

NELSON RESOURCES LIMITED
127 620 482
(COMPANY)

REMUNERATION AND NOMINATION COMMITTEE CHARTER

1. Membership

- 1.1. The Committee shall be appointed by the Board from among the Non-Executive Directors of the Company and shall consist of not less than three members with the majority being independent Directors where possible.

2. Chairman

- 2.1. The Committee shall appoint an independent Director as the Chairman of the Committee ("**Chairman**").

3. Secretary

- 3.1. The Company Secretary shall be the Secretary of the Committee ("**Secretary**").

4. Quorum

- 4.1. A quorum shall be two members.

5. Meeting Frequency

- 5.1. Committee meetings will be held not less than once a year to enable the Committee to undertake its role effectively.

6. Reporting Procedures

- 6.1. The Secretary shall circulate the minutes of the meetings of the Committee to all members of the Committee for comment and change before being signed by the Chairman and circulated to the Board with the Board papers for the next Board meeting. The minutes are to be tabled at the Board meeting following the Committee meeting along with any recommendations of the Committee.

7. Duties

The duties of the Committee are set out below.

7.1. Remuneration Duties

The remuneration duties of the Committee are to:

- (a) assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and policies including incentive policies for Directors and senior executives;
- (b) assess the market to ensure that senior executives are being rewarded commensurate with their responsibilities;
- (c) obtain the best possible advice in establishing salary levels;
- (d) set policies for senior executives' remuneration;
- (e) review the salary levels of senior executives and make recommendations to the Board on any proposed increases;
- (f) propose, for full Board approval, the terms and conditions of employment for the Managing Director;
- (g) review the Company's recruitment, retention and termination policies and procedures for senior management;

- (h) review and make recommendations to the Board on the Company's incentive schemes; and
- (i) review and make recommendations to the Board on the Company's superannuation arrangements.

7.2. Nomination Duties

The nomination duties of the Committee are to:

- (a) develop and regularly review a policy on Board structure;
- (b) develop criteria for Board membership;
- (c) identify and screen specific candidates for nomination;
- (d) ensure there is an appropriate induction and orientation program in place;
- (e) make recommendations to the Board for Committee membership;
- (f) ensure there is an appropriate Board succession plan in place;
- (g) ensure the regular review of performance of the Board and its members;
- (h) develop with Directors an appropriate training and development program;
- (i) oversee management's succession planning including the Managing Director and his or her direct reports;
- (j) assist the Chairman in advising Directors about their performance and possible retirement;
- (k) review the policy in respect of tenure, remuneration and retirement of Directors; and
- (l) review this Charter annually.