

## Remuneration Committee Charter

### Committee members

The Board has established the Remuneration Committee.

### Purpose

- (a) The Remuneration Committee Charter (in this Section, the **Charter**) sets out the role, responsibilities, composition, authority and membership requirements of the Remuneration Committee (in this Section, the **Committee**).
- (b) Key features of the Charter will be outlined in the Corporate Governance Statement, the Annual Report or the Company's website. The Charter is available to shareholders of the Company on the Company's website.

### Definition and objectives of the Committee

- (a) The Committee is a committee of the Board which will ideally be comprised of:
  - (1) a minimum of three members;
  - (2) only non-executive Directors (if the Company has three or more non-executive Directors, otherwise the Board may appoint executive Directors to the Committee);
  - (3) a majority of Independent Directors; and
  - (4) an Independent Director as the chairperson.
- (b) In developing the structure for executive remuneration, consider matters including that:
  - (1) Management should be remunerated by an appropriate balance of fixed remuneration and performance based remuneration;
  - (2) levels of fixed remuneration should be reasonable and fair, relative to the scale of the Company's business, and should reflect core performance requirements and expectations;
  - (3) any performance based remuneration should be clearly linked to specific performance targets which are aligned to the Company's short and long term performance objectives. Such targets should be appropriate to the Company's circumstances, goals and risk appetite;
  - (4) equity based remuneration may include, amongst other things, options or performance rights. Such remuneration should include appropriate hurdles that are aligned to the Company's longer term performance objectives and should be structured in a manner so as to ensure they do not lead to a short term focus or the taking of undue risks; and
  - (5) any termination payments for Management should be agreed in advance and should not be applied in the case of removal for misconduct. Consideration will be given as to whether shareholder approval will be required for any termination payments.
- (c) The Committee is responsible for reviewing the remuneration policies and practices of the Company and making recommendations to the Board in relation to:
  - (1) Management remuneration and incentive plans:
    - (A) including, but not limited to, pension and superannuation rights and compensation payments and any amendments to that policy proposed from time to time by Management;

- (B) review of the on-going appropriateness and relevance of the Management remuneration policy and other Management benefit programs;
- (C) consideration of whether to seek shareholder approval of the Management remuneration policy;
- (D) overseeing the implementation of the remuneration policy; and
- (E) review and approval of the total proposed payments from each member of Management.

If the Committee includes an executive Director, the executive Director should not be involved in deciding their own remuneration and should be cognisant of any potential conflict of interest if they are involved in setting remuneration for other executives that may indirectly affect their own remuneration.

In respect of such Management remuneration, review the competitiveness of the Company's Management compensation programmes to ensure:

- (A) the programmes are attractive, with a view to ensuring the retention of the Company's Management;
- (B) the motivation of the Company's Management to achieve the Company's business objectives; and
- (C) the alignment of the interests of key leadership with the long term interests of the Company's shareholders.

(2) the remuneration packages for Management:

- (A) consider and make recommendations to the Board on the entire specific remuneration for each individual of Management (including fixed remuneration, performance based remuneration, equity based remuneration, termination benefits, retirement rights, service contracts and superannuation), having regard to the Management remuneration policy; and
- (B) consider whether shareholder approval will be required.

(3) non-executive Director remuneration:

- (A) the Company's remuneration framework for non-executive Directors, including the process by which any pool of non-executive Directors' fees approved by shareholders are allocated to non-executive Directors;
- (B) in developing the structure, consider matters including that:
  - (i) non-executive Directors should normally be remunerated by way of fees (in the form of cash, non-cash benefits or superannuation contributions);
  - (ii) levels of fixed remuneration for non-executive directors should reflect the time commitment and responsibilities of the role;
  - (iii) non-executive Directors should not receive performance based remuneration;

- (iv) non-executive Directors may receive Securities as part of their remuneration, however, they should not receive options with performance hurdles attached or performance rights as part of their remuneration; and
  - (v) non-executive directors should not be provided with retirement benefits (other than statutory superannuation),
- (C) ensure that the fees for non-executive members of the Board are within the aggregate amount approved by shareholders; and
  - (D) provide, in the Corporate Governance Statement, any departures from Recommendation 8.2 if necessary;
- (4) the Company's recruitment, retention and termination policies and procedures for senior management;
  - (5) incentive plans (equity and cash based):
    - (A) review and approve the design of all equity based plans;
    - (B) keep all plans under review in light of legislative, regulatory and market developments;
    - (C) for each equity-based plan, determine each year whether awards will be made under that plan;
    - (D) ensure that the equity-based executive remuneration is made in accordance with the thresholds set in plans approved by shareholders;
    - (E) review and approve total proposed awards under each plan;
    - (F) in addition to considering awards to executive Directors and direct reports to the Managing Director, review and approve proposed awards under each plan on an individual basis for executives as required under the rules governing each plan or as determined by the Committee; and
    - (G) review, approve and keep under review performance hurdles for each equity-based plan;
  - (6) superannuation arrangements;
  - (7) remuneration of members of other Committees of the Board; and
  - (8) whether there is any gender or other inappropriate bias in remuneration for Directors, Management or other employees of the Company.

### **Remuneration policies**

- (a) The Committee should design the remuneration policy in such a way that it:
  - (1) motivates Directors and Management to pursue the long-term growth and success of the Company within an appropriate control framework; and
  - (2) demonstrates a clear relationship between key executive performance and remuneration.
- (b) In performing its role, the Committee is required to ensure that:

- (1) the remuneration offered is in accordance with prevailing market conditions, and that exceptional circumstances are taken into consideration;
  - (2) contract provisions reflect market practice; and
  - (3) targets and incentives are based on realistic performance criteria.
- (c) The Committee will also:
- (1) overview the application of sound remuneration and employment practices across the Company; and
  - (2) ensure the Company complies with legislative requirements related to employment practices.

### **Approval**

- (a) The Committee must approve the following prior to implementation:
- (1) changes to the remuneration or contract terms of Executive Directors and Management;
  - (2) the design of new, or amendments to current, equity plans or Management cash-based incentive plans;
  - (3) the total level of compensation proposed from equity plans or executive cash-based incentive plans; and
  - (4) termination payments to executive Directors or Management, including consideration of early termination, except for removal for misconduct.

### **Reporting**

- (a) Proceedings of all meetings of the Committee are to be minuted and signed by the Chairperson.
- (b) The Committee, through the chairperson of the Committee (in this Section, the **Committee Chairperson**), is to report to the Board at the earliest possible Board meeting after the Committee meeting regarding the determinations and conclusions of the Committee at its meetings. Minutes of all Committee meetings (and any circular resolutions of the Committee) are to be circulated to the Board. The minutes should include, where appropriate:
- (1) information about the review process undertaken by the Committee;
  - (2) an assessment of:
    - (A) Management remuneration and incentive plans;
    - (B) remuneration packages for Management;
    - (C) non-executive Director remuneration;
    - (D) the Company's recruitment and retention and termination policies and procedures for Management;
    - (E) incentive plans (equity and cash based);
    - (F) superannuation arrangements; and
    - (G) remuneration of members of other Committees of the Board;
  - (3) recommendations for setting remuneration levels for Directors, Management and Committees;

- (4) any matter that in the opinion of the Committee should be brought to the attention of the Board and any recommendation requiring Board approval and/or action;
- (5) providing details of the Company's policies and practices for the deferral of performance based remuneration and the reduction, cancellation or claw back of performance based remuneration in the event of serious misconduct or a material misstatement in the Company's financial statements.
- (6) at least annually, a review of the formal written Charter and its continuing adequacy, and an evaluation of the extent to which the Committee has met the requirements of the Charter and where appropriate, summarising the Committee's activities during the year including:
  - (A) a summary of the Committee's main authority, responsibilities and duties;
  - (B) biographical details of the Committee's members, including expertise, appointment, dates and terms of appointment;
  - (C) details of meetings, including the number of meetings held during the relevant period and the number of meetings attended by each member;
  - (D) explanation of any departure from Recommendations 8.1, 8.2 and 8.3 of the Corporate Governance Principles and Recommendations; and
  - (E) details of any change to the independent status of each member during the relevant period, if applicable.

### **Meetings**

- (a) Despite the Standing Rules, there is no requirement that the Remuneration Committee meet a set number of times or intervals during a year. Rather, the Committee will meet at such intervals as required to fulfil its obligations.
- (b) In addition, the Committee Chairperson is required to call a meeting of the Committee if requested to do so by any Committee member, the internal or external auditors, the Chairperson of the Board or any other Board member.
- (c) The Committee may also seek input from individuals on remuneration policies but no individual should be directly involved in deciding his or her own remuneration.

### **Attendance at meetings**

Other Directors (executive and non-executive) have a right of attendance at meetings. However, no Director is entitled to attend that part of a meeting at which the remuneration of that Director or a related party of that Director is being discussed.

### **Access**

- (a) The Committee will have access to employees of the Company and appropriate external advisers. The Committee may meet with these external advisers without Management being present. The Committee will also have the ability and authority to seek any information it requires to carry out its duties from any officer or employee of the Company and such officers or employees will be instructed by the Board to co-operate fully in provision of such information. The Committee will have the ability to interview Management where considered necessary or appropriate.

- (b) The Committee also has the authority to consult independent experts where they consider it necessary to carry out their duties. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.

**Application of the Standing Rules**

The Standing Rules for Committees apply to, and are deemed to be incorporated into this Charter, save where the Standing Rules conflict with any of the terms in this Charter.