

# Nomination and Remuneration Committee Charter



## Contents

<b>1.</b>	<b>Introduction</b> .....	<b>2</b>
<b>2.</b>	<b>Objectives</b> .....	<b>2</b>
<b>3.</b>	<b>Duties and Responsibilities</b> .....	<b>2</b>
<b>4.</b>	<b>Non-Executive Remuneration</b> .....	<b>4</b>
<b>5.</b>	<b>Executive Remuneration</b> .....	<b>5</b>
<b>6.</b>	<b>Constitution</b> .....	<b>6</b>
<b>7.</b>	<b>Composition</b> .....	<b>6</b>
7.1	Members .....	6
7.2	Expertise .....	6
7.3	Chair and Secretary.....	6
<b>8.</b>	<b>Meetings</b> .....	<b>7</b>
8.1	Frequency .....	7
8.2	Agenda and notice.....	7
8.3	Quorum .....	7
8.4	Minutes.....	7
8.5	Attendance .....	7
<b>9.</b>	<b>Powers</b> .....	<b>7</b>
9.1	Authority .....	7
9.2	Access.....	8
9.3	Investigations and External Advice .....	8
<b>10.</b>	<b>Reporting</b> .....	<b>8</b>
10.1	Reporting to the Board.....	8
10.2	Annual report.....	8
<b>11.</b>	<b>Committee’s Performance Evaluation</b> .....	<b>8</b>
<b>12.</b>	<b>Public Availability of Materials</b> .....	<b>8</b>
<b>13.</b>	<b>Review of the Charter</b> .....	<b>9</b>



# NOMINATION AND REMUNERATION COMMITTEE CHARTER

## 1. Introduction

The Nomination and Remuneration Committee (**Committee**) is a committee of the Company's board of directors (**Board**).

This Charter governs the roles, responsibilities, composition and membership of the Committee.

The operation of the Committee is also governed, where applicable, by the constitution of the Company.

## 2. Objectives

The objectives of the committee are to:

- a. review and advise the Board on the composition of the Board and its committees;
- b. advise on the process of recruitment, appointment and re-election of directors;
- c. review the performance of the Board, the Chairperson, the executive and nonexecutive directors and other individual members of the Board;
- d. ensure proper succession plans are in place for consideration by the Board;
- e. assist the Board with the establishment of remuneration policies and practices for the Company's Chief Executive Officer, senior managers and staff, as well as to ensure director compensation is fair and current;
- f. evaluate the competencies required of prospective directors (both non-executive and executive) identify those prospective directors and establish their degree of independence; and
- g. make recommendations to the Board and shareholders accordingly.

## 3. Duties and Responsibilities

In order to fulfil its responsibilities to the Board the Committee shall:

- a. Executive Remuneration Policy
  - i. Review and approve the Company's recruitment, retention and termination policies and procedures for senior executives to enable the Company to attract and retain executives and Directors who can create value for shareholders.
  - ii. Review the on-going appropriateness and relevance of the executive remuneration policy and other executive benefit programs.
  - iii. Ensure that remuneration policies fairly and responsibly reward executives having regard to the performance of the Company, the performance of the executive and prevailing remuneration expectations in the market.



- b. Executive Directors and Senior Management
  - i. Consider and make recommendations to the Board on the remuneration for each executive Director (including base pay, incentive payments, equity awards, retirement rights, service contracts) having regard to the executive remuneration policy.
  - ii. Review and approve the proposed remuneration (including incentive awards, equity awards and service contracts) for the direct reports of the Executive Director or senior manager. As part of this review the Committee will oversee an annual performance evaluation of the executive team. This evaluation is based on specific criteria, including the business performance of the Company and its subsidiaries, whether strategic objectives are being achieved and the development of management and personnel.
- c. Executive Incentive Plan
  - i. Review and approve the design of any executive incentive plans.
- d. Equity Based Plans
  - i. Review and approve any equity based plans that may be introduced (**Plans**) in the light of legislative, regulatory and market developments and ASX requirements.
  - ii. For each Plan, determine each year whether awards will be made under that Plan.
  - iii. Review and approve total proposed awards under each Plan.
  - iv. In addition to considering awards to executive Directors and direct reports to them or senior management, 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.
  - v. Review, approve and keep under review performance hurdles for each equity based Plan.

e. Nomination

The Committee shall periodically review and consider the structure and balance of the Board and make recommendations regarding appointments, retirements and terms of office of Directors. In particular, the Committee is to:

- i. regularly evaluate the mix of skills, experience, expertise and diversity of the existing Board. In particular, the Board is to identify the particular skills and diversity that will best increase the Board's effectiveness and prepare a description of the role and capabilities required for the particular appointment. Consideration is also given to the balance of independent Directors on the Board and on committees;
- ii. identify and recommend to the Board candidates for the Board after:
  - A. considering the necessary and desirable competencies of new Board members to ensure the appropriate mix of skills and experience;
  - B. assessing how the candidates can contribute to the strategic direction of the Company; and
  - C. undertaking appropriate background checks, including checks as to the candidate's character, experience, education, criminal record and bankruptcy history;
- iii. ensuring there are plans in place to manage the succession of the CEO and other senior executives;
- iv. approve and review induction procedures for new appointees of the Board to ensure that they can effectively discharge their responsibilities;
- v. identify continuing professional development programs for Directors;



- vi. assess and consider the time required to be committed by a non-executive Director to properly fulfil their duty to the Company and advise the Board.
  - vii. consider and recommend to the Board candidates for election or re-election to the Board at each annual shareholders' meeting;
  - viii. review Directorships in other public companies held by or offered to Directors and senior executives of the Company;
  - ix. review succession plans for the Board with a view to maintaining an appropriate balance of skills and experience on the Board;
  - x. arrange an annual performance evaluation of the Board, its Committee and individual Directors;
  - xi. ensure new directors enter into a written agreement with the Company, setting out the terms of their appointment. The new directors must also submit a consent to act, declaration of interests and undergo induction by the Board;
  - xii. make recommendations to the Board on the appropriate size and composition of the Board; and
  - xiii. make recommendations to the Board on the terms and conditions of appointment to, and removal and retirement from, the Board.
- f. Candidate disclosure
- Where a Director is put forward for election, the Committee must ensure the following information is provided to Shareholders:
- i. biographical details;
  - ii. details of material directorships; and
  - iii. if the director is standing for the first time:
    - A. confirmation appropriate checks have been undertaken by the Company;
    - B. if any information of concern has been revealed by such checks;
    - C. details of any potential conflicts of interest; and
    - D. whether the Board will consider the Director as independent.
- Where the Committee appoints a Director prior to completion of appropriate background checks, it must ensure that the Director gives an unequivocal undertaking to resign should the Company receive an unsatisfactory check.
- g. Other
- The Committee shall perform other duties and activities that it or the Board considers appropriate.

## 4. Non-Executive Remuneration

In considering the levels of remuneration for Non-Executive Directors, the Committee is to consider the guidelines set out in Box 8.2 of the Corporate Governance Principles and Recommendations (**Recommendations**):

- a. **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 or equity);



- b. **Fixed Remuneration:** Levels of fixed remuneration for non-executive directors should reflect the time commitment and responsibilities of the role;
- c. **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;
- d. **Equity Based Remuneration:** it is generally acceptable for Non-Executive Directors to receive securities as part of their remuneration to align their interests with the interests of other 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.
- e. **Termination Payments:** Non-Executive Directors should not be provided with retirement benefits other than superannuation.

To the extent that the Company adopts a different remuneration structure for its Non-Executive Directors, the Committee shall document its reasons for the purpose of disclosure to stakeholders. There are no minimum shareholding requirements for Non-Executive Directors.

## 5. Executive Remuneration

In setting the remuneration for Executives pursuant to clause 1.b, the Committee is to consider the guidelines set out in Box 8.2 of the Recommendations:

- **Composition:** remuneration packages for Executives should include an appropriate balance of fixed remuneration and performance-based remuneration;
- **Fixed Remuneration:** should be reasonable and fair, taking into account the entity'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 clearly linked to clearly specified performance targets. These targets should be aligned to the Company's short, medium- and longer-term performance objectives and should be consistent with the Company's purpose, strategic goals and Company Values. Discretion should be retained where appropriate to prevent performance-based remuneration rewarding conduct that is contrary to the Company's values or 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 short, medium and longer-term performance objectives. Care needs to be taken not to lead to short termism or the taking of undue risks; and
- **Termination Payments:** termination payments if any, 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. Termination payments may also trigger additional regulatory requirements under the Corporations Act or the ASX Listing Rules.

To the extent that the Company adopts a different remuneration structure for its Executive Directors, the Committee shall document its reasons for the purpose of disclosure to stakeholders.

## 6. Constitution

As and when it is required a Remuneration and Nomination Committee will be established by resolution of the Board.

## 7. Composition

### 7.1 Members

The Remuneration and Nomination Committee shall be appointed by the Board from among the Directors of the Company and shall consist of not less than three members, a majority of whom are independent directors.

Directors will be appointed to the Remuneration and Nomination Committee for a term of three years or such shorter time as they remain in the office of Director. Directors may serve consecutive terms on the Remuneration and Nomination Committee.

### 7.2 Expertise

Members of the Committee must have an appropriate level of understanding of:

- a. the principles of corporate governance, including knowledge of the ASX Limited (**ASX**) Principles of Good Corporate Governance and Best Practice Recommendations;
- b. the Company's businesses and organisation structure;
- c. the functions of the Board and the various roles and responsibilities of directors and other key executive positions;
- d. the disclosure requirements under the Corporations Act 2001 and the ASX Listing Rules in respect to executive and director remuneration; and
- e. the complexities involved in negotiating and determining executive remuneration packages.

### 7.3 Chair and Secretary

The Board will appoint an independent director to chair the Committee (**Chair**).

The Company Secretary will act as secretary of the Committee (**Secretary**) unless determined otherwise by the Board.



## 8. Meetings

### 8.1 Frequency

The Committee will meet as frequently as required but must, at a minimum, meet twice a year. The Secretary must call a meeting of the Committee if requested to do so by any member of the Committee.

Where deemed appropriate by the Chair of the Committee, meetings and subsequent approvals may be held or concluded by way of a circular written resolution or a conference call.

Decisions will be based on a majority of votes with the Chair having the casting vote.

The Committee may invite any executive management team members or other individuals, including external third parties, to attend meetings of the Committee, as they consider appropriate.

### 8.2 Agenda and notice

The Secretary will be responsible, in conjunction with the Chair, for drawing up the agenda (supported by any necessary explanatory documentation) and circulating it to Committee members prior to each meeting.

The Secretary must notify members of the Committee of the date, time and location of Committee meetings as far in advance as possible, but not less than 7 days before the meeting.

### 8.3 Quorum

A quorum for Committee meetings will be at least 2 members, save that 1 of the members of the quorum must be an independent director. In the absence of the Committee Chair or appointed delegate, the members shall elect one of their number as Chair.

### 8.4 Minutes

The Secretary is responsible for taking minutes of each meeting and distributing them to Committee members as soon as practicable. The Secretary shall distribute supporting papers for each meeting of the Committee as far in advance as possible.

### 8.5 Attendance

The Committee may invite any person to attend part or all of any meeting of the Committee as it considers appropriate. Voting at Committee meetings is restricted to Committee members.

## 9. Powers

### 9.1 Authority

The Remuneration and Nomination Committee is authorised by the Board to investigate any activity within its charter. It is authorised to seek any information it requires from any employee and all employees are directed to cooperate with any request made by the Remuneration and Nomination Committee.

The Remuneration and Nomination Committee is required to make recommendations to the Board on all matters within the Remuneration and Nomination Committee's charter





## 9.2 Access

The Committee has the right to obtain information, and unrestricted access to management and any internal and external auditors (with or without management present) and access to all Company records for the purpose of carrying out its responsibilities under this Charter.

## 9.3 Investigations and External Advice

The Committee has the power:

- a. to conduct any investigations it considers necessary; and
- b. seek explanations and additional information. The Committee has the power to seek advice from external consultants or specialists where the Committee considers that necessary or appropriate. Costs associated with this will be borne by the Company.

## 10. Reporting

### 10.1 Reporting to the Board

All Directors will be invited to attend each meeting of the Committee. The Committee must report to the Board, at the first Board meeting subsequent to each Committee meeting, regarding the proceedings of each Committee meeting, the outcomes of the Committee's reviews and recommendations and any other relevant issues.

### 10.2 Annual report

Based on advice and recommendations from management and external specialists, the Committee must provide the Board with advice and recommendations regarding the appropriate material and disclosures to be included in the remuneration report section of the Company's annual report.

## 11. Committee's Performance Evaluation

The Committee will review its performance from time to time and whenever there are major changes to the management of the Company.

The performance evaluation will have regard to the extent to which the Company has met its responsibilities in terms of this charter.

## 12. Public Availability of Materials

This Charter or a summary of its main provisions shall be made publicly available on the Company's website in a clearly marked corporate governance section



## 13. Review of the Charter

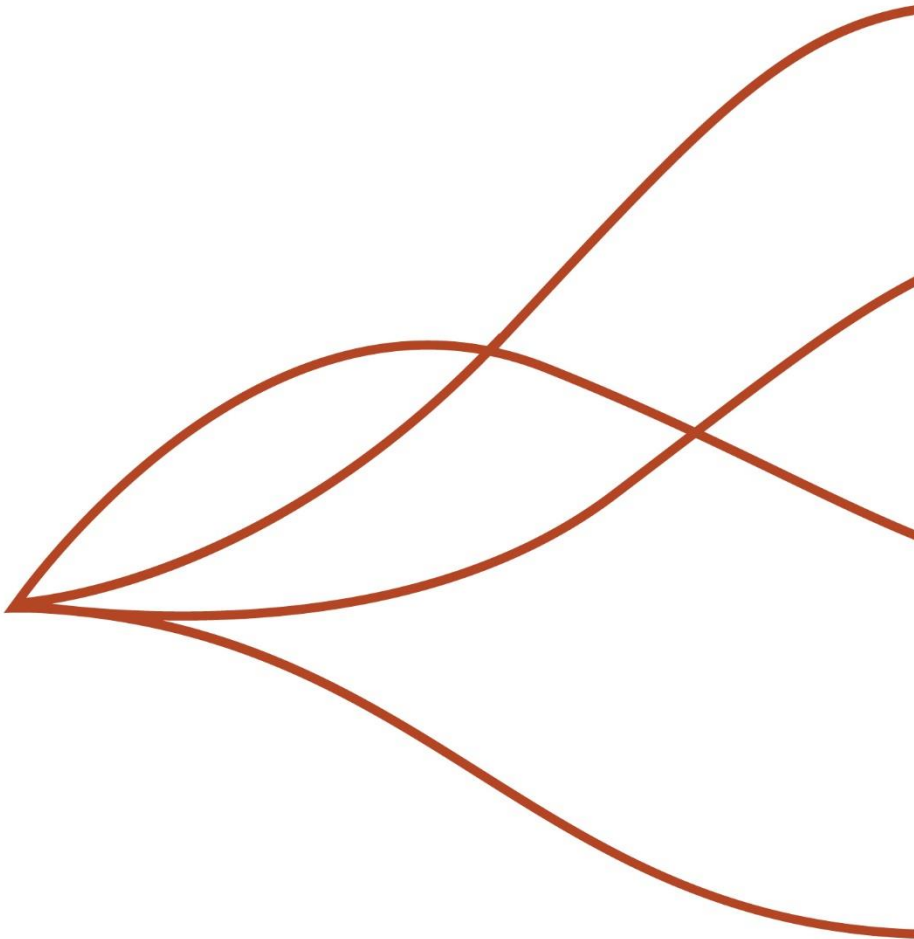
This Charter shall be reviewed annually and revised by the Board as required.

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**Don Runge**

**Chairperson**

**29 April 2022**



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