

# **OZ MINERALS LIMITED**

## **Nomination and Remuneration Committee Charter**

Revised and approved by the Board 10 August 2010

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## 1. GENERAL

1.1 The Nomination and Remuneration Committee is established by the Board under the Constitution of OZ Minerals Limited (**the Company**).

1.2 The Committee has authority from the Board to review and investigate any matter within the scope of its Charter and make recommendations to the Board in relation to the outcomes. The Committee has no delegated authority from the Board to determine the outcomes of its reviews and investigations and the Board retains its authority over such matters. The functions of the Committee do not relieve the Board from any of its responsibilities.

1.3 In this Charter the following terms have the following meanings:

**CEO** means the Chief Executive Officer of the Company.

**OZ Minerals Group** means the Company and its subsidiaries.

**Senior Executives** means the executives of OZ Minerals that report directly to the CEO.

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## 2. PURPOSE

The purpose of the Committee is to assist the Board in discharging its responsibilities relating to the remuneration of Directors and executives, and employees and the composition and performance of the Board.

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## 3. COMPOSITION

3.1 The Committee shall consist of at least three independent non-executive Directors.

3.2 The Chairman of the Committee shall be an independent non-executive Director and shall be appointed by the Chairman of the Board.

3.3 The Company Secretary shall be the Secretary of the Committee.

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## 4. MEETINGS

4.1 The Committee will meet as frequently as required but no less than twice a year and one of those meetings must take place within 3 months prior to each annual general meeting.

4.2 The Chairman of the Committee must call a meeting of the Committee if so requested by any Committee member, the CEO or the Company Secretary.

4.3 At least three days notice of each meeting confirming date, time, venue and agenda shall be forwarded to each member of the Committee.

4.4 The quorum necessary for a meeting of the Committee shall be 2 members, of whom at least one must be an independent non-executive Director. In the absence of the Committee Chairman, Committee members will elect an independent non-executive Director to act as Chairman for that meeting.

4.5 Members of the Board may attend meetings of the Committee and, subject to clause 4.6, the CEO will attend meetings ex officio. The Committee may invite other individuals to attend meetings of the Committee as it considers appropriate subject to clause 4.6.

4.6 The Committee will meet without the CEO or any Senior Executive being present if the Committee Chairman or the Committee considers it appropriate that members of management not be in attendance or while any matter relating to their conditions of employment, including remuneration and performance, is under discussion.

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## 5. REPORTING

- 5.1 The Chairman of the Committee must report the findings and recommendations of the Committee to the next Board meeting after each meeting of the Committee.
- 5.2 The minutes of all Committee meetings will be circulated to members of the Board by the Company Secretary.
- 5.3 The Committee must approve the remuneration report to be published in the Company's Annual Report and seek assurance from management that other statutory reporting and disclosure requirements are being met.

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## 6. RESPONSIBILITIES

In addition to any other matters which may be delegated to the Committee by the Board (including special investigations), the Committee's responsibilities include:

### 6.1 Size and Composition of the Board

- (a) regularly reviewing the size and composition (including the skills, knowledge, diversity and experience) of the Board and making recommendations to the Board with regard to any appropriate changes;
- (b) providing advice to the Board with respect to the necessary and desirable competencies of Directors; and
- (c) making recommendations to the Board for the appointment and removal of Directors; including making recommendations to the Board whether or not Directors, whose term of office is expiring, should be proposed for re-election at the Company's next AGM.

### 6.2 Appointment of Directors

- (a) developing a policy and procedures for the selection and appointment of Directors;
- (b) identifying individuals who may be qualified to become Directors, having regard to such factors as the Committee considers appropriate, including judgement, skill, diversity, experience with business and other organisations of a comparable size, the interplay of the candidate's experience with the experience of other Board members, the candidate's capacity to commit to the Board's activities, the extent to which the candidate would be a desirable addition to the Board and any Board Committees, and the Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council (the **Guidelines**);
- (c) prior to election ensuring that each individual nominated for appointment to the Board as non-executive Director:
  - (i) has had his or her performance assessed individually and received the support of the Board; and
  - (i) has expressly acknowledged that he or she will have sufficient time to fulfil the responsibilities and duties expected of him or her;
- (d) ensuring that an effective and up to date induction and education program for new Directors is in place to ensure that they have an understanding of:
  - (i) OZ Minerals' financial, strategic, operational and risk management position; and
  - (ii) their rights, duties and responsibilities;
  - (iii) the role and responsibilities of Senior Executives; and

- (iv) the role of Board Committees.

### 6.3 **Board Committees**

Identifying Directors qualified to fill vacancies on Board Committees and making recommendations to the Board accordingly, having regard to such factors as the Committee considers appropriate, including the Charter of the particular Board Committee, the Director's experience, the interplay of the Director's experience with the experience of other Committee members, and the Guidelines.

### 6.4 **Succession plans of Directors, CEO and Senior Executives**

- (a) reviewing Board succession plans on a regular basis to maintain an appropriate balance of skills, experience, diversity and expertise on the Board and providing advice to the Board accordingly; and
- (b) reviewing succession plans for the CEO and Senior Executives annually to maintain an appropriate balance of skills, experience, diversity and expertise on the executive management team and advising the Board of any recommended actions.

### 6.5 **Remuneration of the Directors, CEO and Senior Executives**

- (a) at least annually or as appropriate reviewing the Company's remuneration framework and policies and practices on Director and executive remuneration to ensure that they:
  - (i) motivate Directors and Senior Executives to pursue the long term growth of the Company and are linked to performance;
  - (ii) are designed to attract and retain high performing Directors, Senior Executives and employees;
  - (iii) are designed to provide a clear link between reward and shareholder value;
  - (iv) are reasonable and fair; and
  - (v) are in line with current governance and legal developments.
- (b) monitoring compliance with the Company's remuneration strategy and framework as approved by the Board and overseeing the implementation of the Company's remuneration strategy and framework;
- (c) advising the Board in relation to remuneration by gender;
- (d) advising the Board on aspects of remuneration that should be subject to shareholder approval and/or disclosure;
- (e) ensuring that fees paid to non-executive Directors are within the aggregate amount approved by shareholders and making recommendations to the Board for any adjustment to this amount at the Annual General Meeting;
- (f) regularly reviewing the Company's equity based incentive schemes, including a consideration of performance thresholds and regulatory and market requirements;
- (g) reviewing all proposed changes to the remuneration and terms of employment of the Directors, CEO and Senior Executives;
- (h) reviewing and approving any proposed termination payments to the CEO and Senior Executives; and
- (i) ensuring that the Company's obligations regarding superannuation and other employment benefits and entitlements are being met.

## 6.6 **Performance Review**

- (a) ensuring that a process for evaluating the overall performance of the Board (including committees and Directors) is developed and implemented; and
- (b) ensuring the performance of the CEO and Senior Executives is reviewed against their pre-determined key performance indicators.

## 6.7 **Diversity Policy**

- (a) establishing a Diversity Policy;
- (b) reviewing the Diversity Policy on a regular basis to ensure that the policy reflects relevant corporate governance and legal requirements;
- (c) establishing measurable objectives for achieving gender diversity and monitoring annually both the Company's objectives and progress in achieving them;
- (d) reviewing and monitoring appropriate procedures to ensure that the diversity policy is implemented, which may include additional measurable objectives in relation to other aspects of diversity as identified in the policy; and
- (e) monitoring the implementation of internal review mechanisms to assess the effectiveness of the Diversity Policy.

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## **7. AUTHORITY**

- 7.1 The Committee may, in its discretion, delegate all or some of its responsibilities to a sub-committee.

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## **8. ACCESS**

- 8.1 The Committee has unrestricted access to the Company's employees and records..
- 8.2 The Committee is authorised to engage, at the Company's expense, outside legal or other professional advice or assistance on any matters within its Charter.

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## **9. ASSESSMENT AND REVIEW**

- 9.1 The performance of the Committee shall be measured against this Charter and other relevant criteria as approved by the Board.
- 9.2 The Nomination and Remuneration Committee Charter shall be reviewed annually and revised as required. Any changes to the Charter will require approval of the Board; the Board will review the effectiveness of this Charter as appropriate.