



## Nomination and Remuneration Committee Charter

### Section 1 Nomination and Remuneration Committee

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#### 1.1 Committee members

The Board has established a Nomination and Remuneration Committee, the current members of which are:

- (a) Neil Herbert;
- (b) Geoffrey Stuart Crow; and
- (c) Kieran Daly.

#### 1.2 Purpose

- (a) The Nomination and Remuneration Committee Charter (**Charter**) sets out the role, responsibilities, composition, authority and membership requirements of the Nomination and Remuneration Committee (**Committee**).
- (b) Key features of the Charter will be outlined in the Corporate Governance Statement, the Company's annual report or the Company's website. The Charter is available to shareholders of the Company on the Company's website.

### Section 2 Definition of Committee

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- (a) The Committee is a committee of the Board which will ideally, so far as is practicable given the size and the nature of the operations of the Company, be comprised of:
  - (1) a minimum of three members;
  - (2) only non-executive Directors (if the Company has three or more non-executive Directors, otherwise the Board may appoint executive Directors to the Committee);
  - (3) a majority of Independent Directors; and
  - (4) an Independent Director as the chairperson, provided that such appointment is appropriate.

If the Committee includes an executive Director, the executive Director should not be involved in deciding his or her own remuneration and should be cognisant of any potential conflict of interest if he or she is involved in setting remuneration for other executives that may indirectly affect his or her own remuneration.

- (b) Consideration will be given to seeking appropriate diversity of membership of the Committee to avoid entrenching unconscious bias.
- (c) If the chairperson of the Committee is also the Chairperson of the Board, a separate chairperson should be appointed if and when the Committee is dealing with the appointment of a successor to the Chairperson of the Board.
- (d) The Committee is responsible for assisting the Board in relation to the appointment of members to the Board and of Management (including, without limitation, a Chief Executive Officer, a Chief Financial Officer or a chief operating officer (to the extent



that the Company has or requires such positions), and for the review of the performance of such persons.

- (e) The Committee is also responsible for implementing the Diversity Policy and ensuring that the Company seeks to achieve its objectives set out in the Diversity Policy across all levels in the Company.
- (f) Membership of the Committee will be disclosed in the Corporate Governance Statement, the Company's annual report or the Company's website.

### **Section 3 Remuneration Objectives**

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#### **3.1 Matters for consideration**

- (a) In developing the structure for executive remuneration, consider matters including that:
  - (1) Management should be remunerated by an appropriate balance of fixed remuneration and performance based remuneration;
  - (2) levels of fixed remuneration should be reasonable and fair, relative to the scale of the Company's business, and should reflect core performance requirements and expectations;
  - (3) any performance based remuneration should be clearly linked to specific performance targets which are aligned to the Company's short and long term performance objectives. Such targets should be appropriate to the Company's circumstances, goals and risk appetite;
  - (4) equity based remuneration may include, among other things, options or performance rights. Such remuneration should include appropriate hurdles that are aligned to the Company's longer term performance objectives and should be structured in a manner so as to ensure they do not lead to a short term focus or the taking of undue risks; and
  - (5) any termination payments for Management should be agreed in advance and should not be applied in the case of removal for misconduct. Consideration will be given as to whether shareholder approval will be required for any termination payments.

#### **3.2 The Committee's remuneration recommendations**

The Committee is responsible for reviewing the remuneration policies and practices of the Company and making recommendations to the Board in relation to:

- (a) Management remuneration and incentive plans including, but not limited to:
  - (1) pension and superannuation rights and compensation payments and any amendments to that policy proposed from time to time by Management;
  - (2) reviewing the on-going appropriateness and relevance of the Management remuneration policy and other Management benefit programs;
  - (3) considering whether to seek shareholder approval of the Management remuneration policy;
  - (4) overseeing the implementation of the remuneration policy; and



- (5) reviewing and approving the total proposed payments from each member of Management,

and in respect of such Management remuneration, reviewing the competitiveness of the Company's Management compensation programmes to ensure:

- (6) the programmes are attractive, with a view to ensuring the retention of the Company's Management;
- (7) the motivation of the Company's Management to achieve the Company's business objectives; and
- (8) the alignment of the interests of key leadership with the long term interests of the Company's shareholders;

(b) remuneration packages for Management including, but not limited to:

- (1) considering and making recommendations to the Board on the entire specific remuneration for each individual of Management (including fixed remuneration, performance based remuneration, equity based remuneration, termination benefits, retirement rights, service contracts and superannuation), having regard to the Management remuneration policy; and
- (2) considering whether shareholder approval will be required;

(c) non-executive Director remuneration including, but not limited to:

- (1) the Company's remuneration framework for non-executive Directors, including the process by which any pool of non-executive Directors' fees approved by shareholders are allocated to non-executive Directors;
- (2) in developing the structure, considering matters including that:
  - (A) non-executive Directors should normally be remunerated by way of fees (in the form of cash, non-cash benefits or superannuation contributions);
  - (B) levels of fixed remuneration for non-executive directors should reflect the time commitment and responsibilities of the role;
  - (C) non-executive Directors should not receive performance based remuneration;
  - (D) non-executive Directors may receive Securities as part of their remuneration, however, they should not receive options with performance hurdles attached or performance rights as part of their remuneration; and
  - (E) non-executive directors should not be provided with retirement benefits (other than statutory superannuation),

- (3) ensuring that the fees for non-executive members of the Board are within the aggregate amount approved by shareholders; and
- (4) providing, in the Corporate Governance Statement, any departures from recommendation 8.2 if necessary;

(d) the Company's recruitment, retention and termination policies and procedures for senior management;



- (e) incentive plans (equity and cash based) including, but not limited to:
  - (1) reviewing and approving the design of all equity based plans;
  - (2) keeping all plans under review in light of legislative, regulatory and market developments;
  - (3) for each equity-based plan, determining each year whether awards will be made under that plan;
  - (4) ensuring that the equity-based executive remuneration is made in accordance with the thresholds set in plans approved by shareholders;
  - (5) reviewing and approving total proposed awards under each plan;
  - (6) in addition to considering awards to executive Directors and direct reports to the Managing Director (or Chief Executive Officer, as appropriate), reviewing and approving proposed awards under each plan on an individual basis for executives as required under the rules governing each plan or as determined by the Committee; and
  - (7) reviewing, approving and keeping under review performance hurdles for each equity-based plan;
- (f) superannuation arrangements;
- (g) remuneration of members of other Committees of the Board; and
- (h) whether there is any gender or other inappropriate bias in remuneration for Directors, Management or other employees of the Company.

### **3.3 Remuneration Policies**

- (a) The Committee should design the remuneration policy in such a way that it:
  - (1) motivates Directors and Management to pursue the long-term growth and success of the Company within an appropriate control framework; and
  - (2) demonstrates a clear relationship between key executive performance and remuneration.
- (b) In performing its role, the Committee is required to ensure that:
  - (1) the remuneration offered is in accordance with prevailing market conditions, and that exceptional circumstances are taken into consideration;
  - (2) contract provisions reflect market practice; and
  - (3) targets and incentives are based on realistic performance criteria.
- (c) The Committee will also:
  - (1) overview the application of sound remuneration and employment practices across the Company; and
  - (2) ensure the Company complies with legislative requirements related to employment practices.



### 3.4 Remuneration Approval

The Committee must approve the following prior to implementation:

- (a) changes to the remuneration or contract terms of Executive Directors and Management;
- (b) the design of new, or amendments to current, equity plans or Management cash-based incentive plans;
- (c) the total level of compensation proposed from equity plans or executive cash-based incentive plans; and
- (d) termination payments to executive Directors or Management, including consideration of early termination, except for removal for misconduct.

## Section 4 Nomination objectives of the Committee

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The Committee will discharge its responsibility in respect of nomination matters by:

- (a) developing criteria for seeking and reviewing candidates for a position on the Board, or as a senior executive of the Company (as applicable), including implementation of processes to assess the necessary and desirable attributes of Board members and senior executives including relevant industry expertise, prior public company experience (especially at the board and committee levels), and other specialized knowledge and technical, professional and social skills most likely to result in superior performance in exercising the duties and discharging the obligations and responsibilities as a member of the Board or a Committee established by the Board or in their role as a senior executive of the Company;
- (b) identifying suitable candidates from diverse backgrounds for appointment to the Board, Management or senior executive positions;
- (c) undertaking appropriate checks on candidates for Board or senior executive positions, including as to the person's character, experience, education, criminal history and bankruptcy. A review should also be undertaken of the candidate's other commitments and whether the candidate will have sufficient time to fulfil his or her responsibilities as a Director or member of the Board or in their role as a senior executive of the Company;
- (d) reviewing appropriate applications for positions on the Board and for senior executive roles and recommending individuals for consideration by the Board;
- (e) ensuring the Company enters a written agreement with each Director, senior executive and member of Management, setting out the terms of their appointment to ensure both parties have a clear understanding of their roles and responsibilities (**Appointment Agreements**);
- (f) complete and disclose a Board "skills matrix" (with reference to the Corporate Governance Policy) to identify any gaps in the collective skills of the Board that should be addressed as part of professional development initiatives and succession planning;
- (g) implementing a program for inducting new Directors and providing appropriate professional development opportunities for Directors to develop and maintain the skill and knowledge required to perform their roles effectively;
- (h) reviewing the time requirements of the non-executive Directors and whether those Directors are meeting those requirements;



- (i) reviewing and making recommendations in respect of Board succession planning generally and ensuring there are plans in place to manage the succession of Management;
- (j) recommending strategies to address board Diversity and increasing the proportion of women in the Company;
- (k) recommending procedures for adoption by the Board for the proper oversight of the Board and Management;
- (l) ensuring that such procedures, once adopted, are implemented such that the performance of the Board, its Committees, each member of the Board and of Management is reviewed and assessed each year in accordance with the procedures. In relation to the review of the Chairperson, a suitable non-executive Director should be allocated responsibility after having obtained the views of the other Directors;
- (m) reporting to the Board on, and providing recommendations to address, any issues that may emerge from the periodic review of the Board, its Committees, each member of the Board and Management;
- (n) annually reviewing the composition of each Committee established by the Board and presenting to the Board recommendations for membership of those Committees; and
- (o) reviewing and making recommendations to the Board in relation to the development and implementation of a process for evaluating the performance of the Board, its Committees and Directors.

#### **4.2 Agreements**

Any Appointment Agreements entered into the Company with the any Director, senior executive and member of Management:

- (a) in the case of a non-executive Director, the Appointment Agreement should set out, among other things:
  - (1) the term of appointment and circumstances in which the office will become vacant;
  - (2) time commitments envisaged, as well as expected involvement with Committees or special duties;
  - (3) remuneration (including superannuation) and indemnity and insurance arrangements;
  - (4) requirements regarding disclosure of Director's interests and any matters which may affect the independence of the Director;
  - (5) the requirement to comply with key policies of the Company, including the Corporate Governance Policy, Corporate Ethics & Continuous Disclosure Policy, Diversity Policy and Trading Policy;
  - (6) the Company's policy as to when Directors may seek independent advice at the expense of the Company; and
  - (7) ongoing rights of access to corporate information and ongoing confidentiality obligations;
- (b) in the case of a member of Management or senior executive, the Appointment Agreement should generally address the above-mentioned information, as well as a



clear description of the individual's position, duties and responsibilities, the person to whom they should report, circumstances which may result in termination and any entitlements on termination.

## Section 5 Reporting

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### 5.1 Reporting process

- (a) Proceedings of all meetings of the Committee are to be minuted and signed by the chairperson of the Committee (**Committee Chairperson**).
- (b) The Committee, through the Committee Chairperson, is to report to the Board at the earliest possible Board meeting after the Committee meeting regarding the determinations and conclusions of the Committee at its meetings. Minutes of all Committee meetings (and circular resolutions of the Committee) are to be circulated to the Board.
- (c) The report will include the minutes of the Committee and any formal resolutions and at least annually, a review of the formal written Charter and its continuing adequacy, and an evaluation of the extent to which the Committee has met the requirements of the Charter.

### 5.2 Detail contained in reports

In addition, the report should also include (without limitation):

- (a) ***In respect of Remuneration Matters***
  - (1) information about the review process undertaken by the Committee;
  - (2) an assessment of:
    - (A) Management remuneration and incentive plans;
    - (B) remuneration packages for Management;
    - (C) non-executive Director remuneration;
    - (D) the Company's recruitment and retention and termination policies and procedures for Management;
    - (E) incentive plans (equity and cash based);
    - (F) superannuation arrangements; and
    - (G) remuneration of members of other Committees of the Board;
  - (3) recommendations for setting remuneration levels for Directors, Management and Committees;
  - (4) any matter that in the opinion of the Committee should be brought to the attention of the Board and any recommendation requiring Board approval or action; and
  - (5) providing details of the Company's policies and practices for the deferral of performance based remuneration and the reduction, cancellation or claw back



of performance based remuneration in the event of serious misconduct or a material misstatement in the Company's financial statements.

(b) ***In respect of Nomination Matters***

- (1) procedures for the selection and appointment of proposed Board and Management representatives and for the monitoring of the performance of the Board and Management;
- (2) the steps taken to ensure that a diverse range of candidates is considered;
- (3) recommendation for the appointment or removal of a Board member or member of Management;
- (4) any determination by the Committee relating to the independence of a proposed Board member;
- (5) an assessment of the performance of the Board, its Committees, any Board member or member of Management;
- (6) an assessment of the Board "skills matrix" and diversity that the Board currently has or is looking to achieve in its membership;
- (7) how the Company is performing against its objectives in the Diversity Policy across all levels of the Company; and
- (8) any matters that in the opinion of the Committee should be brought to the attention of the Board and any recommendations requiring Board approval or action.

**5.3 Annual reporting**

- (a) In addition, the Committee Chairperson must submit an annual report to the Board (at the Board meeting at which the year end financial statements are approved) summarising the Committee's activities during the year including:
- (1) a summary of the Committee's main authority, responsibilities and duties;
  - (2) details of the mix of skills and diversity which the Board is looking to achieve in membership of the Board;
  - (3) biographical details of the Committee's members, including expertise, appointment, dates and terms of appointment;
  - (4) details of meetings, including the number of meetings held during the relevant period and the number of meetings attended by each member;
  - (5) explanation of any departure from recommendations 8.1, 8.2 and 8.3, and from best practice having regard to Principles 1 and 2, of the Corporate Governance Principles and Recommendations;
  - (6) details of the policies introduced to address Board and employee Diversity, including but not limited to strategies to increase the proportion of women at all levels of the Company;
  - (7) the measurable objectives that are, or will be, set by the Board to achieve gender diversity in accordance with the Diversity Policy and progress towards achieving them;



- (8) details of any change to the independent status of each member during the relevant period, if applicable; and
- (9) details of any determination or recommendations made by the Committee in performing its functions.

## **Section 6 Meetings and Access**

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### **6.1 Frequency of Meetings**

- (a) Despite the Standing Rules, there is no requirement that the Committee meet a set number of times or intervals during a year. Rather, the Committee will meet at such intervals as required to fulfil its obligations.
- (b) In addition, the Committee Chairperson is required to call a meeting of the Committee if requested to do so by any Committee member, the internal or external auditors, the Chairperson of the Board or any other Board member.
- (c) The Committee may also seek input from individuals on remuneration policies but no individual should be directly involved in deciding his or her own remuneration.

### **6.2 Attendance at meetings**

- (a) Other Directors (executive and non-executive) have a right of attendance at meetings. However, no Director is entitled to attend that part of a meeting at which:
  - (1) an act or omission of that Director or a contract, arrangement or undertaking involving or potentially involving that Director or a related party of that Director is being investigated or discussed; or
  - (2) the remuneration of that Director or a related party of that Director is being discussed.
- (b) Notwithstanding subclause 6.2(a)(1), if in the opinion of the Committee, its investigation or discussion will be assisted by hearing from the interested Director, the Committee may invite that Director to address the Committee. The Committee will give fair consideration to that address. The Director will not, however, be invited to take part in the deliberations following that address.
- (c) The Committee may invite other individuals, such as the head of human resources and other external advisers, to attend for all or part of any meeting from time to time as appropriate.
- (d) The quorum necessary for the transaction of business shall be two. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

### **6.3 Access**

- (a) The Committee will have access to the Directors, Management and employees of the Company and appropriate external advisers. The Committee may meet with these external advisers with or without Management being present. The Committee will also have the ability and authority to seek any information it requires to carry out its duties from any officer or employee of the Company and such officers or employees will be instructed by the Board to co-operate fully in provision of such information. The Committee will have the ability to interview Management and Directors where considered necessary or appropriate.



- (b) The Committee also has the authority to consult independent experts where they consider it necessary to carry out their duties. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.

## **Section 7 Application of Standing Rules**

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The Standing Rules for Committees apply to, and are deemed to be incorporated into this Charter, save where the Standing Rules conflict with any of the terms in this Charter.

## **Section 8 Definitions**

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**AIM** means Alternative Investment Market.

**AIM Rules** means the AIM Rules for Companies, being the official listing rules of AIM as amended or replaced from time to time.

**ASX** means the ASX Limited ABN 98 008 624 691.

**ASX Listing Rules or Listing Rules** means the Official Listing Rules of the ASX as amended or replaced from time to time.

**Board** means board of Directors of the Company.

**Chairperson** means the chairperson of the Board.

**Charter** means the charter adopted with respect to the Committee from time to time.

**Chief Financial Officer or Finance Director** means the person (if any) engaged the Company in the role of the chief financial officer of the Company.

**Companies Act** means the *Companies Act 2006* of the United Kingdom, as amended from time to time.

**Company** means Atlantic Lithium Limited ACN 12 215 132.

**Company Secretary** means a person appointed by the Company to be the company secretary.

**Corporate Ethics & Continuous Disclosure Policy** means the policy adopted by the Company setting out directors' duties given their position with the Company, obligations with respect to trading in securities and general disclosure obligations.

**Corporate Governance Policy or Board Charter** means the policy adopted by the Company which describes the Company's corporate governance policies and procedures.

**Corporate Governance Principles and Recommendations** means the *Corporate Governance Principles and Recommendations Fourth Edition* issued by the ASX Corporate Governance Council in 2019 as amended or replaced from time to time.

**Corporate Governance Statement** means the statement referred to in Listing Rule 4.10.3 which discloses the extent to which the Company has followed the Corporate Governance Principles and Recommendations.

**Corporations Act** means the *Corporations Act 2001* (Cth) as amended or replaced from time to time.

**Director** means a director of the Company.



**Diversity** includes, but is not limited to, matters of gender, age, disability, ethnicity, marital or family status, sexual orientation, gender identity and religious or cultural background.

**Diversity Policy** means the policy developed from time to time by the Board establishing measurable objectives for achieving Diversity.

**Independent Director** means a Director who has a sufficient level of independence to the Company, determined in accordance with clause 1.3 of the Corporate Governance Policy.

**Management** means the executive Directors and senior management of the Company.

**Managing Director** means the Director (if any) engaged by the Company in the role of the managing director of the Company.

**Nomination and Remuneration Committee** or **Committee** means the Committee charged with, among other things:

- (a) the appointment of members to the Board and of senior management and in assessing the performance of such individuals; and
- (b) reviewing remuneration levels for Directors and senior management.

**Official List** means the official list of the ASX.

**Securities** has the meaning given in section 92 of the Corporations Act.

**Standing Rules** means the general and procedural rules of each Committee set out in the Corporate Governance Policy.

**Trading Policy** means the policy developed from time to time by the Board setting out the procedure for trading in Securities of the Company by Directors, managerial staff, employees and any other persons who may be associated with the Company.