



REMUNERATION & NOMINATION COMMITTEE CHARTER

1. Introduction

This Charter sets out the specific responsibilities delegated by the Board of Directors (**Board**) of Mantra Resources Limited (**Company**) to the Remuneration and Nomination Committee (**Committee**) and details the manner in which the Committee will operate.

2. Role and Authority of the Committee

2.1 Role of Committee in Respect of Remuneration Matters

The role of the Committee is to review and make recommendations to the Board in respect of the following remuneration matters:

- (a) executive remuneration policy;
- (b) remuneration (including performance measures and targets) of the Chief Executive Officer (**CEO**), any other executive director, the Chief Financial Officer (**CFO**) and all senior executives reporting directly to the CEO;
- (c) executive incentive/bonus and equity-based incentive plans;
- (d) remuneration of non-executive directors;
- (e) any superannuation arrangements or retirement benefits;
- (f) the recruitment, retention, performance measurement and termination policies (including termination payments) and procedures for non-executive directors, the CEO, any other executive director, the CFO and all senior executives reporting directly to the CEO;
- (g) the disclosure of remuneration in the Company's public filings including reviewing and recommending the "Report on Executive Compensation" required to be included in the Company's annual information circular;
- (h) the processes and criteria for evaluating the performance of the CEO and reviewing the CEO's assessment of all senior executives reporting directly to CEO; and
- (i) the processes and criteria for the evaluation of the Board as a whole, committees of the Board and individual directors.

2.2 Role of Committee in Respect of Nomination Matters

The role of the Committee is to review and make recommendations to the Board in respect of the following nomination matters:

- (a) the skills and competencies required on the Board;
- (b) the extent to which the required skills are represented on the Board;
- (c) the processes for the review of the performance of individual directors and the Board as a whole;
- (d) the processes for the identification of suitable candidates for appointment to the Board; and
- (e) the appointment and removal of directors.

2.3 Approvals

The Committee will review proposals for, and make recommendations to the Board in relation to:

- (a) the remuneration or contract terms of the CEO, any other executive director, the CFO/Company Secretary and all senior executives reporting directly to the CEO, and any changes thereto;
- (b) the design or amendment of any equity plan or executive cash-based incentive/bonus plan;
- (c) the total level of award proposed from equity plans or executive cash-based incentive/bonus plans; and
- (d) any termination payment to the CEO, any other executive director, the CFO/Company Secretary or any senior executive reporting directly to the CEO.

2.4 Authority

The Committee shall have authority:

- (a) to conduct any investigation appropriate to fulfilling its responsibilities. It shall have the ability to retain, at the Company's expense, such compensation consultants or legal assistance it deems necessary in the performance of its duties.
- (b) to set the compensation for any advice obtained in (a), any such costs to be of any such consultation.
- (c) to call on any employee of the Company to the extent that the Committee considers necessary and appropriate to carry out the Committee's role and responsibilities.

The Committee is entitled to engage external advisers and to seek professional advice from appropriate external advisers as and when it considers it appropriate and may meet with these external advisers without management being present.

3. Composition and Meetings of the Committee

3.1 Composition

- (a) The Committee shall be comprised of at least three members appointed by the Board, each of whom shall be independent. The Board will appoint one of these members as the chairman of the Committee annually following the election of directors of the Company at the Annual General Meeting of shareholders.
- (b) If the chairman of the Committee is not designated or present at a meeting, the members of the Committee may designate a chairman for the meeting by majority vote of the Committee membership.
- (c) Consideration will be given to rotating the Committee members periodically depending on the size of the Board.
- (d) The Board will appoint members of the Committee with regard to the provisions of the Corporations Act 2001 (Cth) (Australia), the definition of independence in National Instrument 58-101- *Disclosure of Corporate Governance Practices* and the Principles of Good Corporate Governance and Best Practice Recommendations as adopted by the ASX, as adopted and amended from time to time.
- (e) Any member of the Committee may resign or be removed or replaced at any time by the Board.

3.2 Meetings

- (a) The Committee will meet as frequently as is necessary but not less than twice annually and shall otherwise meet at such times as the chairman of the Committee shall designate.
- (b) The Committee may invite any executive management team member, any other Board member or any other individual to attend a meeting of the Committee, as it considers appropriate. However, if invited person has a material personal interest in a matter that is being considered at a meeting, he/she must not be present for consideration of that matter.
- (c) The Committee chairman will report to the Board (at the next Board meeting) following each meeting on the activities, findings and recommendations of the Committee.
- (d) Minutes of meetings of Committee will be distributed to all Committee members and the chairman of the Board. Committee meeting materials will be made available to any director upon request, provided that no conflict of interest exists.
- (e) No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present. A quorum at any meeting of the Committee will be a majority of members. Each member will have one vote and the chairman of the Committee will not have a second or casting vote.
- (f) All determinations of the Committee will be made by a majority of its members represented at a meeting.

- (g) Members of the Committee may participate in a meeting of the Committee by conference telephone or similar communications equipment by means of which all people participating in the meeting can hear each other and participation in such a meeting will constitute presence in person at such a meeting.
- (h) Except as expressly provided in this Charter or the Articles or Constitution of the Company, the Committee may fix its own rules of procedure, otherwise the procedures shall be the same as those applicable to the meetings of the Board.

3.3 Role of the Chairman of the Committee

- (a) The role of the Chairman of the Committee is to provide overall leadership to in reviewing the aims, strategy, policy and direction of the Committee so as to further the best interests of the Company, including:
 - (i) taking all reasonable steps to ensure that the responsibilities and duties of the Committee, as outlined in its Charter, are well understood by the Committee members and executed as effectively as possible;
 - (ii) to act as the principal sounding board and counsel to the Company with respect to remuneration and nomination issues
 - (iii) setting the frequency and agenda for Committee meetings, and receiving and considering input from other Committee members, the chairman of the Board and management;
 - (iv) communicating information and findings of the Committee to the Board;
 - (v) fostering ethical and responsible decision making by the Committee and its individual members; and encouraging free and open discussion at meetings of the Committee;
 - (vi) chair and manage meetings of the Committee.

4. Duties and Responsibilities

4.1 Remuneration Matters

- (a) The Committee is responsible for all matters related to the compensation of Board members and senior management and for reporting and making recommendations to the Board regarding such matters. Without limiting the generality of the foregoing, the Committee will have the following duties:
 - (i) review and make recommendations to the Board regarding the Company's policy for determining executive remuneration, and any amendments to that policy that are proposed by management;
 - (ii) oversee the implementation of the remuneration policy within the Company;
 - (iii) review and approve, the position description for the CEO;

- (iv) establish annual objectives for the CEO and review his or her performance against these objectives;
- (v) oversee the process by which the non-executive directors evaluate the performance of the CEO and make recommendations to the non-executive directors based on the results of the evaluation;
- (vi) review the CEO's assessment of the performance of all senior executives reporting directly to the CEO;
- (vii) review and make recommendations to the Board with respect to hiring and succession planning for the CEO;
- (viii) review succession plans relating to other key senior executive positions as determined by the Committee or the CEO from time to time, to ensure that an adequate number of individuals are being developed;
- (ix) consider and make recommendations to the Board on the remuneration package (including base pay, incentive payments, equity awards, retirement rights, service contracts) for the CEO, any other executive director, the CFO/Company Secretary and any other senior executive reporting directly to the CEO having regard to the Company's executive remuneration policy;
- (x) review and make recommendations to the Board regarding the design of executive cash incentive/bonus plans (including performance measures and targets and the assessment of performance against objectives), and equity based plans;
- (xi) review all equity based and cash incentive/bonus plans regularly for compliance with all legislative, regulatory and market developments;
- (xii) review and make recommendations to the Board regarding awards under each equity based plan and incentive/bonus plan including, in particular, the vesting conditions for each award made under an equity based plan and the performance measures under any incentive/bonus plan;
- (xiii) review and establish the level of remuneration for non-executive directors, so as to attract the best candidates, while maintaining a level commensurate with boards of a similar size and type;
- (xiv) make recommendations regarding the total amount of remuneration for nonexecutive directors and any increases thereto; and
- (xv) review and approve executive compensation disclosure under the applicable corporate and securities law.

4.2 Nomination Matters

The Committee is responsible for:

- (a) all matters relating to director recruitment;
- (b) orientation and continuing education;

- (c) regular evaluations of the Board, its committees and individual members; and
- (d) reporting and making recommendations to the Board regarding such matters.

Without limiting the generality of the foregoing, the Committee will have the following duties.

- (a) periodically assess the skills required to discharge the Board's duties, having regard to the strategic direction of the Company, and report the result of its assessment to the Board.
- (b) as and when it considers appropriate, but in any event whenever an existing non-executive director retires, assess the skills represented on the Board by the non-executive directors and determine whether those skills meet the required skills identified under section 2 above.
- (c) make recommendations to the chairman of the Board on means by which skill levels of existing non-executive directors may be enhanced.
- (d) Having regard to the skills required and the skills represented, the Committee will implement a process for the identification of suitable candidates for appointment to the Board as non-executive directors.
- (e) make recommendations to the Board regarding candidates it considers appropriate for appointment.
- (f) prepare or cause to be prepared, for approval by the Board a form of appointment letter for directors and executive officers.
- (g) make recommendations to the Board in respect of the introduction of an induction program for executive officers and Board members.
- (h) inform the Board of the names of non-executive directors who are retiring in accordance with the provisions of the Company's Constitution and may make recommendations to the Board as to whether the Board should support the re-nomination of that retiring director.

In order to make these recommendations, the Committee will review the retiring non-executive director's past performance.

A member of the Committee will not participate in the review of his or her own performance.

The Board will, taking into consideration the Committee's recommendations, make the final determination on the criteria to be adopted for the selection of candidates, and on whether it will support the appointment of such candidates to the Board.

4.3 Performance Evaluation Process

The Committee will make recommendations to the Board, from time to time, in respect of the performance evaluation process for evaluating each of the Board, the Board committees and individual directors, wherein the key elements of the evaluation process are as follows:

- (a) the assessment must be independent of management;

- (b) the assessment process must be designed to encourage open and constructive discussion in relation to performance;
- (c) confidentiality of each individual's performance assessment must be maintained;
- (d) full disclosure of the assessment process and overall performance results;
- (e) issues that have been identified during the performance evaluation must be discussed in the appropriate forum and followed up regularly between reviews; and
- (f) the performance of each individual director, the Board and its committees, as a group, must be evaluated.

The Committee will make recommendations to the Board regarding the criteria to be used in conducting performance assessments.

The Committee will make a recommendation to the Board, prior to each performance review, as to whether the results of such review should be processed by an independent expert or by the Committee.

If required by the Board, the Committee will conduct the performance evaluation of each member of the Board as a whole, the Board committees (other than the Committee) and individual directors.

4.4 General

The Committee will also consider such other matters relating to: management's performance; Board performance; compensation and oversight; and nomination issues as the Committee deems appropriate.

4.5 Review of Charter

The Committee may review and assess the adequacy of this Charter to ensure compliance with any rules or regulations promulgated by any regulatory body and recommend to the Board for its approval any modifications to this Charter as considered necessary.

4.6 No Rights created

This Charter is a statement of broad policies and is intended as a component of the flexible governance framework within which the committees of the Board assist the Board in directing the affairs of the Company. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's Constitution, Articles and By-laws, it is not intended to establish any legally binding obligations.