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## Remuneration Policy

### Alta Zinc Limited ABN 63 078 510 988 (Company)

The Company chooses to remunerate and reward its directors, officers and employees in accordance with the following Policy.

Emoluments of directors and executives are reviewed on annual basis and are set by reference to employment market conditions, payments made by other companies of similar size and industry, and by reference to the skills and experience of the directors and executives.

Key management personnel (**KMP**) or closely related parties of KMP are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.

### Non-executive Directors

The Group's policy is to remunerate non-executive directors at a fixed fee for time, commitment and responsibilities. Remuneration for non-executive directors is not directly linked to individual performance. Given the Group is at an early stage of development and the financial restrictions placed on it, the Group may consider it appropriate to issue unlisted options to non-executive directors, subject to obtaining the relevant approvals. This Policy is subject to annual review. All of the non-executive directors' option holdings are fully disclosed. The grant of options is designed to conserve cash reserves and attract and retain suitably qualified non-executive directors.

The Company's *Constitution* and the ASX listing rules specify that the non-executive director fee pool (including superannuation payments) shall be determined from time to time by a general meeting of shareholders. The board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable by shareholders.

The amount of aggregate remuneration sought to be approved by shareholders, and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers fees paid to non-executive directors of comparable companies when undertaking the annual review as well as the additional time commitment of director's who serve on one or more sub committees.

Non-executive directors do not currently receive additional remuneration for their membership of subsidiary boards or committees.

Non-executive directors are encouraged by the board to hold shares in the Company.

### Executives

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- reward executives for company and individual performance;
- align the interests of executives with those of shareholders;
- link reward with the strategic goals of the Company; and
- ensure total remuneration is competitive by market standards.

Executives are offered a competitive level of base pay at market rates (for comparable companies) and are reviewed annually to ensure market competitiveness.

Executive pay and reward consists of a base salary and incentives. Long-term incentives may include options over unissued ordinary shares granted at the discretion of the Board and where applicable, subject to obtaining the relevant shareholder approvals. The grant of options is designed to recognise and reward efforts as well as to provide additional incentive and may be subject to the successful completion of service conditions.

The *Remuneration Policy* aims to align the objectives of shareholders and the Company with that of executives through the issue of options over unissued shares. The granting of options is not subject to specific performance criteria, however, when granting options the terms of the options are designed to provide an incentive that will contribute to increasing shareholder wealth.

This is undertaken by determining an exercise price that exceeds the underlying share price at the date of grant and through vesting conditions that require a period of continuous employment. Remuneration of KMP is not dependent on company performance as the nature of the Company's operations is exploration and therefore not currently profit generating.

Executive remuneration comprises of four components:

- base pay and benefits;
- short-term incentives;
- other remuneration such as statutory superannuation; and
- long-term incentives through equity based compensation.

#### *Base pay and benefits*

Base pay is structured as a total employment cost package that may be delivered as a combination of cash and salary sacrifice superannuation at the executives' discretion. Executives are offered a base pay. Base pay is reviewed annually to ensure the executives' pay is competitive with comparable positions of responsibility. This review may utilise external advisors to provide information on industry benchmarks. There is no guaranteed base pay increases included in any executive contracts.

Executives are entitled to receive car parking benefits as a component of their base pay remuneration.

#### *Variable Remuneration – Short-term Incentives*

The Company's *Remuneration Policy* permits the payment of short-term incentives to executives. However, any incentive paid to executives is at the absolute discretion of the full Board in its capacity as the Remuneration Committee and the Company has no contractual commitments to provide these incentives to executives. The Company does not presently pay any short-term incentives and accordingly, it has not adopted a "clawback" policy in relation to short-term incentives.

#### *Variable Remuneration - Long-term Incentives*

On 30 November 2018, shareholders approved by the Alta Zinc Limited *Employee Incentive Plan (Plan)*. Under the Plan, the Board may at its discretion grant incentives to eligible employees and consultants for no consideration and determine the terms on which the incentives are granted. Where incentives are granted with vesting conditions, unless the Board determines otherwise, unvested incentives are forfeited when the holder ceases to be employed by the group.

Under the Plan, if a person's employment or consultancy is terminated for cause, that is due to circumstances including fraud or dishonesty, intentional and material misapplication of the funds of any group company or any act of wilful and material malfeasance or gross negligence in the performance of duties then:

- (a) if all relevant vesting conditions have been met or if no vesting conditions are imposed, the right to exercise any unexercised incentives held by the person is immediately suspended for a period of 14 days, during which period the Board may determine to lift the suspension or, if the Board does not determine to lift the suspension the incentive will automatically lapse at the end of the 14-day period; or
- (b) if any relevant vesting condition has not been met, the incentives will automatically lapse on the date the employment or consultancy ceases, subject to the discretion of the Board to determine otherwise.

Under the Plan, if in the opinion of the Board, an employee or consultant who holds incentives acts fraudulently or dishonestly or is in breach of his or her obligations to any group company, then the Board may deem any unexercised incentives to have lapsed (whether or not their employment or consultancy has terminated).

It is the Board's policy that Participants in the Plan, are prohibited from entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the Plan.