

Remuneration and Nomination Committee

Charter

The Board of the Company has the power to authorise the formation of a Remuneration and Nomination Committee. In the event that the Board elects not to convene a separate Remuneration and Nomination Committee then the function of the Remuneration and Nomination Committee will revert to the Board.

1. Composition

The Remuneration and Nomination Committee shall be structured so that it has at least three members, the majority being independent Directors and is chaired by an Independent Director.

Where the Remuneration and Nomination Committee includes an executive director, they must not be involved in deciding their own remuneration and must be alive to the potential conflict of interest in being involved in setting the remuneration for other executives that may indirectly affect their own (e.g. through setting a benchmark or because of relativities).

From time to time, non-Remuneration and Nomination Committee members may be invited to attend meetings of the Remuneration and Nomination Committee, if it is considered appropriate.

2. Role

The function of the Remuneration and Nomination Committee is to assist the Board in fulfilling its corporate governance responsibilities with respect to remuneration and nomination matters by reviewing and making appropriate recommendations to the Board on:

Remuneration matters

- a) the Company's remuneration framework for directors;
- b) remuneration packages for senior executives;
- c) incentive and equity-based remuneration plans for senior executives and other employees, including the appropriateness of performance hurdles and total payments proposed to be made to senior executives;
- d) superannuation arrangements; and
- e) remuneration by gender.

Nomination matters

- a) examine the selection and appointment practices of the Company; and
- b) address Board succession issues and ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively, although the Board retains ultimate responsibility for these practices.

3. Operations

The Remuneration and Nomination Committee shall meet at least once a year and otherwise as required. Minutes of all meetings of the Remuneration and Nomination Committee must be kept. The minutes must be tabled at each subsequent meeting of the full Board, and a report of actions taken by the Remuneration and Nomination Committee also given by the Chair of the Remuneration and Nomination Committee at each subsequent meeting of the full Board. Remuneration and Nomination Committee meetings will be governed by the same rules as set out in the Company's Constitution, as they apply to meetings of the Board.

4. Responsibilities

4.1 Remuneration Matters

4.1.1 Responsibilities

The responsibilities of the Remuneration and Nomination Committee include a review of and recommendation to the Board on:

- a) the Company's Remuneration Policy;
- b) senior executives' remuneration and incentives;
- c) the remuneration framework for directors, including the process by which any pool of directors' fees approved by shareholders is allocated to directors;
- d) superannuation arrangements for directors, senior executives and other employees;
- e) termination payments;
- f) remuneration related reporting requirements, including disclosing a summary of the Company's policies and practices regarding the deferral of performance-based remuneration and the reduction, cancellation or clawback of performance-based remuneration in the event of serious misconduct or a material misstatement in the Company's financial statements;
- g) whether there is any gender or other inappropriate bias in remuneration for directors, senior executives or other employees;
- h) make recommendations to the Board as to appropriate measurable objectives for achieving gender diversity, and annually review those objectives and the Company's progress towards achieving them;
- i) review the Company's Diversity Policy at least annually and make recommendations to the Board as to any strategies required to address Board diversity; and
- j) review and report to the Board at least annually on the relative proportion of women and men at all levels of the economic group controlled by the Company.

4.1.2 Executive remuneration

In formulating the Company's Remuneration Policy and levels of remuneration for executives, the Remuneration and Nomination Committee makes recommendations to balance:

- a) its desire to attract, retain and motivate executive directors and senior executives;
- b) the need to ensure that the incentives for executive directors and other senior executives encourage them to pursue the growth and success of the Company (both in the short term and over the longer term) without taking undue risks;

- c) the need to demonstrate a clear correlation between executive directors and other senior executives' performance and remuneration and how it is aligned to the creation of value for shareholders; and
- d) its commercial interest in not paying excessive remuneration.

The Remuneration and Nomination Committee refers to the following guidelines for executive remuneration:

Guidelines for Executive Remuneration

Composition: remuneration packages for executive directors and other senior executives should include an appropriate balance of fixed remuneration and performance-based remuneration.

Fixed remuneration: should be reasonable and fair, taking into account the Company's obligations at law and labour market conditions, and should be relative to the scale of the Company's business. It should reflect core performance requirements and expectations.

Performance-based remuneration: should be linked to clearly specified performance targets aligned to the Company's short and long-term performance objectives and should be appropriate to its circumstances, goals and risk appetite.

Equity-based remuneration: well-designed equity based remuneration, including options or performance rights, can be an effective form of remuneration, especially when linked to hurdles that are aligned to the Company's longer-term performance objectives. Care needs to be taken in the design of equity-based remuneration schemes, however, to ensure that they do not lead to "short termism" on the part of senior executives or the taking of undue risks.

Termination payments: termination payment, if any, for senior executives, should be agreed in advance and the agreement should clearly address what will happen in the case of early termination. There should be no payment for removal for misconduct.

To the extent that the Company adopts an approach to executive remuneration that is not in accordance with the guidelines outlined above, the Remuneration and Nomination Committee shall document its reasons for the purpose of disclosure to stakeholders.

4.1.3 Non-executive remuneration

In considering the Company's Remuneration Policy and levels of remuneration for non-executive directors, the Remuneration and Nomination Committee is to ensure that:

- a) fees paid to non-executive directors are within the aggregate amount 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;
- b) non-executive directors are remunerated by way of fees (in the form of cash and superannuation benefits);
- c) non-executive directors are not provided with retirement benefits other than statutory superannuation entitlements; and
- d) non-executive directors are not entitled to participate in equity-based remuneration schemes designed for executives without due consideration and appropriate disclosure to the Company's shareholders, and

any incentives must not conflict with the non-executive director's obligation to bring an independent judgment to matters before the Board.

The Remuneration and Nomination Committee refers to the following guidelines for non-executive director remuneration extracted from the Principles and Recommendations in formulating its non-executive director remuneration policies and practices:

Guidelines for Non-executive Director Remuneration

Composition: non-executive directors should be remunerated by way of cash fees, superannuation contributions and non-cash benefits in lieu of fees (such as salary sacrifice into superannuation).

Fixed remuneration: levels of fixed remuneration for non-executive directors should reflect the time commitment and responsibilities of the role.

Performance-based remuneration: non-executive directors should not receive performance-based remuneration as it may lead to bias in their decision-making and compromise their objectivity.

Equity-based remuneration: it is generally acceptable for non-executive directors to receive securities as part of the remuneration to align their interests with the interests of other security holders. However, non-executive directors generally should not receive options with performance hurdles attached or performance rights as part of their remuneration as it may lead to bias in their decision-making and compromise their objectivity.

Termination payments: non-executive directors should not be provided with retirement benefits other than superannuation.

To the extent that the Company adopts an approach to non-executive director remuneration that is not in accordance with the guidelines outlined above, the Remuneration and Nomination Committee shall document its reasons for the purpose of disclosure to stakeholders.

4.1.4 Incentive plans and benefits programs

The Remuneration and Nomination Committee is to:

- a) review and make recommendations concerning long-term incentive compensation plans, including equity-based plans. Except as otherwise delegated, the Remuneration and Nomination Committee will administer equity-based and employee benefit plans, and as such will discharge any responsibilities under those plans, including making and authorising issues of equity, in accordance with the terms of those plans;
- b) ensure that incentive plans are designed around appropriate and realistic performance targets measuring relative performance and provide rewards when they are achieved; and
- c) continually review, and if necessary improve, any existing benefit programs established for employees.

4.1.5 Remuneration reporting and engagement with shareholders

The Remuneration and Nomination Committee is to:

- a) review and recommend to the Board for approval the remuneration report for inclusion in the Company's annual report and oversee the process supporting its preparation;
- b) agree who should engage with shareholders, governance advisers, proxy advisory firms and other relevant external parties on the Remuneration Policy and the Remuneration and Nomination Committee's work on behalf of the Board;
- c) make sure that shareholder approval is sought for remuneration matters which require it;
- d) consider if interaction with the Audit Committee (or equivalent) is required to fulfil reporting obligations; and
- e) consider if the Chair of the Remuneration and Nomination Committee rather than the Chair of the Board will take questions from shareholders on the remuneration report at the Company's annual general meeting.

4.1.6 Monitoring

The Remuneration and Nomination Committee is to monitor the following:

- a) compliance with applicable legal and regulatory requirements associated with remuneration matters; and
- b) changes in the legal and regulatory framework in relation to remuneration.

4.2 Nomination Matters

4.2.1 Size and composition of the Board

To ensure that the Board has the appropriate mix of directors with the necessary skills, expertise, relevant industry experience and diversity, the Remuneration and Nomination Committee shall:

- a) regularly review the size and composition of the Board and make recommendations to the Board on any appropriate changes;
- b) identify and assess necessary and desirable director skills and competencies using a Board skills matrix and provide advice on the skills and competency levels of directors with a view to enhancing the Board;
- c) make recommendations on the appointment and removal of directors;
- d) make recommendations on whether any directors whose term of office is due to expire should be nominated for re-election;
- e) regularly review the time required from non-executive directors and whether non-executive directors are meeting that requirement; and
- f) develop and recommend to the Board for approval the board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership for inclusion in the Company's corporate governance statement.

4.2.2 Selection process for new directors

The Remuneration and Nomination Committee shall review the Company's Policy and Procedure for Selection and (Re)Appointment of Directors, and carry out its role in the process as outlined in that policy. The procedure should be transparent to promote investor understanding and confidence in the process.

The Remuneration and Nomination Committee is responsible for evaluating the balance of skills, knowledge, experience, independence and diversity on the Board and, in the light of this evaluation, preparing a description of the role and capabilities required for a particular appointment. The Remuneration and Nomination Committee is empowered to engage external consultants in its search for a new director.

4.2.3 Performance evaluation

The Remuneration and Nomination Committee shall:

- a) develop a process for evaluation of the performance of the Board, Board committees and individual Board members in accordance with the Company's *Process for Performance Evaluation*;
- b) consider and articulate the time required by Board members in discharging their duties efficiently;
- c) undertake continual assessment of directors as to whether they have devoted sufficient time in fulfilling their duties as directors;
- d) develop a process for and carry out an evaluation of the performance of the Chief Executive Officer/ Managing Director in accordance with the Company's *Process for Performance Evaluation*; and
- e) develop a process for and carry out an evaluation of the performance of other senior executives in accordance with the Company's *Process for Performance Evaluation*.

4.2.4 Induction and continuing professional development

The Remuneration and Nomination Committee shall:

- a) implement ways of enhancing the competency levels of directors;
- b) review and implement the Company's Induction Program;
- c) ensure new directors participate in the Induction Program;
- d) ensure that any director who does not have specialist accounting skills or knowledge has a sufficient understanding of accounting matters to fulfil his or her responsibilities in relation to the Company's financial statements; and
- e) provide all directors with access to ongoing education relevant to their position in the Company, including education concerning key developments in the Company and in the industry and environment within which it operates.

4.2.5 Succession plans

The Remuneration and Nomination Committee shall review the Company's succession plans. Succession plans are to be used to assist in maintaining the appropriate mix of skills, knowledge, experience, independence and diversity on the Board to enable it to discharge its duties and responsibilities effectively.

5. Reporting to the Board

The Remuneration and Nomination Committee is to report to the Board, at least annually, on the following matters:

- a) all matters relevant to the Remuneration and Nomination Committee's role and responsibilities as set out in this Remuneration Committee Charter;

- b) the results of the Remuneration and Nomination Committee's review of this Remuneration and Nomination Committee Charter; and
- c) comment on the Remuneration and Nomination Committee's operation and composition.

6. Authority and resources

The Company is to provide the Remuneration and Nomination Committee with sufficient resources to undertake its duties. The Remuneration and Nomination Committee has the authority, as it deems necessary or appropriate, to access advice from external consultants or specialists.

If it is deemed appropriate and necessary to engage Remuneration Consultants the Remuneration and Nomination Committee is responsible for engaging Remuneration Consultants.

A **Remuneration Consultant** is a person:

- a) who makes a Remuneration Recommendation under a contract for services with the Company to whose Key Management Personnel the recommendation relates; and
- b) who is not an officer or employee of the Company.

Key Management Personnel are persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any directors (whether executive or otherwise) of the Company.

A **Remuneration Recommendation** is defined in section 9B of the Corporations Act (being a recommendation about; (i) how much the remuneration should be, (ii) what elements the remuneration should have; or a recommendation or advice about a matter or of a kind prescribed by the regulations.)

The Remuneration and Nomination Committee will, in accordance with any policies or guidelines set by the Board from time to time:

- a) ensure that the requirements of Part 2D.8 of the Corporations Act are complied with including:
 - i. reviewing and approving all remuneration consultancy contracts (as defined in section 206K(1) of the Corporations Act) before they are entered into by the Company; and
 - ii. ensuring that any Remuneration and Nomination Recommendation is provided directly to the Remuneration and Nomination Committee (excluding any executive directors on the Remuneration and Nomination Committee) and that the Remuneration Recommendation is not provided to a person who is neither a director of the Company or a member of the Remuneration and Nomination Committee;
- b) put in place arrangements to ensure that a Remuneration Consultant is not unduly influenced by a member or members of Key Management Personnel to whom a Remuneration Recommendation relates;
- c) ensure that the Company's remuneration report includes the details relating to Remuneration Consultants as required by section 300A(1)(h) of the Corporations Act;
- d) authorise the distribution of any Remuneration Recommendation by any person other than the Remuneration Consultant beyond the Remuneration and Nomination Committee (excluding any executive directors on the Remuneration and Nomination Committee); and
- e) set policies or guidelines to ensure that the Company meets its obligations under the Corporations Act, including its reporting obligations, in relation to Remuneration Consultants.

7. Review of Charter

The Remuneration and Nomination Committee will review this *Remuneration and Nomination Committee Charter* at least annually, and update it as required.

Approved by the Board: 29 March 2021