



HGL Limited

Nomination and Remuneration Committee Charter

1. Definitions and interpretation

In this Charter, unless the contrary intention appears:

- (a) “at any time” means at any time and from time to time;
- (b) “the Board” means the board of directors of HGL Limited;
- (c) “the Committee” means the Nomination and Remuneration Committee established by resolution of the Board, and whose Charter this is;
- (d) “Director” means a non-executive member of the Board;
- (e) “HGL” means HGL Limited (ACN 009 657 961);
- (f) “HGL Group” means HGL and any entity controlled by HGL, or that HGL has a substantial interest in (as defined in the Accounting Standards).

2. Authority

2.1 Source of authority

The Committee is a committee of the Board. The Committee is appointed and authorised by the Board to assist the Board in fulfilling its statutory and fiduciary responsibilities. The authority of the Committee is sourced from:

- (a) this Charter;
- (b) separate resolutions passed by the Board at any time; and
- (c) relevant Clauses of the Constitution of HGL.

2.2 Nominations Policy

The Committee is responsible for:

- (a) assessing the necessary and desirable skills and experience of Board members;
- (b) assessing the necessary and desirable skills and experience of the Chief Executive Officer;
- (c) singularly undertaking the recruitment process for, and appointment of, the CEO;
- (d) reviewing Board and senior executive succession plans annually;
- (e) developing a process for evaluating the performance of the Board, its committees and directors;
- (f) making recommendations to the Board for the appointment and removal of Directors, including whether Directors should be nominated to stand for re-election;
- (g) reviewing the process for the selection of non-executive Directors;
- (h) annually reviewing the size and composition of the Board and its committees; and

- (i) determining the process for the induction of new directors, and the ongoing education and training for all directors.

2.3 Remuneration Policy

The Committee will oversee the remuneration practices of the Company. This Committee will:

- (a) Ensuring that effective remuneration management systems are in place that support the Company's wider business objectives and strategies;
- (b) Determine and arrange for reviews from time to time of the Company's remuneration strategy and policies;
- (c) Approve, as appropriate, the use of different remuneration policies for different business units, groups or divisions within the Company;
- (d) Ensure remuneration practices are legal and defensible, and in line with business and human resources objectives of the Company; and
- (e) Have the right to seek external, independent advice in order to benchmark against industry standards.

2.4 Remuneration for the Chief Executive Officer and the Executive Team

With regard to remuneration for the Chief Executive Officer and the Executive Team, the Committee will:

- (a) Recommend to the Board a remuneration strategy for the Chief Executive Officer. This will include Fixed Annual Remuneration, any Short and Long Term Incentive Plans and Corporate and Individual Key Performance Indicators (KPIs) to be assessed in relation to annual remuneration reviews and incentive plans;
- (b) Recommend to the Board changes to Remuneration structure for the Chief Executive Officer;
- (c) Approve remuneration strategy for HGL Group CEO and the other KMP's as presented by the HGL Ltd CEO;
- (d) Ensure Board representation on Chief Executive recruitment selection panels for the HGL Group;
- (e) Overview, and ratify, the Chief Executive Officer's recommendations regarding corporate and individual KPIs to be taken into consideration when determining Executive Team remuneration reviews and incentive plans; and
- (f) Approve any changes to Fixed Annual Remuneration or Incentive based reward for the CEO's of the HGL Group and determined KMP's.

2.5 Direct access to HGL Group employees

The Committee has the authority to seek at any time any information the Committee considers may be relevant to its functions from any officer or employee of the HGL Group. The board of the entity employing such officers or employees must use its best endeavours to encourage such officers or employees to cooperate fully in the provision of such information.

2.6 Investigation

The Committee has the authority to at any time conduct or direct any investigation it considers necessary to fulfil its responsibilities.

2.7 Retain advisers

The Committee has the authority to at any time retain, at the expense of HGL, such legal, accounting or other advisers, consultants or experts, as the Committee considers appropriate to assist it in meeting its responsibilities.

2.8 Recommendation

The Committee may at any time make recommendations to the Board as it sees fit.

2.9 Sub-committee

The Committee may at any time form and delegate authority to sub-committees, comprised of one or more members of the Committee as it considers necessary or appropriate. Each sub-committee has the full power and authority of the Committee, subject to the terms of its delegated authority.

3. Members of the committee

3.1 Composition requirements

Membership of the Committee is governed by the following requirements:

- (a) each member of the Committee is appointed by the Board;
- (b) the Committee must comprise at least 3 Directors, two of whom must be non-executive directors;
- (c) the Chair of the Committee will be appointed by the Board;
- (d) If the Chair of the Committee is absent from a meeting of the Committee and no acting chair has been appointed, the members of the Committee present at the meeting must choose one of the members of the Committee present to chair that particular meeting; and
- (e) the Committee shall comprise members with sufficient skills and experience relevant to the Committee's functions.

3.2 Term

The term of appointment as a member of the Committee is for a period of one year. Each member of the Committee is eligible for reappointment by the Board, subject to the composition requirements for the Committee.

3.3 Cessation

The Board may at any time remove any individual from the Committee and need not give a reason for doing so. If a member of the Committee ceases for any reason to be a Director, that individual automatically ceases to be a member of the Committee.

3.4 Fees

Any fees payable for serving on the Committee will be subject to approval by the Board.

4. Secretary

The Company Secretary of HGL will serve as secretary of the Committee.

5. Reporting and Administrative arrangements

5.1 Reporting

The Committee will report to the Board on the outcomes of Annual Remuneration Review considerations and on other remuneration issues that may arise from time to time.

5.2 Minutes

Minutes of each meeting will be taken by the Company Secretary and be circulated to all Committee members for agreement. The finalised minutes of each Committee meeting shall be provided to the full Board.

6. Meetings

6.1 Meetings other than in person

The Committee may meet for the dispatch of business, adjourn and otherwise regulate their meetings as they see fit. The Committee may conduct meetings by telephone or other form of communication without a member being in the physical presence of another member or other members.

6.2 Frequency

The Committee must meet often enough to undertake its role effectively.

6.3 Additional meetings

The Chair of the Committee must call a meeting of the Committee if so requested:

- (a) by any member of the Committee; or
- (b) by the Chair of the Board.

6.4 Quorum

A quorum for a meeting of the Committee is 2 members.

6.5 Conflict of interest of a member of the Committee

A member of the Committee who has a material personal interest in a matter that is being considered at a meeting of the Committee must not:

- (a) be present while the matter is being considered at the meeting; or
- (b) vote on the matter.

6.6 Participation, despite conflict, in certain circumstances

Despite Clause 6.5, a Director may be present and vote if the matter being considered is a recommendation to the Board on:

- (a) the remuneration framework for non-executive Directors;
- (b) the apportionment of remuneration for non-executive Directors;

- (c) the payment of expenses incurred, or to be incurred, by a Director in connection with the business of HGL or the HGL Group;
- (d) the indemnification of a Director by HGL against any liability incurred by that individual in that capacity; or
- (e) a contract insuring a Director (whether with other officers of the HGL Group or not) against a liability incurred by that Director as a Director of HGL.

7. Attendance at meetings

7.1 Invitees

Individuals who are not members of the Committee, whether Directors, other members of management of the HGL Group, or parties external to the HGL Group, may be invited to attend any meeting of the Committee.

7.2 Attendees may have to withdraw

An individual who is not a member of the Committee may be asked by the Committee to withdraw for all or any part of any meeting of the Committee.

8. Reporting by the committee

8.1 Circulation of minutes

Minutes of each meeting of the Committee must be approved and signed by either the Chair of that meeting or the Chair of the Committee at the next practicable meeting of the Board.

8.2 Reports to the Board

The Committee, through the Chair, must report to the Board at the earliest possible Board meeting after each meeting of the Committee. Such report should include any matters that, in the opinion of the Committee, should be brought to the attention of the Board, and any recommendations requiring the approval of the Board.

8.3 Review of Charter

The Committee must, each year, review the adequacy of this Charter and recommend to the Board any changes to the Charter that the Committee considers are desirable.

8.4 Annual performance appraisal

An evaluation of the performance of the Committee and the extent to which the Committee has met the requirements of this Charter will be conducted through the Board's annual performance appraisal process.

9. Particular duties and responsibilities of the Committee

9.1 Overview

The Committee's main responsibilities are grouped below under the following headings:

- (a) executive remuneration and incentive policy;
- (b) non-executive director remuneration;

- (c) remuneration disclosure;
- (d) Assessment of director nominations; and
- (e) other responsibilities.

9.2 Executive remuneration and incentive policy

The Committee must:

- (a) Review and approve HGL's policy for the recruitment, retention and termination of executives, including determining executive remuneration and incentives, and any amendments to that policy proposed from time to time by management;
- (b) Review the on-going appropriateness and relevance of the executive remuneration policy and other executive benefit programs; and
- (c) Oversee the consistent implementation of this policy within HGL.

9.3 Non-executive director remuneration

The Committee must provide the Board with advice in relation to the framework for and nature and amount of Non-executive Director remuneration.

9.4 Remuneration disclosure

The Committee shall ensure that there is effective disclosure of the HGL remuneration policy and practice to enable investors to understand the costs and benefits of those policies and the link between remuneration paid to key executives and Board members and corporate performance.

This disclosure will include all requirements of applicable Corporations Law and Accounting Standards. Specifically, the Committee shall confirm to the Board that the Remuneration Report contained within the Annual Report, to be voted on at the Annual General Meeting, accurately reflects the remuneration practices of the Company.

The committee will ensure that the Board, management and the committee itself are all provided with sufficient information to ensure informed decision making on remuneration issues.

9.5 Assessment of director nominations

- (a) Prospective Directors will be assessed based on their skills and experience irrespective of background or difference.
- (b) The skills, expertise and experience of the existing Board will be compared to the current and expected future needs of the Company in order to establish the target skills and experience set to be sought from a new Director.
- (c) The other commitments of the candidates will be considered to ensure they are in a position to commit sufficient time to their Board duties.
- (d) The Committee or the recruitment consultant will conduct appropriate checks (eg criminal record, bankruptcy, education, character reference) to ensure the candidate is a fit and proper person.



- (e) The Committee shall consider whether the candidate has any interest, position, association or relationship that might influence their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of HGL Ltd and its shareholders generally.
- (f) The Committee will make a recommendation to the Board on any potential appointment – the Committee has no authority to appoint a Director in its own right.

9.6 Other responsibilities

The Committee shall perform other duties and activities that it or the Board considers appropriate in the context of the overall Charter.