company and develop plans for the induction of new Non-Executive Directors and the enhancement of the skills, expertise and knowledge of the Non-Executive Directors through access to appropriate continuing education and professional development.

The functions of the Committee do not relieve the Board of any of its responsibilities.

Appointment of directors

A background check (including checks as to the person's character, experience, education, criminal record and bankruptcy history), will be undertaken on any proposed director prior to any invitation being made for appointment as a director of the Company.

If an invitation to become a director is accepted, the Board will appoint the new director during the year and that person will then stand for re-election by shareholders at the next annual general meeting.

Shareholders will be provided with relevant information on any directors standing for election or re-election at a general meeting of the Company, including relevant qualifications and experience.

Written agreements are entered into with each director and senior executive which sets out their terms of appointment.

When appointed to the Board, all new directors will receive an induction programme appropriate to their experience to familiarise them with matters relating to the Company's operations, strategy and current issues. The Committee will periodically review the need for directors to undertake professional development programmes to develop and maintain the skills and knowledge needed to perform their role as directors of the Company.

Directors are not appointed for specific terms, as their periods in office are regularly reviewed as part of annual performance evaluation processes and they are subject to re-election every three years.

Equity based compensation

Directors, officers and employees are prohibited from entering into arrangements for the hedging, or otherwise limiting their exposure to risk in relation to unvested shares, options or rights issued or acquired under the Company's employee equity scheme. Any person who is covered under the Company's Share Trading Policy is also prohibited from entering into any transaction to hedge securities held in the Company.

Non-executive directors may be entitled to participate in equity-based remuneration schemes. Shareholders must approve the framework for any equity-based compensation schemes and if a recommendation is made for a director to participate in an equity scheme, that participation must be specifically approved by the shareholders.

COMPOSITION OF COMMITTEE

The Committee shall comprise at least three non-executive members of the Board. The majority of directors on the Committee should be independent of management and the Company. The Committee shall be chaired by an independent director who is not the Chair of the Board.

The composition of the Committee does not currently comply with recommended ASX guidelines. This is due to the current size of the Board and the number of independent directors. In circumstances where the size of the Board is expanded and additional independent non-executive directors are appointed, as a result of the growth of the Company, the composition of the Committee will be reconstituted.

ADMINISTRATION

Meetings

Proceedings and meetings of the Committee will be governed by the provisions of the Constitution of the Company applying to meetings, resolutions and proceedings of the Board.

The Committee shall meet as frequently as required. Any Committee member may convene a Committee meeting by notice to the Company Secretary.

The Company Secretary or their designate shall be the secretary of the Committee. Reasonable notice must be given to every Committee member of every Committee meeting. All Committee members have the right to contribute to the agenda for any Committee meeting.

No employee, including the Managing Director, should attend any meeting where their performance or compensation is discussed, unless specifically invited by the Committee.

Quorum and voting

Two members of the committee shall comprise a quorum. Where only two members are present, the unanimous vote of the two members will constitute an act of the Committee. Where the Committee comprises more than two committee members, the vote of a majority of the members present will constitute an act of the Committee.

Minutes and reporting

Minutes of all meetings of the Committee are to be kept by the Company Secretary and circulated to the Chair of the Committee. Minutes are to be approved at a subsequent Committee meeting.

AUTHORITY

The Committee shall have the authority to seek any information it requires from any officer or employee of the Company with an obligation that a response is provided to such enquiries.

The Committee may obtain independent professional advice or engage independent advisers at the Company's expense as considered necessary to enable it to run effectively and assist in fulfilling its relevant duties and responsibilities.

Where the Committee seeks external advice in relation to remuneration recommendations concerning the Managing Director & CEO and Senior Executives, the Committee shall engage with those advisers directly and request that any advice be provided directly to the Committee (or Chair of the Committee).

The Committee will have access to the Company Secretary.

REVIEW AND ASSESSMENT

Formal processes have been established to review the Board's performance and the performance of individual directors (including the Managing Director), committees of the Board and senior executives, at least annually. The Board will disclose for each annual reporting period whether a performance evaluation has been undertaken in accordance with the processes set out below and the results of those evaluations.

Managing Director

The Board annually reviews the performance of the Managing Director. At the commencement of each financial year, the Board and the Managing Director agree a set of Company specific performance measures to be used in the review for the forthcoming year. These include:

- the extent to which key operational goals and strategic objectives are achieved.
- development of management and staff.
- compliance with legal and Company policy requirements.
- achievement of key performance indicators which may include a combination of agreed milestones and relative peer group share price performance.

Senior executives

The Managing Director is responsible for assessing the performance of the key executives within the Company at least once every reporting period. This is carried out through a formal process involving a formal meeting with each senior executive. The senior executives will be evaluated based on agreed performance measures.

Board

The process for reviewing and evaluating the performance of the Board requires the Board to meet annually with the specific purpose of reviewing the role of the Board, assessing its performance over the previous 12 months, including comparison with others and examining ways of assisting the Board in performing its duties more effectively.

The annual review includes consideration of the following measures:

- comparison of the performance of the Board against the requirements of the Board charter;

- assessment of the performance of the Board over the previous twelve months having regard to the corporate strategies, operating plans and the annual budget;
- review the Board's interaction with management;
- identification of any particular goals and objectives of the Board for the next year;
- review the type and timing of information provided to the directors; and
- identification of any necessary or desirable improvements to Board or committee charters.

The method and scope of the performance evaluation is set by the Board and includes a Board self-assessment checklist to be completed by each director. The Board may also use an independent adviser to assist in the review.

Committees

Formal processes have been established to review the Committee's performance at least annually.

The Committee will periodically review its Charter, and at least every two years, may make recommendations to the Board in relation to any changes to its responsibilities.

An assessment is made of the performance of each committee against each charter and areas identified where improvements can be made.

Non-executive directors

The Chair has primary responsibility for conducting performance appraisals of non-executive directors in conjunction with them, having particular regard to:

- contribution to Board discussion and function;
- degree of independence including relevance of any conflicts of interest;
- availability for and attendance at Board meetings and other relevant events;
- contribution to Company strategy;
- membership of and contribution to any Board committees; and
- suitability to Board structure and composition.

This Committee Charter will be reviewed by the Board at least biennially and updated as required.