

Pact Group Holdings Ltd  
ACN: 145 989 644

# Nomination and Remuneration Committee Charter





# Committee Charter

## 1 Membership of the Committee

The Committee must consist of:

- only non-executive directors;
- a minimum of 3 members;
- a majority of independent directors; and
- an independent director as chair.

The Board may appoint such additional directors to the Committee or remove and replace members of the Committee by resolution. Members may withdraw from membership by written notification to the Board.

All non-committee member non-executive directors have a standing invitation to attend.

Non-committee members, including senior executives and senior managers, may attend all or part of a meeting of the Committee at the invitation of the Committee chair. Attendance is subject to an attendee not having a material personal interest in the matter being considered.

The Company Secretary or delegate must attend all Committee meetings as minute secretary.

## 2 Administrative matters

### 2.1 Meetings

The Committee will meet as often as the Committee members deem necessary in order to fulfil their role. However, it is intended that the Committee meet no less than three times a year.

### 2.2 Quorum

The quorum is at least 2 members.

### 2.3 Convening and notice of meeting

Any member may, and the Company Secretary must upon request from any member, convene a meeting of the Committee. Notice will be given to every member of the Committee of every meeting of the Committee at the member's advised address for service of notice (or such other pre notified interim address where relevant), but there is no minimum notice period and acknowledgement of receipt of notice by all members is not required before the meeting may be validly held.

### 2.4 Chair

In the absence of the Committee Chair, the Committee members must elect one of their number as chair for that meeting. The chair has a casting vote.

### 2.5 Access to resources and independent advisers

The Committee is to have access to adequate internal and external resources. For example, the Committee may seek the advice of the Company's auditors, solicitors or other independent advisers (including external consultants and specialists) as to any matter pertaining to the powers or duties of the Committee or the responsibilities of the Committee, as the Committee may require.

# 3. Role and responsibilities - nomination

## 2.6 Minutes

Minutes of meetings of the Committee must be kept by the Company Secretary and, after approval by the Committee Chair, will be circulated to all Committee members for comment as soon as practicable so that the minutes are recorded in the minute book within one month of the meeting. All minutes of the Committee will be available at all times for inspection by any director.

## 2.7 Reporting

Time permitting, the Committee Chair will prepare a report of the actions of the Committee to be included in the Board papers for the Board meeting next following a meeting of the Committee.

The Committee Chair will provide a brief oral report as to any material matters arising out of the Committee meeting. All directors will be permitted, within the Board meeting, to request information of the Committee Chair or members of the Committee.

## 3 Role & responsibilities - nomination

The responsibilities of the Committee are as follows:

- (a) Review and recommend to the Board the size and composition of the Board, including review of Board succession plans and the succession of the Chairman and CEO, having regard to the objective that the Board comprise directors with a broad range of skills, expertise and experience from a broad range of backgrounds, including gender.
- (b) Review and recommend to the Board the criteria for Board membership, including assessment of necessary and desirable competencies of Board members.
- (c) Assist the Board as required to identify individuals who are qualified to become Board members (including in respect of executive directors), in accordance with the policy outlined in section 4.
- (d) Review and recommend to the Board membership of the Board, including recommendations for the appointment and re-election of directors, and where necessary propose candidates for consideration by the Board, subject to the principle that a Committee member must not be involved in making recommendations to the Board in respect of themselves.
- (e) Establish policies and procedures for the selection and appointment of the CEO and make recommendations to the Board regarding the appointment, reappointment and removal of the CEO.
- (f) Assist the Board as required in relation to the performance evaluation of the Board, its committees and individual directors, and in developing and implementing plans for identifying, assessing and enhancing director competencies.
- (g) Review and make recommendations in relation to any corporate governance issues as requested by the Board from time to time and undertake an annual review of the Company's corporate governance statement.
- (h) Review the criteria for assessing a director's independence adopted by the Board and undertake an annual assessment of, and make recommendations to the Board regarding the, independence of each director.
- (i) Review the Board Charter on a periodic basis, and recommend any amendments for Board consideration.

# 4. Policy and procedure for selection and appointment of new directors

- (j) Review the time expected to be devoted by non-executive directors in relation to the Company's affairs.
- (k) Ensure that an effective induction process is in place and regularly review its effectiveness.
- (l) On an annual basis, review the effectiveness of the Company's Diversity Policy by:
  - (1) assessing the Company's progress towards the achievement of the measurable objectives and any strategies aimed at achieving the objectives; and
  - (2) reporting to the Board recommending any changes to the measurable objectives, strategies or the way in which they are implemented.
- (m) In accordance with the Company's Diversity Policy, on an annual basis, review the relative proportion of women and men in the workforce at all levels of the Group, and submit a report to the Board, which outlines the Committee's findings.

## 4 Policy and procedure for selection and appointment of new directors

### 4.1 Policy

Factors to be considered when reviewing a potential candidate for Board appointment include without limitation:

- the skills, experience, expertise and personal qualities that will best complement Board effectiveness;
- the existing composition of the Board, having regard to the factors outlined in the Board Diversity Policy and the objective of achieving a Board comprising directors from a diverse range of backgrounds;
- the capability of the candidate to devote the necessary time and commitment to the role. This involves a consideration of matters such as other Board or executive appointments; and
- potential conflicts of interest, and independence.

### 4.2 Procedure

- (a) Detailed background information in relation to a potential candidate should be provided to all directors.
- (b) The identification of potential director candidates may be assisted by the use of external search organisations as appropriate.
- (c) An offer of a Board appointment must be made by the chair only after having consulted all directors, with any recommendations from the Committee having been circulated to all directors.
- (d) All new Board appointments should be confirmed by letter in the standard format as approved by the Board or the Committee from time to time.



# 5 Role and responsibilities – remuneration

## 5 Role and responsibilities – remuneration

The responsibilities of the Committee are as follows:

- (a) Review and recommend to the Board arrangements for the executive directors and the executives reporting to the CEO, including contract terms, annual remuneration (except where the annual increase falls within the budgeted amount for that year as approved by the Board) and participation in the Company's short and long term incentive plans (including defining short and long term incentive objectives).
- (b) Review and recommend to the Board remuneration arrangements for senior executives and senior managers including contract terms, annual remuneration (except where the annual increase falls within the budgeted amount for that year as approved by the Board) and participation in the Company's short and long term incentive plans.
- (c) Review and recommend to the Board major changes and developments in the Company's remuneration, recruitment, retention and termination policies and procedures for senior executives and senior managers, remuneration policies, superannuation arrangements, personnel practices and industrial relations strategies for the Group.
- (d) Review, at least annually, the performance of the CEO against individual and company targets.
- (e) Review the senior executives' performance assessment processes to ensure they are structured and operate in a manner to realise the business strategy and review the results of those assessment processes.
- (f) Review and approve short term incentive strategy, performance targets and bonus payments.
- (g) Develop and review executive remuneration strategy, policies and practices including succession plans for executives.
- (h) Review and recommend to the Board the establishment/major changes/developments to the Company's employee equity incentive plans.
- (i) If there are employee equity incentive plans in place, recommend to the Board whether offers are to be made under any or all of the Company's employee equity incentive plans in respect of a financial year.
- (j) In respect of the Company's employee equity incentive plans in place, from time to time review and recommend to the Board:
  - the performance hurdles applicable to the executive directors, the senior executives and senior managers;
  - the proposed terms of, and authorise the making of, offers to eligible employees of the Company, including determining the eligibility criteria applying in respect of an offer, in respect of a financial year;
  - within the parameters of the plans, amendments to the terms of existing plans;
  - the terms of any trust deed applying in relation to the plans and of any amendment to any such trust deed, including authorising the execution of any such trust deed or amending deed on behalf of the Company; and

# 6. Remuneration Policy

- (k) In respect of the Company's employee equity incentive plans in place administer the operation of the plans, including but not limited to determining disputes and resolving questions of fact or interpretation concerning the various plans.
- (l) Review and make recommendations to the Board on remuneration by gender and recommend strategies or changes to address any pay gap.
- (m) Review and recommend to the Board the remuneration arrangements for the Chairman and the non-executive directors of the Board, including Board and Committee fees, travel and other benefits.
- (n) Approving the appointment of remuneration consultants for the purposes of the *Corporations Act 2001 (Cth)*.
- (o) Be satisfied that the Board and management have available to them sufficient information and external advice to ensure informed decision making regarding remuneration.
- (p) Review and recommend to the Board the remuneration report prepared in accordance with the *Corporations Act 2001 (Cth)* for inclusion in the annual directors' report.
- (q) Review and facilitate shareholder and other stakeholder engagement in relation to the Company's remuneration policies and practices.
- (r) Perform other functions as requested by the Board.

## 6 Remuneration Policy

- (a) In discharging its responsibilities, the Committee must have regard to the following policy objectives:
  - to ensure the Company's remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders and having regard to relevant Company policies;
  - to attract and retain skilled executives;
  - to structure short and long term incentives that are challenging and linked to the creation of sustainable shareholder returns; and
  - to ensure any termination benefits are justified and appropriate.
- (b) In the discharge of the Committee's responsibilities, no director or executive should be directly involved in determining their own remuneration.
- (c) The Committee must at all times have regard to, and notify the Board as appropriate of, all legal and regulatory requirements, including any shareholder approvals which are necessary to obtain.
- (d) The Committee Chair or if they are not available, a Committee member should attend the Annual General Meeting and make themselves available to answer any questions from shareholders about the Committee's activities or, if appropriate, the Company's remuneration arrangements.

# 7. Review

## 7 Review

The Board will, at least once every two years, review the membership and charter of the Committee to determine its adequacy for current circumstances and the Committee may make recommendations to the Board in relation to the Committee's membership, responsibilities, functions or otherwise.



# Version Control

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