

KINGSGATE CONSOLIDATED LIMITED – REMUNERATION COMMITTEE CHARTER

This charter sets out the specific role and responsibilities delegated by the Company's Board of Directors to the Remuneration Committee and details the manner in which the Remuneration Committee operates.

Objectives

The role of the Remuneration Committee is to oversee the Company's remuneration and compensation plans for the Company's senior executives and Directors, having regard to the law and the highest standards of governance.

The Remuneration Committee achieves its objectives by:

- ensuring shareholder and employee interests are aligned;
- ensuring the Company is able to attract, develop and retain talented employees;
- recommending to the Board an appropriate executive remuneration policy;
- determining the remuneration of Directors;
- reviewing and approving the remuneration of those reporting directly to the Executive Chairman and other senior executives, as appropriate; and
- reviewing all equity based plans for approval by the Board.

The Remuneration Committee operates in accordance with the Company's Executive Remuneration Policy. The policy is designed so that it motivates senior executives to pursue the long term growth and success of the Company and demonstrates a clear relationship between senior executives' performance and remuneration.

Duties and Responsibilities

The Remuneration Committee supports and advises the Board in fulfilling its responsibilities to shareholders by:

Executive Remuneration Policy

- reviewing and making recommendations to the Board regarding the Executive Remuneration Policy for determining remuneration for senior executives including, but not limited to, superannuation rights and compensation payments, and any amendments to that policy proposed from time to time;
- reviewing the ongoing appropriateness and relevance of the Executive Remuneration Policy and other executive benefit programs;
- considering whether it is necessary to seek shareholder approval of the Executive Remuneration Policy; and
- overseeing the implementation of the Executive Remuneration Policy within the Company.

Executive Directors and Senior Management

- considering and making recommendations to the Board on the remuneration for Executive Directors, (including base pay, incentive payments, equity awards, retirement rights, service contracts) having regard to the Executive Remuneration Policy;
- reviewing and making recommendations to the Board regarding the proposed remuneration (including incentive awards, equity awards and service contracts) for the Company Secretary and all senior executives reporting directly to the Executive Chairman;
- considering whether it is necessary to seek shareholder approval; and
- ensuring that any equity based executive remuneration is made in accordance with shareholder approvals.

Executive Incentive Plans

- reviewing and making recommendations to the Board regarding the design of all executive incentive plans; and
- reviewing and making recommendations to the Board regarding the total proposed payments from each executive incentive plan.

Equity Based Plans

- reviewing and making recommendations to the Board regarding the design of all equity based plans;
- keeping all plans under review in the light of legislative, regulatory and market developments;
- for each equity based plan, determining each year whether awards will be made under that plan;
- reviewing and making recommendations to the Board regarding total proposed awards under each plan;
- in addition to considering awards to the Company Secretary or any senior executives reporting directly to the Executive Chairman, reviewing and making recommendations to the Board regarding proposed awards under each plan on an individual basis for senior executives as required under the rules governing each plan or as determined by the Remuneration Committee; and
- making recommendations to the Board and keeping under review performance hurdles for each equity based plan.

Non-Executive Director Remuneration

- reviewing and establishing the level of remuneration for Non-Executive Directors. The level of Director remuneration is to be set so as to attract the best candidates for the Board while maintaining a level commensurate with Boards of similar size and type;

- all Directors will receive a superannuation guarantee contribution payment in accordance with prevailing entitlements;
- where necessary recommending that the Board seek an increase in the amount of remuneration for Non-Executive Directors approved by shareholders; and
- the Remuneration Committee may request management or external consultants to provide necessary information upon which the Board may make its determination.

Disclosure

In order to maintain remuneration transparency, both the levels and process of setting the remuneration for Non-Executive and Executive Directors is to be fully and fairly reported. Consistent with the disclosure policy the Remuneration Committee will review all public disclosures and statements concerning the matter the subject of this policy, including disclosures in ASX announcements, the Annual Report and press releases.

Approvals

Before implementing any of the following proposals the Board will ask the Committee to review the proposal and make a recommendation to the Board in relation to:

- any change to the remuneration or contract terms of the Executive Chairman and any other Executive Director (as may exist from time to time), the Company Secretary and all senior executives reporting directly to the Executive Chairman;
- the design of any new equity plan or executive cash based incentive plan, or the amendment of any existing equity plan or executive cash based incentive plan;
- the total level of award proposed from equity plans or executive cash based incentive plans; and
- any termination payment to an Executive Director (as may exist from time to time), the Company Secretary or any senior executive reporting directly to the Executive Chairman. A termination payment to any other departing executive must be reported to the Committee at its next meeting.

External Consultants

To ensure that the review of remuneration practices and strategies on which decision making is based is objective and well founded, the Remuneration Committee engages external remuneration consultants.

Structure of the Remuneration Committee

The Remuneration Committee will be comprised of at least three members all of whom shall be Non-Executive Directors.

The members of the Remuneration Committee are disclosed in the Company's Annual Report.

Chairman

The Board shall designate one member of the Remuneration Committee to act as its chairman. In the event of a tied vote on any issue, the Chairman's vote shall decide the issue. Should the Chairman be absent from a meeting, the members of the Remuneration Committee shall choose one of their number to be Chairman for that particular meeting.

Meetings

The Chairman will call a meeting of the Remuneration Committee if so requested by any member of the Remuneration Committee.

In addition to any meeting requested in accordance with the above position, the Remuneration Committee shall (unless otherwise determined by the Chairman), meet at least twice per year.

A quorum at a meeting shall be two members.

Members of management may attend meetings of the Remuneration Committee at the invitation of the Remuneration Committee Chairman but must not be appointed as members of the Remuneration Committee.

Authority of the Remuneration Committee

The Remuneration Committee has the authority without seeking approval of the Board or management to:

- obtain independent professional or other advice (including, but not limited to, independent legal advice) in the fulfilment of its duties at the cost of the Company; and
- obtain such resources and information from the Company in the fulfilment of its duties as it may reasonably require.

Review of the Remuneration Committee

The Remuneration Committee will conduct, at least every two years, a comprehensive review of its performance as a Remuneration Committee. The method of conducting each review and the extent of that review, is for the Remuneration Committee to determine from time to time.

Review of Remuneration Committee Charter

The Remuneration Committee will regularly review this charter to ensure it remains consistent with the Remuneration Committee's objectives and responsibilities and relevant standards of corporate governance.