



Minimum Shareholding Policy

Deterra Royalties Limited
ACN 641 743 348

Adopted by the Board on 27 April 2023

1 What is this Policy about?

The purpose of this policy is to strengthen the alignment of the interests of directors and executives of Deterra with the long-term interests of Deterra's shareholders by requiring non-executive directors (**NEDs**) and nominated executives to build a minimum shareholding in Deterra and maintain it during their tenure.

This Policy only intends to restrict disposal of shares by Deterra's executives. It does not require executives to buy Deterra shares on-market.

2 Minimum Shareholding

Deterra's NEDs and executives are required to hold a minimum shareholding in Deterra approximately equivalent to:

- NEDs – 100% of annual base fees (pre-tax);
- CEO – 100% of Total Fixed Remuneration (**TFR**);
- CFO – 80% of TFR; and
- Other nominated executives – that percentage set by the Board and notified to the executive from time to time.

For the avoidance of doubt, the minimum shareholding requirement for an unremunerated director is nil.

3 Timeframe

NEDs must reach the minimum shareholding within 3 years of appointment. Executives must reach the minimum shareholding within 5 years of appointment to a participating position.

4 Assessment

The Board will review the shares, share rights and performance rights held by NEDs and executives covered by this policy annually.

A minimum shareholding assessment will take into account:

- (a) fully paid shares;
- (b) vested performance rights and vested share rights; and
- (c) unvested performance rights and unvested share rights, where the only unsatisfied vesting condition relates to continuity of service.

The Company recognises that the value of Deterra shares will vary from time to time. For the purposes of calculating whether the minimum shareholding has been met, the assessment is based on the Company's share price at the time of purchase or satisfaction of non-service based vesting conditions of the relevant shares, share rights or performance rights, as the case may be, whichever occurs first.

Worked examples

If the CFO's TFR increases from \$500,000 to \$550,000 the CFO's minimum shareholding requirement will increase from \$400,000 to \$440,000 at the same time.

Examples of valuation for the purposes of minimum shareholding assessment,
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Security	Valuation
<i>10,000 Restricted Shares issued for nil consideration where Company share price on issue date was \$3.00</i>	<i>\$30,000</i>
<i>100,000 Unvested Performance Rights where Company share price on grant date was \$3.00, and vesting conditions relate to the Company's relative TSR</i>	<i>Nil</i>
<i>100,000 Vested Performance Rights where Company share price was \$3.00 on grant date and \$4.00 on vesting date</i>	<i>\$400,000</i>
<i>100,000 Unvested Share Rights where Company share price was \$3.00 on grant date, where the only vesting condition relates to continuity of service with the Company</i>	<i>\$300,000</i>
<i>100,000 Ordinary Shares acquired via conversion of Vested Performance Rights where Company share price was \$3.00 on Performance Right grant date, \$4.00 on Performance Right vesting date and \$5.00 on conversion date.</i>	<i>\$400,000</i>
<i>100,000 Ordinary Shares purchased historically on-market at \$3.00, where the Company's current share price is \$5.00</i>	<i>\$300,000</i>

5 Board Discretion

The Board retains discretion to vary the minimum shareholding level or duration of the accumulation period in respect of any individual taking into account matters such as:

- (a) recent changes in the annual base fees of a director or the TFR of an executive;
- (b) any restrictions on the acquisition of Deterra shares due to insider trading laws or Deterra's blackout periods; and
- (c) income tax or other financial obligations of a NED or executive.

The Board retains discretion to approve an executive's request to sell shares despite that executive not meeting the minimum shareholding threshold where sale proceeds are required to meet taxation liabilities associated with the shares, or exceptional circumstances apply.

6 Individual Responsibilities

NEDs and executives must adhere to insider trading laws and the Company's Securities Dealing Policy at all times. In particular, shares must not be traded while in possession of price sensitive information, or during defined blackout periods.

Directors must promptly notify the Company Secretary of any changes in their interests to allow the Company to satisfy its obligations under ASX listing rules.

7 Policy Review

This Policy will be reviewed periodically and updated when required.