

# Directors' Report

30 June 2019

## 2019 Remuneration Report (Audited)

This 2019 remuneration report outlines the remuneration arrangements in place for the directors and executives of the Company and the Group in accordance with the *Corporations Act 2001* and its *Regulations* (the Act). The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

### **(a) Basis of Disclosure**

For the purposes of this report, Key Management Personnel ("KMP") of the Group 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 Company. Up to 18 December 2016, the executives of Panoramic Resources Limited acted as the KMP of Panoramic Gold and the Company, with time allocated to the Group by each Panoramic KMP being accounted for by Panoramic Gold Pty Ltd ("Panoramic Gold").

**From 19 December 2016 and until at least 20 December 2019, the Board of Directors has delegated responsibility for the day-to-day operations and administration ("Services") of the Company and the Group to members of the "Executive Management Team", meaning personnel from Panoramic Resources Limited (ACN 095 792 288) ("Panoramic") under the 21 October 2016 "Management Agreement" between the Company and Panoramic.** The management fees payable to Panoramic during the period for the services provided to the Company and the Group are based on the daily rates for the Panoramic personnel who provide those services to the Company plus a mark-up of 28.6% to cover Panoramic's fixed office overheads.

**During 2017/18 and 2018/19, the members of the Executive Management Team, including the Chairman of the Company, have not received individual remuneration payments for their services to the Group. Instead, each executive's time for Services provided to the Group is charged by Panoramic in accordance with the Management Agreement.**

For the purposes of this report, from 1 July 2018 until the date of this report, the term 'executive' encompasses the senior executives of the Executive Management Team.

### **(b) Directors and Key Management Personnel disclosed in this Report**

#### **(i) Directors**

Peter Harold	Chairman (Non-Executive)
Peter Venn	Director (Non-Executive)
Paul Bennett	Director (Non-Executive)

#### **(ii) Senior executives of the Panoramic Executive Management Team**

Trevor Eton	Company Secretary and Chief Financial Officer
Boyd Timler	Chief Operating Officer ( <i>from 3 April 2019</i> )
John Hicks	General Manager - Exploration
Tim Mason	General Manager – Projects and Innovation
Rochelle Lampard	General Manager – Human Resources ( <i>from 1 October 2018</i> )

### **(c) Remuneration Committee**

Due to the size of the Board and the continued engagement of the Panoramic Executive Management Team, the Board of Directors of the Company has determined there are no efficiencies, at this time, of establishing a separate remuneration committee.

### **(d) Use of remuneration consultants**

Where appropriate, the Board seek advice from independent remuneration consultants to ensure the remuneration paid to the non-executive directors is appropriate and in line with the market. The Company did not receive independent remuneration advice during the financial year as defined under the *Corporations Amendment (Improving Accountability on Director and Executive Remuneration)*.

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

#### **(i) Fixed Remuneration**

##### ***Objective***

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 to shareholders. Currently, there is no direct correlation between a non-executive director's fixed remuneration and the Company's financial performance as the Company does not have a project that is in production and earning income.

##### ***Structure***

The Company's Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting of shareholders. An amount not exceeding the amount determined is then divided between the directors as agreed.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed from time to time. The Board considers fees paid to non-executive directors of comparable companies when undertaking the review process. Each director receives a fee for being a director of the Company. This fee is inclusive for each Board committee on which a director sits, if applicable.

The fees paid to non-executive directors for the period ending 30 June 2019 are detailed in Table 1 on page 27 of this report. Fees for the non-executive directors are determined within an aggregate directors' fee pool limit of \$250,000, which was last approved by the Company's then sole shareholder on 31 August 2016.

#### **(ii) Variable Remuneration**

The Company does not reward non-executive directors with variable remuneration. Any shares in the Company that are held by non-executive directors at the date of this report are separately purchased and held by each director and have not been issued by the Company as part of each director's remuneration package.

### **(f) Executive Remuneration**

##### ***Objective***

Currently, the Board has determined that the day to day running of the Company is best served by engaging the Services of the "Executive Management Team" under the "Management Agreement" with Panoramic.

Under the Agreement, the remuneration for the Services provided to the Company has been determined and agreed on a commercial basis between the Company and Panoramic, to be paid on a monthly basis in arrears on the presentation of a single tax invoice instead of individual amounts paid to each member of the Executive Management Team. The remuneration terms agreed under the Agreement were fixed for a two year period from 19 December 2016 (the day the Company was admitted to the Official List of ASX Limited) until 19 December 2018. Since 19 December 2018, the Agreement has been extended twice and is due to expire on 20 December 2019 unless mutually agreed by the Company and Panoramic to extend the Agreement for a further period.

### **(g) Employment contracts**

#### **(i) Non-Executive Chairman**

The Chairman, Peter Harold, is employed under a contract with Panoramic that commenced on 1 January 2010. Peter Harold provides management and administration services to the Company under the Management Agreement between the Company and Panoramic, as detailed on page 30 and in the 2019 Corporate Governance Statement ("Roles of the Chairman and Executive Management Team"). On 19 August 2019, Panoramic gave Peter Harold a 12 month notice of termination. At some time during this period he will leave Panoramic and will therefore no longer be an executive director of that Company.

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### (ii) Non-Executive Directors

All other non-executive directors are employed under a contract with the Company and conduct their duties under the following terms:

- The appointment of a non-executive director is in accordance with the Constitution of the Company, the *Corporations Act 2001* and the Company's charters and policies.
- A non-executive director is currently unable to be remunerated by way of equity or other incentive based remuneration. However, remuneration may be provided to a non-executive director in such a manner that the Board of directors decide (including by way of contribution to a superannuation fund on behalf of the non-executive director) and if any part of the fees of any non-executive director is to be provided other than cash, the Board of directors may determine the manner in which the non-cash component of the fees is be valued.
- A non-executive director is not remunerated by way of a commission on or a percentage of profits or a commission on or a percentage of operating revenue.
- All non-executive directors are entitled to be reimbursed for reasonable expenses incurred for performing their duties, including the cost of attending Board Meetings, travel, accommodation and entertainment where agreed to by the Company's Board of directors.
- A non-executive director may resign from his position and thus terminate his employment arrangement with the Company on written notice.
- The Company may ask for a non-executive director to resign, if, for any reason, the director becomes disqualified or prohibited by law from being or acting as a director or from being involved in the management of a company. Where termination with such cause occurs, the non-executive director is only entitled to that portion of remuneration which is fixed, and only up to the date of termination.

### (h) Details of Remuneration

**Table 1: Remuneration of Directors and Senior Executive Officers**

The remuneration in Table 1 of each named person is the total of fixed remuneration (base salary, superannuation and non-monetary benefits) and variable remuneration (short term and long term incentives).

Excluding the cash component of remuneration, the total remuneration shown is the amount expensed by the Company and does not, in every case, represent what each named individual ultimately received in cash.

2019	Short-term benefits			Post employment benefits	Long-term benefits	Share based payments				
	Name	Cash salary and fees	Bonus	Other	Super-annuation	Long Service Leave		Termination / Resignation payments	Total	Performance related
<b>Directors</b>										
P J Harold(a)	60,000	-	-	-	-	-	-	-	60,000	-
P J Venn	35,000	-	3,667	-	-	-	-	-	38,667	-
P W Bennett	35,000	-	3,667	-	-	-	-	-	38,667	-
	<b>130,000</b>	<b>-</b>	<b>7,334</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>137,334</b>	<b>-</b>

*Note:*

*For the period 1 July 2018 to 30 June 2019, in accordance with the Management Agreement between the Company and Panoramic, the Group incurred management fees amounting to \$331,000 for Services provided by the Executive Management Team. Of this amount, \$60,000 was incurred by the Group for Services provided by Peter Harold as a member of the Executive Management Team (inclusive of the 28.6% fixed office overhead). This amount was not payable to Peter Harold.*

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2018 Name	Short-term benefits			Post employment benefits	Long- term benefits	Share based payments	Termination / Resignation payments	Total	Performance related
	Cash salary and fees	Bonus	Other		Super- annuation	Long Service Leave			
<b>Directors</b>									
P J Harold (a)	62,000	-	-	-	-	-	-	62,000	-
P J Venn	35,000	-	3,446	-	-	-	-	38,446	-
P W Bennett	35,000	-	3,446	-	-	-	-	38,446	-
	<b>132,000</b>	<b>-</b>	<b>6,892</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>138,892</b>	<b>-</b>

Note:

- (a) For the period 1 July 2017 to 30 June 2018, in accordance with the Management Agreement between the Company and Panoramic, the Group incurred management fees amounting to \$439,000 for Services provided by the Executive Management Team. Of this amount, \$62,000 was incurred by the Group for Services provided by Peter Harold as a member of the Executive Management Team (inclusive of the 28.6% fixed office overhead). This amount was not paid to Peter Harold.

### (i) Details of share based compensation and bonuses

#### Options - 2018/19

No options for Horizon ordinary shares were granted during 2018/19.

#### Performance Rights to Shares - 2018/19

No performance rights to Horizon ordinary shares were granted as compensation to key management personnel during 2018/19.

### (a) Equity instrument disclosures relating to key management personnel

#### Share holdings

The number of shares in the Company held during the financial year by each director of Horizon Gold Limited and key management personnel of the Group, including their personally related parties, are set out below. There were no shares granted during the reporting period as remuneration.

2019 Ordinary shares	Balance at the start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at end of the year
<b>Directors</b>				
P J Harold	50,000	-	-	50,000
P J Venn	-	-	60,000	60,000
P W Bennett	100,000	-	-	100,000
	<b>150,000</b>	<b>-</b>	<b>60,000</b>	<b>210,000</b>

Notes:

- (a) Peter Harold is an employee and shareholder of Panoramic. As at 30 June 2019, Panoramic held a 51% interest in the Company comprising 39,030,617 ordinary shares
- (b) Peter Venn acquired an indirect interest in 60,000 fully paid ordinary shares via an on-market trade.

There were no loans to directors or other key management personnel at any time during the year ended 30 June 2019. There were no transactions involving key management personnel other than compensation and transaction concerning shares in Horizon as discussed in the remuneration report.

**This marks the end of the 2019 Remuneration Report.**

