

1. Introduction

Berkut Minerals Limited (the "**Company**") is committed to conducting its business ethically and in accordance with the highest standards of corporate governance. In determining these standards, the ASX Corporate Governance Council's Principals of Good Corporate Governance and Best Practice Recommendations (as amended from time to time) (the "**ASX Corporate Governance Principles**") have been referred to.

The board of directors (the "**Board**") of the Company has decided not to establish a separate Nomination and Remuneration Committee (the "**Committee**") and will deal with the matter at the Board level.

However, the Board has approved this charter which prescribes the role and responsibilities, composition, structure and membership requirements of the Committee (the "**the Charter**").

2. Role

The role of the Committee is to make recommendations to the Board with regards to:

- the selection and appointment of members of the Board, so that it has an effective balance of skills, knowledge, experience, independence and diversity in order to effectively discharge its responsibilities and duties, and add value through effective decision making; and
- the Company's remuneration policies, to ensure that remuneration is sufficient and reasonable and that its relationship with performance is clear.

The Committee is accountable to the Board, who retain ultimate responsibility for the Company's nomination and remuneration activities.

3. Composition

The Committee will endeavour to ensure:

- at least 3 members;
- it is made up of independent, non-executive directors;
- the chairman of the Committee is an independent director; and
- directors serving on the Committee have sufficient professional expertise and knowledge to allow them to properly discharge their duties

The Board may appoint additional members to the Committee or remove and replace members of the Committee by resolution.

4. Meetings and Administration

- The Committee will meet as frequently as necessary, but at least once a year.
- Two members of the Committee shall comprise a quorum and a unanimous vote of the two members will constitute an act of the Committee.
- The Company Secretary will be the secretary of the Committee and will act as the principal liaison between Executive Management, other KMP (defined below) and the Committee.
- The Committee may invite other persons to attend meetings, if considered appropriate by the chairman of the Committee, for example external consultants or specialists. However, no such individual should be directly involved in deciding his or her remuneration.

The Committee shall ensure:

- each member of the Committee is given reasonable notice of a Committee meeting;
- the chairman of the Committee calls a meeting at the request of any Committee member, the Managing Director, or the Company Secretary;
- formal minutes of meeting of the Committee are taken by the Company Secretary; and
- any person who has a material personal interest in a matter being considered by the Committee must not be present at a meeting of the Committee, when that matter is being considered.



“KMP” mean key management personnel and includes those people having authority and responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly.

5. Duties and Responsibilities

The duties and responsibilities of the Committee are follows. However, the Board may (from time to time) delegate other responsibilities and functions to the Committee.

Nomination Duties and Responsibilities

Size and composition of the Board

The Committee shall consider and make recommendations to the Board about the size and composition of the Board, to ensure that the Board:

- Is large enough to incorporate a variety of perspectives and skills;
- incorporates an appropriate range of skills and expertise;
- represents the best interests of the Company; and
- is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to interfere with, the independent exercise of their judgment.

Independence of directors

The Committee shall regularly assess and determine (annually or, if the director has served more than ten years, every six months) the independent status of each director, taking into account interests disclosed by directors and whether the director:

- is a substantial shareholder of the Company (being a shareholder who has a relevant interest in more than 5% of the shares in the Company) or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- is employed, or has previously been employed in an executive capacity by the Company or its subsidiaries, and there has not been a period of at least three years between ceasing such employment and serving on the Board; or
- has within the last three years been a principal of a material professional adviser or a material consultant to the Company or its subsidiaries, or an employee materially associated with the services provided;
- is a material supplier or customer of the Company or its subsidiaries, or an officer or otherwise associated directly or indirectly with a material supplier or customer; or
- has a material contractual relationship with the Company or its subsidiaries other than as a director.

Director competencies

The Committee shall:

- implement a plan for identifying, assessing and enhancing director competencies, to ensure that the Board comprises directors who possess an appropriate range of skills and expertise; and
- develop and implement continuing education to ensure that directors update and enhance their skills and knowledge, including in relation to key developments in the Company and the industry and environment within which it operates.

Commitment of the Board

Regularly review the time required by a director to effectively undertake his or her Board responsibilities (and Board committee responsibilities, where relevant) and determine whether each director is meeting that requirement after identifying and considering details of that director's other commitments.

All non-executive directors are required to notify the Board before accepting any other material directorship, or any other position with a significant time commitment attached.



Selection and appointment of new directors

The Committee shall:

- develop and implement processes to identify suitable candidates for nomination or appointment to the Board, including maintaining a board skills matrix and engaging external consultants or specialists to provide advice or services; and
- Ensure that the Company complies with the requirements of its constitution, the ASX Listing Rules and the Corporations Act 2001 (Cth) (the "Corporations Act") in relation to the appointment, re-election and retirement or removal of directors.

When considering new candidates for nomination or appointment to the Board, take into account:

- the candidate's competence and qualifications;
- independence;
- the range of skills, experience and expertise on the Board to identify the skills that will best increase the effectiveness of the Board;
- the existing structure and composition of the Board in light of the criteria outlined in the Charter;
- any candidate's ability to devote the time required by a director to effectively undertake his or her Board responsibilities (and Board committee responsibilities, where relevant) after identifying and considering details of the candidate's other commitments; and
- the extent to which the appointee is likely to work constructively with the existing directors and contribute to the overall effectiveness of the Board.

Prior to appointment or being submitted for re-election, non-executive directors should specifically acknowledge that they have sufficient time to meet what is required of them by the Company.

Induction

The Committee shall develop and implement induction procedures to allow new directors to participate fully and actively in Board decision-making at the earliest opportunity, and to enable new directors to gain an understanding of:

- the industry within which the Company operates;
- the Company's financial, strategic, operational and risk management position;
- the culture and values of the Company;
- the rights, duties and responsibilities of directors;
- the roles and responsibilities of the Executive Management and its subsidiaries;
- the role of the Company's Board committees;
- meeting arrangements; and
- director interaction with each other, Executive Management and other stakeholders.

Succession planning

The Committee shall develop, implement and review the Company's succession plans in place for membership of the Board and other Executive Management, to ensure that these plans work to maintain an appropriate balance of skills, experience and expertise at the Company.

Evaluation and re-appointment of directors

The Committee shall develop and implement processes for evaluating the performance of the Board, Board committees and individual directors.

Ensure that proper consideration is made in respect of the election of directors and that the notice of meeting in relation to the election of the director provides sufficient information to enable shareholders to make an informed choice about who should be elected as a director. The notice should set out a range of matters about the person recommended for election as a director, including the matters required by the ASX Corporate Governance Council.

Identify the order of retirement by rotation of directors.

Gender Diversity

The Committee shall set the measurable objectives in respect of gender diversity throughout the Company and ensure progress against these objectives is assessed on an annual basis.

Annual Reporting

The Committee shall review and assist the preparation of the board composition and structure disclosures made in the corporate governance section of the Company's annual report for consistency with the principles of the ASX Corporate Governance Principles.

Remuneration Duties and Responsibilities

Remuneration

The purpose of the Committee is to assist the Board in satisfying its responsibilities to the Company's shareholders, by reviewing and approving a remuneration policy for executive directors, Executive Management and other KMP. Ensuring that it:

- balances the Company's desire to attract and retain executive directors, Executive Management and other KMP against its interest in not paying excessive remuneration;
- provides an appropriate balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the Company's circumstances, goals and risk appetite;
- clearly distinguishes the structure of non-executive director remuneration from that of executive directors, Executive Management and other KMP, as to ensure non-executive directors remain independent;
- motivates executive directors, Executive Management and other KMP to pursue the short and long-term growth and success of the Company, including (where appropriate) policies on the clawback or cancellation of performance related remuneration; and
- demonstrates a clear relationship between executive directors', Executive Management's and other KMP's performance and remuneration.

The Committee is also responsible for reviewing and reporting to the Board on:

- the ongoing appropriateness and relevance of the remuneration policy;
- all relevant legal requirements regarding disclosure of remuneration, in all forms, are compiled with;
- the Company's policies and practices relating to recruitment, training, retention and promotion, review and appraisal of performance and termination of employment of executive directors, Executive Management and other KMP;
- whether there is any bias in the remuneration for directors and Executive Management, in particular in relation to gender; and
- appointing remuneration consultant(s) for the Company and receiving, reviewing and considering their recommendation(s).

When making the recommendations to the Board the Committee shall:

- consider the ASX Corporate Governance Principles in respect of executive remuneration packages and non-executive director remuneration set out under Principle 8 of the ASX Corporate Governance Principles; and
- ensure that both cash and equity-based remuneration is structured in accordance with the thresholds and restrictions under Company's constitution, the ASX Listing Rules and the Corporations Act.

In carrying out their Committee duties, individual Committee members should not make recommendations in relation to their own remuneration.

Executive Directors and Executive Management

The Committee must review and approve the proposed remuneration (including incentive awards, equity awards and service contracts) of each executive director and Executive Management.



Non-executive Directors

The Committee must:

- consider and make recommendations to the Board on the remuneration for each non-executive director (including the Chairman) (as distinct from the remuneration structures of executive directors and Executive Management and other KMP) having regard to the remuneration policy and the maximum remuneration determined by the Company's shareholders;
- review the on-going appropriateness and relevance of the remuneration policy for non-executive directors;

Short Term Incentive Plans ("STI Plans")

Insofar as they impact on the executive directors, Executive Management or other KMP, the Committee will review and approve:

- the underlying principles of, and determine targets or performance conditions for all STI plans; and
- the total proposed payments from all such plans.

Long Term (Equity-based) Incentive Plans ("LTI Plans")

The Committee will monitor and review:

- the underlying principles of all LTI Plans for approval by the Board and the Company's shareholders;
- all LTI Plans in light of legislative, regulatory, and taxation requirements and market developments;
- for each LTI Plan, all awards which are proposed under that plan with a view to ensuring compliance with the rules of the relevant plan and the policies of the Committee and the Board in respect of that plan;
- the total proposed awards under each LTI plan;
- the life of each grant of award;
- the conditions of grant and vesting applicable to each incentive instrument issued under a LTI Plan;
- amendments to the rules which are proposed for approval, as permitted under the rules of the plans; and
- the proposed exercise of any discretion under a plan and make such determinations as required to be made under the rules of each plan.

Employee benefits and other policies

The Committee will:

- make recommendations to the Board with respect to the implementation and operation of other equity-based incentives or employee benefits; and
- ensure that incentive schemes are designed around appropriate performance benchmarks that measure relative performance and provide rewards for materially improved company performance.
-

Performance

The Committee will:

- develop and implement a plan for identifying, assessing and enhancing competencies of executive directors and KMP; and
- ensure that the performance of each executive director, Executive Management and other KMP is evaluated at least annually.



Remuneration Consultants

If the Board is considering retaining a remuneration consultant to provide advice to the Board, the Committee must:

- i. approve the remuneration consultant prior to binding documentation being entered into between the Company and the remuneration consultant;
- ii. ensure that the remuneration consultant is sufficiently independent and the Committee has set aside sufficient time to ensure such independence;
- iii. review the appointment of the remuneration consultant each year having regard to their independence, their competence to provide unbiased advice to the Company, their consultancy fees and any questions of resignation or dismissal; and
- iv. report to the Board each year on the performance of the remuneration consultant.

Superannuation

The Committee will ensure that the Company carries out its obligations in respect of superannuation, retirement benefits and other related benefits and entitlements.

Annual Reporting

The Committee will:

- i. review the remuneration report included in the Company's annual report and make recommendations to the Board; and
- ii. review the remuneration policy disclosures made in the corporate governance section of the Company's annual report for consistency with the remuneration principles of the ASX Corporate Governance Principles

Termination Payments

The Committee will review termination payments for executive directors, Executive Management and other KMP to ensure that they are consistent with the rules of any incentive scheme and the remuneration policy, and that any payments are fair to the individual, and to the Company, and that failure is not rewarded and the duty to mitigate loss is fully recognised.

6. Reporting to the Board

The chairman of the Committee (or a person nominated by the chairman of the Committee for that purpose) must report to the Board at its next meeting on all material matters and recommendations relevant to the Committee's duties and responsibilities. Where any Committee member has a contrary view to a Committee decision, that view is to be reported to the Board.

In accordance with the requirements of the ASX Listing Rules and the Corporations Act, the Company will disclose annually in its annual report details of the nature and amount of remuneration paid to each director, Executive Management and other KMP of the Company. The disclosure will include the payment of any non-monetary incentive components such as options or performance rights. In addition, the Company will disclose details of other agreements with directors, Executive Management and other KMP in accordance with the requirements of the ASX Listing Rules and the Corporations Act.



7. Authority

The Committee is generally authorised (within the scope of its responsibilities) to:

- i. consult with and seek any information from any director or employee of the Company, or any external party;
- ii. at the Company's expense, consult with and seek any advise from the Company's financial and legal advisors; and
- iii. require the attendance of any of the Company's employees at a Committee meeting.

8. Review

This Charter will be reviewed by the Board annually, to ensure that it continues to reflect the letter and spirit of all applicable laws and regulations and the Company's commitment to its staff and the community.