

Remuneration Committee Charter

1 Overview

The Board of NuCoal Resources Ltd (the **Company**) has established a Remuneration Committee (the **Committee**) to focus specifically on appropriate procedures and guidelines in relation to the remuneration of key management personnel of the Company and its subsidiaries (the **Group**). Key management personnel (**KMP**) are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group and other designated senior executives.

KMP comprise the Managing Director (**MD**), his direct management reports (collectively the **executive KMP**) and the non-executive directors of the Company.

This Charter clearly sets out the roles, responsibilities, composition and structure of the Committee.

2 Roles and Responsibilities

The Committee is primarily responsible for reviewing and making recommendations to the Board for:

- the remuneration structure of the Group;
- the remuneration arrangements for the Managing Director and other executive KMP;
- the terms and conditions of long-term incentives and short-term incentives for the Managing Director and other executive KMP (including setting short-term incentives); and
- the remuneration to be paid to Non-executive Directors.

The objective is to ensure that the remuneration policies and structures adopted by the Group are fair and competitive and aligned with the long-term interest of the Group. In doing this, the Remuneration Committee may seek advice from independent expert remuneration consultants where applicable.

The Group's remuneration guiding principle is to align remuneration with the creation of value for shareholders by attracting and retaining appropriately qualified and experienced employees who will contribute to the Group's success, and motivating them to achieve outstanding performance against the Group's business objectives. This guiding principle applies to employees at all levels, including non-executive directors and executive KMP.

2.1 Executive KMP Remuneration Policy

The Committee is to ensure that:

- executive KMP remuneration packages involve a balance between fixed and incentive pay, reflecting short and long term performance objectives which align with the Company's circumstances and objectives;

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- a proportion of executive KMP remuneration is structured in a manner designed to link reward to corporate and individual performances; and
- consider, adjust and recommend the quantum of bonuses to be paid to executive KMP, with final approval being the responsibility of the Board.

2.2 Non-Executive Directors Remuneration Policy

The Committee is to ensure that:

- non-executive directors are remunerated by way of fees and long term incentives;
- non-executive directors are not provided with retirement benefits; and
- fees paid to non-executive directors are within the aggregate directors’ fee pool limit, as approved by shareholders and make recommendations to the Board with respect to the need for increases to this aggregate amount at the Company’s annual general meeting. Fees paid to non-executive directors are reviewed annually by the Committee.

2.3 Extra Duties and Expenses

From time to time, the Board may ask individual directors to devote extra time or to undertake extra duties. Directors who undertake these tasks at the Board’s direction may receive payment for this work if agreed by Board resolution. Directors are also to be reimbursed for all Group business related expenses, including travel on Group business, as may be incurred in the discharge of their duties.

3 Incentive Plans and benefits programs

The Committee will:

- review and make recommendations concerning incentive compensation plans, including the use of share options and other equity-based plans. The Committee will act on behalf of the Board to administer equity-based and employee benefit plans, and as such will discharge any responsibilities under those plans, including making and authorising grants, in accordance with the terms of those plans;
- ensure that incentive plans have appropriate and realistic performance targets that measure relative performance and provide rewards when they are achieved; and
- continually review and if necessary recommend improvements to any existing benefit programs established for employees.

4 Approvals

Before implementing, the Committee will make a recommendation to the Board in relation to any of the following:

- any change to the remuneration or contract terms of the Managing Director;
- the design of any new equity plan or executive cash-based incentive plan, or the amendment of any existing equity plan or executive cash-based incentive plan;
- the total level of award proposed from equity plans or executive cash-based incentive plans; and

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- any payment to the Managing Director, other than payments made pursuant to a current employment agreement between the Company and the Managing Director.

5 Committee Composition

5.1 Membership

The ASX Corporate Governance Council recommends that the Committee be structured as follows:

- (a) the committee must have a minimum of three members;
- (b) all members should be non-executive directors;
- (c) the majority of directors are to be independent; and
- (d) the Committee chair is independent and is not the Chairman of the Board.

As the current Board comprises a majority of non-independent directors, the Committee composition does not currently adhere to the ASX guideline (c) above. The Board will continue to assess the composition of the Committee with respect to any changes to the composition of the Board.

The secretary of the Committee will be the Company Secretary, or such other person as nominated by the Board or the Committee from time to time.

If a Committee member retires, is removed or resigns from the Board, that member ceases to be a member of the Committee. The Board will appoint any successor.

5.2 Meetings

The Committee will meet as frequently as required in order to undertake its role effectively but must, at a minimum, meet twice a year. Special meetings may be convened as required.

Proceedings of all meetings will be minuted and kept by the Company Secretary. The minutes shall be signed by the Committee chair, and distributed to all Committee members and tabled at the next Board meeting for noting.

The Committee may invite other persons to its meetings as it deems necessary.

6 Access to information

6.1 Company Information and Personnel

The Committee is granted unrestricted access to all information of the Group and shall have right of access to:

- all levels of management; and
- the external auditors.

6.2 Independent Professional Advice

If a director wishes to seek independent professional advice at the Company's expense, he or she must obtain the permission of the Chairman. When doing so, the director should provide the Chairman with:

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- the reason for seeking the advice;
- the name of the person from whom the advice will be sought; and
- a quote from that person for the provision of the advice contemplated.

Upon receipt of the required information, the Chairman:

- must not unreasonably withhold permission to obtain the advice; and
- must inform the Board of the request as soon as possible.

Advice obtained at the Company's expense under these provisions must be made available to the Company.

7 Review

The Company Secretary, in conjunction with the Committee, will conduct an annual review of the Charter to ensure that it continues to reflect the current processes and guidance utilised when assessing the appropriate remuneration of non-executive directors and executive KMP.

The Board will approve any amendments to this Charter.

8 Publication of the Charter

This Charter is made available to all directors and staff of the Group and published on the Group's website www.nucoal.com.au.

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