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## REMUNERATION POLICY

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### **AUREUS MINING LIMITED**

ACN 643 772 472 ("Company")

and any subsidiaries  
(collectively referred to as the "Group")

Adopted by the Board 17 August 2021

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## **1. INTRODUCTION**

This policy sets out the general remuneration strategies of the Group.

The Remuneration Committee (or the full board where there is no Remuneration Committee) shall perform its duties and activities in line with these strategies and shall review and reassess the policy at least annually.

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## **2. GENERAL DIRECTOR REMUNERATION**

- (a) In accordance with the terms of the Company's Constitution, the maximum aggregate remuneration that may be paid to non-executive Directors of the Company has initially been set at A\$500,000, as determined by the Board of the Company prior to the first Annual General Meeting of the Company.
- (b) The Board shall set individual non-executive director fees within this defined limit approved by shareholders.
- (c) Shareholder approval must be obtained in relation to any change to the overall limit set for non-executive directors' fees. The directors shall set individual Board fees within the limit approved by shareholders.
- (d) Shareholders must also 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 approved by the shareholders.
- (e) All directors are entitled to have their indemnity insurance paid by the Company.

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## **3. EXECUTIVE AND SENIOR MANAGEMENT**

The Group's remuneration policy for executive directors, the Chief Executive Officer and senior management is designed to promote superior performance and long term commitment to the Group. Executives receive a base remuneration which is market related and may also be entitled to performance-based remuneration at the ultimate discretion of the Board.

Overall remuneration policies are subject to the discretion of the Board and can be changed to reflect competitive market and business conditions where it is in the interests of the Group and the Company's shareholders to do so.

Executive remuneration and other terms of employment are reviewed annually by the Remuneration Committee (or the full board where there is no Remuneration Committee) having regard to performance, relevant comparative information and, where necessary, expert advice and in line with the processes outlined in Annexure – Performance Evaluation Procedures.

The Group's reward policy reflects the benefits of aligning executive remuneration with shareholders' interests and to retain appropriately qualified executive talent for the benefit of the Group. The main principles of the policy are:

- (a) remuneration is reasonable and fair, taking into account the Group's obligations at law, the competitive market in which the Group operates and the relative size and scale of the Group's business;
- (b) individual reward should be linked to clearly specified performance targets which should be aligned to the Group's short term and long term performance objectives; and
- (c) executives should be rewarded for both financial and non-financial performance.

The total remuneration of executive directors, the Chief Executive Officer and other senior managers may consist of the following:

- (a) salary - executive directors, the Chief Executive Officer and senior managers may receive a fixed sum payable monthly in cash;
- (b) bonus - executive directors, the Chief Executive Officer and nominated senior managers are eligible to participate in a profit participation plan if deemed appropriate;
- (c) long term incentives - executive directors, the Chief Executive Officer and nominated senior managers may participate in share option schemes with the prior approval of shareholders. Executives may also participate in employee share option schemes, with any option issues generally being made in accordance with thresholds set in plans approved by shareholders. The Board however, considers it appropriate to retain the flexibility to issue options to executives outside of approved employee option plans in exceptional circumstances; and
- (d) other benefits - executive directors, the Chief Executive Officer and senior managers are eligible to participate in superannuation schemes.

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#### **4. NON-EXECUTIVE REMUNERATION**

Shareholders approve the maximum aggregate remuneration for non-executive directors. The Remuneration Committee (or the full board where there is no Remuneration Committee) recommends the actual payments to directors and the Board is responsible for ratifying any recommendations, if appropriate. The maximum aggregate remuneration for non-executive directors is currently A\$500,000.

The total remuneration of non-executive directors may consist of the following:

- (a) fixed cash fees, the level of which reflect the time commitment and responsibilities of the role of a non-executive director;
- (b) superannuation contributions in line with the relevant statutory requirements;
- (c) non-cash benefits in lieu of fees such as equity or salary sacrifice into superannuation; and
- (d) equity-based remuneration where the Committee and Board deem that the issue of securities will align the interests of the Company's non-executive directors with those of other security holders. It is recognised that non-executive directors' remuneration is ideally structured to exclude equity based remuneration with performance hurdles attached as it may lead to bias in decision making and compromise objectivity.

However, whilst the Company and the Group remains small and the full Board, including the non-executive directors, are included in the day-to-day operations of the Company more than what may be the case with larger companies, the non-executive directors are entitled to participate in equity based remuneration schemes.

Non-executive directors of the Company are not entitled to any retirement benefits other than superannuation.

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#### **5. PROFIT PARTICIPATION PLAN**

Performance incentives may be offered to executive directors and senior management of the Group through the operation of a profit participation plan at the ultimate discretion of the Board of the Company.