

RIVERSDALE RESOURCES LIMITED

(the "Company")

REMUNERATION AND NOMINATION COMMITTEE CHARTER

ADOPTED ON 20 FEBRUARY 2013

1. GENERAL

The board of the Company (**Board**) has established the Remuneration and Nomination Committee (**Committee**). The Remuneration and Nomination Committee is part of the Board and exercises its authority, and is accountable to the Board for its performance. This Committee and the functions it performs do not diminish the ultimate responsibility of the Board.

The Remuneration and Nomination Committee Charter will be reviewed annually. Any proposed changes will be recommended to the Board for approval.

2. THE ROLE OF THE COMMITTEE

The role of the Committee includes assisting the Board with:

- reviewing, assessing and making recommendations on the desirable competencies of the Board;
- assessing management and Board performance;
- developing succession plans for the Board and overseeing the development of succession planning in relation to management;
- the recruitment and appointment of Directors to the Board and oversight of the selection and appointment practices for management;
- determining appropriate remuneration policies (including any employee incentive plans); and
- membership of Board committees.

Many of the principles and procedures recorded in this Charter are expressed in a flexible and non-exhaustive manner. The Board and Committee believe that it is appropriate and necessary to adopt such an approach in order to respond to changing business circumstances, the needs of shareholders and external regulatory developments.

The Committee may delegate all or a portion of its responsibilities to a subcommittee of the Committee.

3. COMPOSITION OF THE COMMITTEE

The Committee will consist of a minimum of three members of the Board and where possible will consist of a majority of independent Directors.

The Board Charter states:

The Board considers an independent director to be a non-executive director who is not a member of management and who is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement.

The Chairman of the Committee will be appointed by the Committee.

The Board may appoint additional Directors to the Committee or remove and replace members of the Committee by resolution. Members may withdraw from membership by written notification to the Board.

The Board will review the membership of the Committee at least once in each year. The Committee may make recommendations to the Board in relation to the Committee's membership.

4. **MEETINGS OF THE COMMITTEE**

The Committee will meet at least once annually, and more frequently if it is deemed necessary to fulfil its role.

The Committee may invite any person to attend all or part of a meeting of the Committee.

The quorum is two members of the Committee.

Any member may, and the Company Secretary will upon request from any member, convene a meeting of the Committee.

Notice will be given to every member of the Committee, of every meeting of the Committee, at the member's advised address for service of notice (or such other pre-notified interim address where relevant). However, there is no minimum notice period and acknowledgement of receipt of notice by all members is not required before the meeting may be validly held.

The Company Secretary will attend all Committee meetings to take minutes. After approval by the Chairman of the Committee, the minutes will be presented at the next Board meeting. All minutes of the Committee must be entered into a minute book maintained for that purpose and be open at all times for inspection by any Director.

5. **REPORTING**

The Chairman of the Committee will prepare a written report of the actions of the Committee (**Report**). The Report will be included in the Board papers for the Board meeting next following a meeting of the Committee. The report will include Committee meeting agendas, papers and minutes.

The Chairman of the Committee will also, if requested, provide a brief oral report on any material matters arising out of a Committee meeting. All Directors will be permitted, during a Board meeting, to request information from the Chairman of the Committee or members of the Committee.

6. **ACCESS TO RESOURCES AND INDEPENDENT ADVISERS**

The Committee will have access to adequate resources to fulfil its responsibilities.

The Committee may obtain information from, and consult with, management.

The Committee may seek the advice of independent advisers on any matter relating to the powers, duties or responsibilities of the Committee.

7. **RESPONSIBILITIES OF THE COMMITTEE – NOMINATION**

In the area of nomination the key responsibilities of the Committee are to:

- review and recommend to the Board the size and composition of the Board;
- review, assess and recommend to the Board the desirable competencies of Board members;
- develop succession plans for the Board and oversee the development of succession planning in relation to senior management;
- assist the Board to identify individuals who are qualified to become Board members (including in respect of executive Directors), in accordance with the policy outlined in section 8;
- review and recommend to the Board membership of the Board, including recommendations for the appointment and re-election of Directors, and where appropriate propose candidates for consideration by the Board (subject to the principle that a Committee member must not make a recommendation to the Board in respect of themselves);
- review and recommend to the Board membership of the Board committees;
- assist the Board to assess Board performance, and the performance of Board committees and individual Directors;
- review and make recommendations in relation to any corporate governance issues as requested by the Board from time to time;
- review the time expected to be devoted by non-executive Directors to the Company's affairs; and
- develop and review an effective induction process.

8. **THE POLICY AND PROCEDURE FOR THE SELECTION AND APPOINTMENT OF NEW DIRECTORS**

The factors to be assessed when considering a potential candidate for appointment to the Board include (without limitation):

- the skills, experience, expertise and personal qualities that will best complement the effective operation of the Board;
- the capability of the candidate to devote the necessary time and commitment to the role (this involves a consideration of matters such as other Board or executive appointments); and
- potential conflicts of interest and independence.

Detailed background information in relation to a potential candidate should be provided to all Directors.

The identification of potential Director candidates may be assisted by the use of external recruitment agencies.

An offer of a Board appointment must only be made by the Chairman after all Directors have been consulted, with any recommendations from the Committee having been circulated to all Directors.

All new Board appointments should be confirmed by letter in the standard format as approved by the Board or the Committee from time to time.

9. **RESPONSIBILITIES OF THE COMMITTEE – REMUNERATION**

In the area of remuneration the key responsibilities of the Committee are to:

- review and recommend arrangements for the executive Directors and the executives reporting to the Managing Director (**MD**), including contractual terms, annual remuneration and participation in any short or long term incentive plans;
- review and recommend remuneration arrangements for senior management including contractual terms, annual remuneration and participation in any short or long term incentive plans;
- review major changes and developments in the Company's remuneration, recruitment, retention and termination policies and procedures for senior management;
- review the senior management performance assessment processes and results;
- review and approve short term incentive strategies, performance targets and bonus payments;
- review and recommend to the Board implementation of, or any major changes/developments to, employee equity incentive plans;
- recommend whether offers are to be made under any or all of the Company's employee equity incentive plans in respect of a financial year;
- in respect of any employee equity incentive plans that are put in place:
 - review and determine the performance hurdles applicable to the executive Directors, the executives reporting to the MD and senior management;
 - review and approve the proposed terms of, and authorise the making of, offers to eligible employees of the Company, including determining the eligibility criteria applying in respect of an offer, in respect of a financial year;
 - review and approve, within the parameters of the plans, amendments to the terms of existing plans;
 - review and approve the terms of any trust deed applying in relation to the plans and of any amendment to any such trust deed, including authorising the execution of any such trust deed or amending deed on behalf of the Company; and
 - administer the operation of the plans, including but not limited to determining disputes and resolving questions of fact or interpretation concerning the various plans.

- review and recommend to the Board the remuneration arrangements for the Chairman and the non-executive Directors of the Board, including fees, travel and other benefits;
- be satisfied that the Board and management have available to them sufficient information and external advice to ensure informed decision-making regarding remuneration;
- review and recommend to the Board the remuneration report prepared in accordance with the *Corporations Act 2001* (Cth) for inclusion in the annual directors' report; and
- review and facilitate shareholder and other stakeholder engagement in relation to the Company's remuneration policies and practices.

10. **REMUNERATION POLICY**

In discharging its responsibilities, the Committee must have regard to the following policy objectives:

- to ensure the Company's remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders;
- to attract and retain skilled executives;
- to structure short and long term incentives that are challenging and linked to the creation of sustainable shareholder returns; and
- to ensure any termination benefits are justified and appropriate.

In the discharge of the Committee's responsibilities, no Director or executive should be directly involved in determining their own remuneration.

The Committee must at all times have regard to, and notify the Board as appropriate of, all legal and regulatory requirements, including any shareholder approvals which are necessary to obtain.

The Committee chair or if they are not available, a Committee member should attend the Annual General Meeting and make themselves available to answer any questions from shareholders about the Committee's activities or, if appropriate, the Company's remuneration arrangements.