



ACCESS INNOVATION HOLDINGS LIMITED

ACN 122 058 708

**REMUNERATION AND NOMINATION
COMMITTEE CHARTER**

1 OVERVIEW

- 1.1 The Remuneration and Nominations Committee (**Committee**) has been established by the board of directors (**Board**) of Access Innovation Holdings Limited (**Company**).
- 1.2 This charter (**Charter**) outlines the scope of the Committee's responsibilities in relation to the Company and provides a framework within which the Committee will operate.
- 1.3 The role of the Committee is to assist and advise the Board of directors so it can fulfil its responsibilities to members of the Company on matters relating to the compensation, bonuses, incentives and remuneration issues of the Chief Executive Officer (**CEO**), senior executives and Company staff.
- 1.4 The Committee is not a policy making body but assists the Board by implementing board policy.

2 COMMITTEE OBJECTIVES

- 2.1 The primary function of the Committee is to assist the Board in fulfilling its responsibilities to shareholders and other stakeholders of the Company by:
 - (a) ensuring that the Company has remuneration policies that:
 - (i) are appropriate to attract, retain and motivate high quality directors and executives who will generate value for shareholders;
 - (ii) are fair and reasonable having regard to the performance of the Company and the relevant director or executive; and
 - (iii) comply with relevant Australian corporations law;
 - (b) ensuring that the Company's remuneration and incentive policies, practices and performance indicators are aligned to the board's vision, values and overall business objectives and are appropriately designed to:
 - (i) motivate the Company staff and the CEO to pursue the long term growth and success of Company; and
 - (ii) demonstrate a clear relationship between the achievement of the Company's objectives and the CEO and the staff performance and remuneration;
 - (c) ensuring that the Company has a Board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively; and
 - (d) bringing transparency and independent judgment to decisions regarding the composition of the Board.

In discharging their responsibilities, the Committee members have a duty to act in the best interests of the Company as a whole, irrespective of personal, professional, commercial or other interests, loyalties or affiliations.

3 COMMITTEE RESPONSIBILITIES

- 3.1 In relation to its remuneration function, the Committee is responsible for reviewing and making recommendations to the Board in relation to:
- (a) **(directors' fees)** the Company's remuneration framework for directors, including the process by which any pool of directors' fees approved by shareholders is allocated to directors;
 - (b) **(senior executives)** the remuneration packages to be awarded to senior executives;
 - (c) **(incentive compensation)** incentive compensation, including any equity-based remuneration plans or ex-gratia payments to senior executives;
 - (d) **(superannuation)** superannuation arrangements for directors and senior executives;
 - (e) **(bias)** whether there is any gender or inappropriate bias in remuneration for directors and senior executives;
 - (f) **(compliance)** whether the Company is in compliance with relevant provisions of Australian corporations law;
 - (g) **(policies)** the Company's recruitment, retention, oversight, redundancy and termination policies for the CEO or MD, and senior executives and any changes to those policies;
 - (h) **(CEO review)** the key performance indicators for the determination of any annual bonus components, and recommendation of the remuneration of the CEO, within the terms of the employment contract, annually to the Board;
 - (i) **(performance appraisal)** the performance appraisal processes;
 - (j) **(staff remuneration)** review of the CEO's recommendations regarding remuneration for staff; and
 - (k) **(concerns)** grievances or concerns expressed regarding remuneration (whether executive or staff remuneration, incentive plans, and whether from personnel, shareholders, regulators or market commentators), or assessment of the Company's remuneration strategy against relevant peers, or market or industry practices.
- 3.2 In relation to its nomination function, the Committee is required to:
- (a) **(Board size)** making recommendations regarding the size of the Board, being a size that encourages efficient decision making;
 - (b) **(Board competencies)** assess the competencies required to discharge competently the Board's duties having regard to the Company's performance, financial position and strategic direction;
 - (c) **(skills matrix)** develop and disclose to shareholders a Board skills matrix setting out the mix of competencies, experience and diversity that the Board currently has or is looking to achieve in its membership;

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- (d) **(director recommendations)** developing and reviewing the process for the selection, appointment and re-election of directors, and making recommendations to the Board by:
 - (i) evaluating the balance of skills, experience, independence, knowledge and diversity of directors sitting on the Board;
 - (ii) in light of this evaluation, preparing a description of the role and capabilities required for a particular appointment; and
 - (iii) undertaking appropriate checks before putting forward a candidate for appointment or election as a director;
- (e) **(CEO recommendation)** establish a process for identifying suitable candidates for appointment as Chief Executive Officer (**CEO**), having regard to the competencies and skills required;
- (f) **(providing information)** ensure security holders are provided with all information necessary to make an informed decision in relation to a proposed candidate for election as a director;
- (g) **(director induction)** develop and implement an induction program for all new directors and committee members which contains all such information and advice that may be considered necessary or desirable, including information regarding:
 - (i) the Company's operations and the industry sectors in which it operates;
 - (ii) the Company's financial, strategic, operational and risk management position;
 - (iii) governance matters, policies and procedures; and
 - (iv) the director or committee member's rights, duties and responsibilities;
- (h) **(employment agreements)** ensure that the Company provides each director and senior executive with a written agreement setting out the terms of his or her employment;
- (i) **(assessing performance)** implementing a process to evaluate the performance of the chair of the Board, individual directors and senior executives and addressing issues that may arise from the review;
- (j) **(assessing independence)** regularly assess the independence of directors and report its findings to the Board;
- (k) **(assessing time commitment)** review the time commitments required from non-executive directors and whether the existing non-executive directors are meeting that requirement;
- (l) **(succession plans)** reviewing Board and senior executive succession plans and processes, including for the Chief Executive Officer or Managing Director and other senior executive positions and being conscious of each director's tenure, to maintain an appropriate balance of skills, experience, expertise and diversity; and

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- (m) **(governance matters)** reviewing and making recommendations in relation to any corporate governance issues as requested by the Board from time to time.

4 AUTHORITY AND ACCESS

- 4.1 The Committee has authority to investigate any activity within this Charter and any other matters specifically brought to its attention by the Board.
- 4.2 The Committee has authority to engage appropriate independent advisers as necessary to assist in carrying out its duties.
- 4.3 In discharging its role, the Committee shall have unrestricted access to:
 - (a) all books and records of the Company;
 - (b) all staff, including the Company's managers to seek information and explanations from them; and
 - (c) the Company's auditors, both internal and external, including the right to seek explanations and information from them without management being present.

5 COMPOSITION

- 5.1 The Board will determine all appointments to the Committee, rotations, resignations and eligibility for re-election in accordance with the *Corporations Act 2001 (Cth)* and any other applicable general law.
- 5.2 The Committee will be comprised of at least three (3) members, being:
 - (a) an independent director appointed as chairperson (**Chair**); and
 - (b) at least two other directors of the Company,a majority of whom must be independent, non-executive directors.
- 5.3 The Chair must be an independent, non-executive director who is not the chair of the Board.
- 5.4 The Company secretary is the secretary of the Committee (**Secretary**).
- 5.5 The Company will disclose the members of the Committee.
- 5.6 The Committee must be of a sufficient size and possess the requisite skill and independence to effectively discharge its obligations.
- 5.7 Each member is expected to possess adequate remuneration, regulatory and industry knowledge to carry out his or her responsibilities as a member of the Committee. The term of service of Committee members will be reviewed by the Chair at least annually, with a view to rotating members periodically, but without losing the continuity of experience and knowledge gained by the members of the Committee.

6 COMMITTEE MEETINGS

6.1 Meetings

- (a) Meetings and proceedings of the Committee are governed by the provisions in the Company's constitution regulating meetings and proceedings of the

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Board and committees of the Board in so far as they are applicable and not inconsistent with this Charter.

- (b) The Board will disclose the number of times the Committee met throughout that financial year and the individual attendance of each Committee member at those meetings.

6.2 Frequency and attendance at meetings

- (a) The Committee will meet at least twice per year and more frequently as required to perform its functions.
- (b) The Chair must call a meeting if requested to do so by any member of the Committee, the external auditor or the chair of the Board.
- (c) The Chair of the Committee is appointed by the Board. If, for a particular Committee meeting, the Committee Chair is not present within 10 minutes of the nominated starting time of the meeting, the Committee may elect a Chair for the meeting.
- (d) Committee meetings may be held by technological means which allow members to participate without being physically present in the same place.
- (e) As necessary or desirable, the Committee may invite management, auditors, external advisors, or any other persons to attend and contribute to meetings.
- (f) At the end of each reporting period, the Committee must disclose to the Board the number of times that it met during the period and the individual attendances of its members at those meetings.

6.3 Conflicts

- (a) No Committee member will participate in the review of their own performance or determination of their own performance.
- (b) No Committee member will be present for discussions at a Committee meeting on, or vote on a matter regarding, his or her election, re-election, or removal.

6.4 Quorum

A quorum shall be any two (2) Committee members.

6.5 Minutes

- (a) The Secretary must keep minutes of all Committee meetings.
- (b) The minutes of each Committee meeting must be approved by the Chair and distributed to all Committee members.
- (c) The minutes of each Committee meeting are to be tabled at the next Board meeting.

6.6 Agenda and documents

The Chair determines the meeting agenda after appropriate consultation. The Secretary will distribute the notice of meeting, the agenda of items to be discussed

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and related material to all Committee members and other attendees in advance of each proposed meeting of the Committee.

6.7 Delegation

The Committee may delegate any of its powers and responsibilities as the Committee thinks appropriate for the administration of director, senior executive and employee share, option or other plans, to senior management.

7 REPORTING TO THE BOARD

- 7.1 The Committee will liaise with the Board in relation to the Company's remuneration related reporting obligations under the *Corporations Act 2001 (Cth)* and will ensure that all other applicable governance, accounting and legal requirements regarding disclosure of remuneration are complied with.
- 7.2 The Committee will:
- (a) liaise with the Audit and Risk Committee and the Board in relation to the Company's remuneration related reporting in the financial statements and remuneration report required by the Corporations Act;
 - (b) approve an annual remuneration report containing information on the Company's remuneration policy, practices, attendance at and frequency of Committee meetings and make recommendations to the Board for the inclusion of the remuneration report in the Company's annual report;
 - (c) make recommendations to the Board regarding the process for evaluating performance of the Board, its committees and the directors individually; and
 - (d) bring to the Board's attention all matters of importance in relation to the Company's remuneration policies and provide sufficient information to facilitate informed decision making.
- 7.3 Following each Committee meeting the Chair will report to the Board on any matter that should be brought to the Board's attention and on any recommendation of the Committee that requires Board approval or action, and provide the Board with sufficient information upon which to make a decision in that regard.
- 7.4 At the end of each reporting period, the Committee must disclose to the Board the number of times that it met during the period and the individual attendances of its members at those meetings.

8 BOARD AND COMMITTEE PERFORMANCE

- 8.1 The Committee is required to:
- (a) develop and implement a process for periodically evaluating the skills, performance, and effectiveness of the CEO and other senior executives, the Board, its committees and its individual members; and
 - (b) ensure that continuing professional development opportunities are available for directors and committee members to develop and maintain the appropriate skills and knowledge required to perform their roles effectively.
- 8.2 The Committee will review its performance from time to time and whenever there are major changes to the management structure of the Company.
- 8.3 Committee members must be available to meet with external bodies if requested to do so in accordance with relevant laws, regulations or industry standards.

9 REMUNERATION STRUCTURE

9.1 Distinction between Non-Executive and Executive Remuneration

- (a) The Committee will ensure that a clear distinction is maintained between the structure of non-executive directors' remuneration on one hand and that of executive directors and other senior executives on the other.

9.2 Remuneration of executive directors and other senior executives

- (a) The Committee will make recommendations to the Board regarding the remuneration of executive directors and other senior executives (**Executive Remuneration**).
- (b) Executive Remuneration packages should include an appropriate balance between fixed remuneration that is comparable with current market rates and performance based remuneration, linked to clearly specified performance targets that align with the Company's short and long term objectives and which are appropriate to the Company's circumstances and goals.

9.3 Remuneration of non-executive directors

- (a) The Committee will make recommendations to the Board regarding the remuneration of non-executive directors.
- (b) Non-executive directors should be remunerated in accordance with current market rates for comparable companies and at a level that enables the Company to attract and retain non-executive directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.
- (c) Non-executive directors should not receive performance-based remuneration.

10 INCENTIVE OR EQUITY BASED SCHEMES

- 10.1 For any incentive schemes or equity based plans which are adopted, the Committee is responsible for:
- (a) (**reviewing**) reviewing their terms (including any eligibility criteria and performance hurdles);

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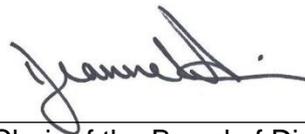
- (b) **(administration)** overseeing their administration (including compliance with applicable laws that restrict participants from hedging the economic risk of their security holdings) and disclosing its policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme;
- (c) **(shareholder approval)** considering whether shareholder approval is required or desirable for the schemes or plans and for any changes to them;
- (d) **(payments and awards)** ensuring that payments and awards of equity are made in accordance with their terms and any shareholder approval; and
- (e) **(compliance)** ensuring compliance with applicable laws that restrict participants from hedging the economic risk of their security holdings.

11 REVIEW AND PUBLICATION OF CHARTER

- 11.1 The Committee will review this Charter at least annually to ensure that it accords with best practise and remains consistent with the Committee's authority, objectives and responsibilities.
- 11.2 This Charter may be amended from time to time by resolution of the Board.
- 11.3 This Charter will be available on the Company's website and the key features will be published in the annual report or a link provided to this Charter or a summary on the website.

Date: 23 July 2020

Signed:



Chair of the Board of Directors of Access Innovation Holdings Limited