

# GOVERNANCE, REMUNERATION AND NOMINATION COMMITTEE CHARTER

**Date:** 22 June 2023

## 1. Purpose

- 1.1.** The Governance, Remuneration and Nomination Committee Charter (the Charter) governs the operations of the Governance, Remuneration and Nomination Committee (the Committee). It sets out the Committee's role and responsibilities, composition, structure and membership requirements.
- 1.2.** The Committee is established by the Board of the Company (Board). The purpose of the Committee is to review and make recommendations to the Board on governance, remuneration and nomination matters, including:
- a)** in relation to remuneration packages of Senior Executives (defined as the Managing Director, other key management personnel (KMP) as defined under the Corporations Act who hold executive roles, and non-executive directors, equity- based incentive plans and other employee benefit programs, in accordance with the relevant policies,
  - b)** developing and maintaining, for Board approval, the policies and other documents that guide and govern KMP remuneration decisions, practices, and outcomes, referred to as a Remuneration Governance Framework in the legislation, considering those aspects of the Company's remuneration practices, including securities-based remuneration, which may be subject to shareholder approval,
  - c)** determining and reviewing the nature of the Company's disclosure or communication of remuneration practices and policies to:
    - I.** meet the requirements of the Corporations Act,
    - II.** maximise shareholder support for the Remuneration Report in the context of shareholder voting on the resolution to adopt the Remuneration Report, and
    - III.** reflect good corporate governance, noting relevant ASX Corporate Governance Council's Principles and Recommendations.
  - d)** reviewing the Company's recruitment, retention and termination policies,
  - e)** reviewing the Company's superannuation arrangements,
  - f)** reviewing succession plans for the Board, the Managing Director and Senior Executives,
  - g)** ensuring the performance and competencies of the Managing Director, Senior Executives and members of the Board are reviewed at least annually,
  - h)** reviewing the Company's diversity policy and monitoring diversity within the Company having particular regard to the diversity of Senior Executives and the Board and any relevant ASX Corporate Governance Council's Principles and Recommendations,

- i) providing guidance and recommendations on governance matters and maintaining the Board's governance practices,
- j) providing feedback to the Board to ensure that the Board operates and performs effectively in discharging its governance responsibilities,
- k) ensuring the Board is aware of best market practice in terms of corporate governance for the Company, while ensuring practices are fit for purpose, taking into account the Company's size, complexity and operations,
- l) reviewing and considering whether there needs to be any changes to the governance practices of the Company, and
- m) monitoring and appraising the size and composition of the Board and its Committees and recommending individuals for appointment, re-appointment or termination as members of the Board and its Committees.

## 2. Membership

- 2.1. The Committee is to be composed of at least three members, who must be non-executive directors with a majority of independent non-executive directors.
- 2.2. A Committee Chair appointed by the Board from time to time will chair the Committee. The Chair should be an independent non-executive director.
- 2.3. Ceasing to be a director of the Board is deemed to be an automatic termination of appointment as a member of the Committee.

## 3. Meetings

- 3.1. The Committee will meet as often as reasonably necessary. The Committee Chair may call a meeting of the Committee if so requested by any director, Committee member, the Managing Director or the Company Secretary.
- 3.2. The Committee may invite other persons, such as internal specialists, any executive or other employees, other directors or external advisers, to attend meetings if considered appropriate by the Committee Chair.
- 3.3. The quorum necessary for a meeting of the Committee shall be two members, of whom at least one must be an independent non-executive director.
- 3.4. The Committee may meet with or without executive management being present.

- 3.5. If the Committee chair is absent, the Committee members who are present shall elect one of their number to chair the meeting.
- 3.6. No member of the Committee shall participate in a review of their own performance or re-appointment.

## 4. Secretary

- 4.1. The Company Secretary or delegate will act as the Secretary of the Committee unless the Chair decides otherwise from time to time
- 4.2. The Company Secretary or delegate, in conjunction with the Committee Chair, will prepare an agenda to be circulated to each Committee member at least five full working days prior to each scheduled calendar meeting of the Committee
- 4.3. The Company Secretary or delegate will distribute a meeting timetable of scheduled meetings for each forthcoming calendar year, noting that additional meetings are likely to be required from time to time in order to address specific issues or tasks that fall under the purview of the Committee. When additional or out of cycle, meetings are required the Company Secretary will notify the members of the Committee.
- 4.4. The Company Secretary or delegate will be responsible for keeping the minutes of the Committee meetings and providing drafts of the minutes to the Committee within 14 days of each meeting. Upon request by the Committee Chair, the Company Secretary or delegate will circulate the draft minutes and any other supporting papers to all members of the Board.

## 5. Reporting

- 5.1. The Committee Chair must report the activities, findings and recommendations of the Committee at the next Board meeting following each meeting of the Committee.
- 5.2. The Committee must recommend to the Board whether approval should be given to:
  - a) the details to be published in the Company's annual report or any other statutory report or document with respect to the activities and responsibilities of the Committee,
  - b) any statement on the Company's remuneration policies and executive and/or non-executive director compensation disclosures that may be required by law or other regulatory requirements (including any such statement to be included in the Company's annual report), and
  - c) the publication of any governance statement or disclosure document required by law or regulatory requirements (including the Company's annual Corporate Governance Statement).

## 6. Responsibilities

6.1. In addition to any other matters which may be delegated to the Committee by the Board (including special investigations), the Committee is responsible for:

### 6.1.1. Roles and Responsibilities – Governance

The Committee will assist the Board to review and monitor governance matters by:

- a) reviewing the Company's corporate governance policies and framework;
- b) recommending to the Board changes to the Company's corporate governance policies and framework as a result of the Committee's review and recent developments in corporate governance best practice, while ensuring policies and framework remain fit for purpose for the Company,
- c) reviewing the Company's disclosure of corporate governance policies, Corporate Governance Statement and information on the Company's website,
- d) reviewing and making recommendations in relation to any corporate governance issues as requested or delegated by the Board from time to time, and
- e) ensuring governance procedures and policies exist to deal with conflicts of interest, independence, continuous disclosure, and similar matters and monitor their effective operation.

### 6.1.2. Roles and Responsibilities – Remuneration

The Committee will assist the Board with remuneration matters by:

#### *Remuneration of Senior Executives and Executive Directors*

- a) developing and maintaining an appropriate Remuneration Governance Framework to apply to executive KMP and Executive Directors of the Company, and others as may be nominated, which may include policies such as:
  - I. Senior Executive Remuneration Policy;
  - II. Short Term Incentive Plan Rules;
  - III. Equity Incentive Plan Rules; and
  - IV. Policies and procedures in relation to the engagement of external remuneration consultants (ERCs as defined in the Corporations Act).

Such a framework should be developed independently of management and the executives that will be the subject of the framework and policies.

- b) regularly reviewing and making recommendations to the Board with respect to an appropriate remuneration policy including retirement benefits and termination payments (if any) for Senior Executives, ensuring that such a policy:
  - I. enables the Company to attract and retain valued employees,

- II. motivates Senior Executives to pursue the long-term growth and success of the Company,
  - III. demonstrates a clear relationship between performance and remuneration, and
  - IV. has regard to prevailing market conditions.
- c) regularly reviewing and making recommendations to the Board regarding the remuneration packages of Senior Executives, including (as appropriate) fixed, performance-based and equity- based remuneration, reflecting short and long-term performance objectives appropriate to the Company's circumstances and goals,
- d) making recommendations to the Board with respect to the quantum of short term incentives (if any) to be paid to Senior Executives,

#### *Remuneration of Non-executive Directors*

- e) making recommendations as to the structure of remuneration for non- executive directors,
- f) ensuring that fees paid to non-executive directors are within the aggregate amount approved by shareholders and making recommendations to the Board with respect to the need for increases to this aggregate amount at the Company's annual general meeting,
- g) developing and maintaining an appropriate Remuneration Governance Framework to apply to non- executive KMP of the Company which may include:
  - I. Non-executive Director Remuneration Policy, and
  - II. Non-executive Director Securities Based Remuneration Policy (not required or relevant to practices at the time of the writing of this Charter).

#### *Disclosure, Communication and Engagement*

- h) overseeing the development of, and signing off the Remuneration Report that forms part of the Annual Report of the Company,
- i) engaging with shareholders, stakeholder groups or representatives as needed regarding matters of KMP remuneration or remuneration governance, which may include announcements, meetings, presentations, letters or briefings for example.
- j) ensuring that disclosure and communication by the Company related to Senior Executive or other KMP remuneration and remuneration governance is accurate, transparent and not merely compliance focused, such that information released by the Company is useful to shareholders in understanding the Company's approach and in making decisions regarding voting on the adoption of the Remuneration Report at the annual general meeting.

#### *Employee benefits and other policies*

- k) making recommendations to the Board with respect to the implementation and operation of equity- based incentive plans and other employee benefit programs,

- l) regularly reviewing the Company's recruitment, retention and termination policies.

*Superannuation*

- m) regularly reviewing and providing advice to the Board in relation to the Company's superannuation arrangements.

*Succession plans*

- n) Managing Director and Senior Executives
  - I. reviewing succession plans for the Managing Director and Senior Executives on a regular basis to maintain an appropriate balance of skills, experience, diversity and expertise in the management of the Company and providing advice to the Board accordingly, and
  - II. considering potential future needs of the Company when reviewing succession plans.
- o) Board
  - I. reviewing Board succession plans on a regular basis to maintain an appropriate balance of skills, experience and expertise on the Board and providing advice to the Board accordingly, and
  - II. considering potential future needs of the Company when reviewing succession plans

*Performance*

- p) Senior Executives
  - I. developing and implementing a plan for identifying, assessing and enhancing competencies of Senior Executives,
  - II. ensuring that the performances of each Senior Executive are evaluated at least annually, and
  - III. ensuring that the Managing Director and Senior Executives have access to continuing education to update and enhance their skills and knowledge.
- q) Board
  - I. considering and articulating the time needed to fulfil the role of Board Chair and non- executive director,
  - II. developing and implementing a plan for identifying, assessing and enhancing director competencies,
  - III. regularly evaluating the performance of the Board and each director on an annual basis including an assessment of whether each director has devoted sufficient time to their duties,
  - IV. ensuring the Board has access to continuing education to update and enhance their skills and knowledge.

### **6.1.3. Roles and Responsibilities – Nomination and Diversity**

The Committee will assist the Board with nomination and diversity matters by:

#### *Diversity*

- a) reviewing the Company's diversity policy in relation to diversity and making recommendations to the Board for amendments to that policy, as required,
- b) monitoring diversity within the Company having particular regard to the diversity of Senior Executives and the Board (ASX Corporate Governance Recommendation 1.5 is noted in this regard), and
- c) reviewing and reporting to the Board concerning measurable objectives for achieving diversity and progress in achieving such objectives.

#### *Appointment and re-appointment of Directors*

- d) developing a policy and procedures for the nomination, selection, appointment and re- appointment, retention and termination of Directors,
- e) identifying and evaluating individuals who may be qualified to become directors and making recommendations to the Board regarding the appointment and re- appointment of Directors, having regard to such factors as the Committee considers appropriate which may include:
  - I. current composition of the Board,
  - II. the interplay of the candidate's experience with the experience of other Board members,
  - III. the extent to which the candidate would be a desirable addition to the Board and any Board Committee,
  - IV. judgement, skills, knowledge and experience with business and other organisations of a comparable size,
  - V. the diversity of Board and Committee composition,
  - VI. strategic direction of the Company,
  - VII. the capability of the candidate to devote the necessary time and commitment to the role,
  - VIII. potential conflicts of interest and the need for independence, and
  - IX. the Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council (Guidelines).
- f) engaging and managing external search organisations where appropriate to assist in the identification of potential Director candidates,
- g) determine the terms and conditions on which non-executive directors are appointed and re- appointed,
- h) ensuring an effective induction and orientation program is available to new directors to ensure they understand their responsibilities and the business activities of the Company, and regularly reviewing its effectiveness.



*Size and composition of the Board and Board Committees*

- i) regularly reviewing the size and composition (including the mix of skills, knowledge, diversity, independence and experience) of the Board and making recommendations to the Board with regard to any appropriate changes,
- j) providing advice to the Board with respect to the necessary and desirable competencies of directors,
- k) making recommendations to the Board for the appointment and removal of directors,
- l) in a timely manner, making recommendations to the Board whether or not directors, whose term of office is expiring, should be proposed for re-appointment at the Company's next annual general meeting.
- m) identifying directors qualified to fill vacancies on Board Committees and making recommendations to the Board accordingly, having regard to such factors as the Committee considers appropriate, including the terms of reference of the particular Board Committee, the director's experience, the interplay of the director's experience with the experience of other Board Committee members and the Guidelines.

*Shareholder reporting and approval*

- n) considering those aspects of the Company's remuneration policies and packages, including equity- based incentives, which should be subject to shareholder approval and making recommendations to the Board accordingly, and
  - a. contributing to the disclosures detailing the Committee's activities and the process used for
- o) appointments, including a statement in the Annual Report.

**6.2.** The Committee shall have no executive powers with regard to its findings and recommendations.

## **7. Other**

**7.1.** The Committee is authorised to engage, at the Company's expense, outside legal or other professional advice or assistance on any matters within its terms of reference.

**7.2.** The Committee is authorised to seek any information it requires from any officer or employee of the Company and such officers or employees shall be instructed by the Board to respond to such enquiries.

**7.3.** No member of the Committee may participate in any decision with respect to his or her particular remuneration to the extent that it may differ from the policies or practices that apply to other directors.

- 7.4. The Committee may, in its discretion, delegate all or some of its responsibilities to a sub-committee.
- 7.5. The Committee will review, annually or as often as it considers necessary, its performance, effectiveness, membership, responsibilities and this Charter and recommend to the Board any suggested changes.
- 7.6. The Committee may deal with items of business by written resolution in accordance with the requirements for passing written resolutions under the Company's Constitution.

**Adopted by the Board of Directors on 22 June 2023**