

Remuneration Policy

1. SUMMARY

Emmerson Resources Limited (**Company**) recognises the importance of ensuring that directors, officers and employees are remunerated fairly and transparently and in a manner which, to the extent practicable, aligns their interests and incentives with growth in long term shareholder value, having regard to the size of the Company and its stage of development.

This Remuneration Policy (**Policy**) sets out the general principles which the board of directors (**Board**) will adopt in setting the remuneration of directors, officers and employees.

2. POLICY PRINCIPLES

The main principles underpinning the Policy are that the remuneration paid by the Company:

- is clearly aligned with Emmerson’s values, culture and corporate strategy;
- supports the attraction, engagement and retention of high quality personnel;
- is equitable and flexible and ensures equality of pay between genders for comparable roles;
- appropriately reflects market conditions and organisational context;
- recognises individual performance and competency, rewarding individuals for achieving high performance;
- to senior executives, having regard to the size and stage of development of the Company, should be weighted more towards incentive amounts which achieve a high degree of alignment with shareholder value creation; and
- to senior executives should include an appropriate proportion linked to specific financial and non-financial performance criteria, if appropriate.

3. NON-EXECUTIVE DIRECTOR REMUNERATION

Non-Executive Directors are normally remunerated by way of fees at commercial market rates for comparable companies for their time, commitment and responsibilities. Remuneration may be in the form of cash, non-cash benefits, superannuation contributions or salary sacrifice into equity, or a combination of these.

Notwithstanding the ASX’s Corporate Governance Council’s Principles and Recommendations to the contrary, given the size of the Company and its stage of development, it is considered appropriate for Non-Executive Directors to participate in the Company’s incentive option plan, subject to approval by Shareholders.

Shareholder approval must be obtained in relation to the overall limit set for Non-Executive Directors’ fees.

The maximum aggregate remuneration approved by shareholders for Non-Executive Directors is currently \$250,000 per annum. The Directors set the individual Non-Executive Directors fees within the limit approved by shareholders.

Non-Executive Directors are not provided with retirement benefits.

4. EXECUTIVE DIRECTORS AND SENIOR EXECUTIVES

Executive Directors and Senior Executives receive a base remuneration which is market related and may be entitled to performance-based remuneration which is determined on an annual basis.

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Approved:	Date:	Comments:
By Board	14 March 2023	

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

Executive remuneration and other terms of employment are reviewed annually by the Board having regard to the performance and relevant comparative information and, if required, may include independent expert advice.

The total remuneration of executives consists of the following:

- a) salary – executives receive a fixed sum payable monthly;
- b) option component – executives may participate in share and option schemes generally made in accordance with thresholds set in plans approved by shareholders if deemed appropriate. However, the Board considers it appropriate to retain the flexibility to issue shares and options to executives outside of approved schemes in exceptional circumstances; and
- c) other benefits – executives may, if deemed appropriate by the Board, be provided with a fully expensed mobile phone and other forms of remuneration

5. INCENTIVE OPTION PLAN

The Company has an Incentive Option Plan (**Plan**) which was last approved by Shareholders at the Annual General Meeting held on 29 January 2021. The purpose of the Plan is to give employees, directors and officers of the Company an opportunity, in the form of options, to subscribe for shares in the Company. The directors consider the Plan will enable the Company to retain and attract skilled and experienced employees, board members and officers and provide them with the motivation to contribute to the success of the Company. Where appropriate, performance hurdles will be set for options that align the short-term and long-term interests of the Company with those of the individual employee, senior executive or director.

Participation in the plan and any vesting criteria is at the Board's discretion and no individual has a contractual right to participate in the Plan or to receive any guaranteed benefits. Any options issued to directors of the Company are subject to Shareholder approval.

6. POLICY REVIEW

This policy is to be reviewed by the Board at least every two years.

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