

# Remuneration Policy

## General Purpose and Objectives

Alligator Energy Limited (AGE or the Company) recognises the need to pay director remuneration that is sufficient to attract and retain high quality directors and to design executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for shareholders.

The purpose of this policy is to outline the principles that will be applied and the accountability for determining fair and responsible remuneration practices are adopted by AGE.

In determining remuneration the Company has the objective of Comply with all relevant legal and regulatory provisions.

## Principles

### (i) Executive remuneration

The executive remuneration process should align business objectives with specific and measurable individual objectives and targets. Performance by individual employees or contractors against these objectives is assessed annually.

The Board Remuneration Committee or full Board has the discretion to obtain independently assessed remuneration information for comparative purposes.

Salary reviews and short-term incentives (STIs) are determined by assessing performance against annually agreed KPIs. Long-term incentives (LTIs) are assessed against the Company's objective of discovering a deposit that has the potential to contain 100m pounds of uranium oxide.

### Remuneration process

Employee remuneration is reviewed annually and is based on the employee's relative performance against the goals and individual objectives that have been set for them for the year under review.

### Remuneration components

Executive and staff remuneration comprises:

- **fixed remuneration** - this is the component of total remuneration specified in an employee's or contractor's contract of employment and any subsequent periodic salary reviews. It is exclusive of superannuation contributions.
- **variable (incentive) payments** - contracts for executive level employees and contractors include a component of remuneration linked to short-term incentives (STIs) and long-term incentives (LTIs). Policies defining STIs and LTIs are

established by the Board Remuneration Committee or full Board and reviewed on an annual basis.

### **Employee Share Option Plan**

AGE employees have the opportunity to participate in the Employee Share Option Plan (ESOP). The ESOP is designed to link employee rewards with the strategic goals and performance of the Company, consistent with the generation of shareholder returns. This ESOP is used for the short-term and long-term incentives.

### **Short-term incentives (STIs)**

STIs are calculated as a percentage of an employee's fixed remuneration. The Board Remuneration Committee or full Board determines the maximum percentage that is available to executives in a range of 15-50% of their annual fixed remuneration. The percentage approved for each executive is then linked to zero strike priced options under the terms of the shareholder approved ESOP.

Performance is measured against allocated responsibilities and agreed KPI targets. Individual performance against the measures is assessed and the approved determination results in the vesting of a proportion or all of the zero strike priced options.

### **Long-term incentives (LTIs)**

LTIs are calculated as a percentage of an employee's fixed remuneration. The Board Remuneration Committee or full Board determines the maximum percentage that is available to executives in a range of 15-50% of their annual fixed remuneration. The percentage approved for each executive is then linked to zero strike priced options under the terms of the shareholder approved ESOP with a term of three years.

Performance is measured against the strategic goal of the Company to discover a deposit that has the potential to contain 100m pounds of uranium oxide or progression of the Company's exploration projects to a point where a takeover offer is received. Achievement of the Company's strategic goals will result in the LTIs vesting.

- **Superannuation**

AGE employees within Australia are required to elect a registered superannuation accumulation fund. If no election is received then the Company will use SunSuper as the default Fund. Contributions by the Company are funded at the Superannuation Guarantee Levy contribution rate, currently 9.5 percent of an employee's fixed annual remuneration.

### **(ii) Non-executive director remuneration policy**

Total remuneration for non-executive directors is determined by resolution of shareholders. The maximum aggregate remuneration approved for directors is currently \$250,000.

AGE's non-executive directors receive a fee for being a director. No additional fees are paid to directors for participating on Board Committees. Non-executive directors' fees are reviewed from time to time and are determined by the Board based on internally conducted market assessments or by comparative advice received from independent advisers. Non-executive

director fees are not performance linked. However, to align director interests with shareholder interests, a Directors Fee Plan has been developed and approved by shareholders. This Fee Plan is optional and allows directors to elect the conversion of some or all of their fee entitlements into shares at the weighted average share price at the end of each quarter. Directors are encouraged to participate in the Fee Plan.

#### **Performance based remuneration**

Non-executive directors are not entitled to receive performance based remuneration.

#### **Termination payments**

Non-executive directors are not entitled to retirement benefits other than any unpaid superannuation entitlements under the superannuation guarantee levy.

#### **Non-executive director retirement benefits**

Non-executive directors receive a superannuation guarantee contribution required by government regulation which is currently 9.5 percent of their fees, and do not receive any other retirement benefits.

#### **(iii) Advisers**

The Board Remuneration Committee also determines actual payments to all directors and reviews director remuneration from time to time and is able to obtain independent external advice with regards to market practices, relativities and the duties and accountabilities of directors.

#### **Accountability**

The Board retains ultimate accountability for this Policy and will only delegate responsibility for reviewing and implementing this Policy to the Remuneration Committee once it is of a size and scale to justify such a Board Sub-Committee.

The Company's Corporate Governance Charter sets out the purpose and responsibility of the Remuneration Committee in Section D.

The Charter for the Remuneration Committee requires specific approval of the following:

- (1) changes to the remuneration or contract terms of the Chief Executive Officer and direct reports to the CEO;
- (2) the design of new, or amendments to current, equity plans or executive cash-based incentive plans;
- (3) total level of award proposed from equity plans or executive cash-based incentive plans; and
- (4) termination payments to the CEO or direct reports to the CEO, including consideration of early termination, except for removal for misconduct, termination payments to other departing executives should be reported to the Committee at its next meeting.

Date approved: 13 March 2015