



PS&C Limited ACN 164 718 361 (Company)

# Remuneration and Nomination Committee Charter

Last reviewed and adopted by the Board on 24th August 2020



PS+C

# Remuneration and Nomination Committee Charter

## 1. Objectives

- 1.1 The Committee is established by the Board to assist it and report to it in relation to the matters with which it has responsibility. The role of the Committee is to advise on remuneration and issues relevant to remuneration policies and practices including those for senior management and non-executive Directors.

## 2. Role of the Committee

### Composition

- 2.1 The Committee, of at least 2 Directors, will be appointed by the Board and so far as possible will:
- 2.1.1 comprise 2 non-executive Directors;
  - 2.1.2 be chaired by an independent Director;
  - 2.1.3 the Board will confirm membership of the Committee each year.

### Scope of responsibility

- 2.2 The Committee has responsibility for the following:
- 2.2.1 Reviewing and evaluating market practices and trends in relation to remuneration relevant to the Company;
  - 2.2.2 Reviewing and making recommendations to the Board in relation to the Company's remuneration practices;
  - 2.2.3 Overseeing the performance of the non-executive directors, executive directors and other senior executives;
  - 2.2.4 Reviewing and making recommendations to the Board in relation to the remuneration of the non-executive directors, executive directors and other senior executives; and
  - 2.2.5 Preparing for the Board any report that may be required under applicable legal or regulatory requirements in relation to remuneration matters.



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2.3 Remuneration is in each case taken as including not only monetary payments (salary and wages) but all other monetary and non-monetary emoluments and benefits including:

2.3.1 Fringe benefits;

2.3.2 Directors' and officers' and other insurance arrangements;

2.3.3 Retirement benefits;

2.3.4 Superannuation; and

2.3.5 Equity participation and other incentive programs.

In each case in the context of general market and industry practice (so far as directly relevant benchmarks can be identified for comparative purposes) and the need to attract and retain high-calibre personnel.

2.4 When a Board vacancy occurs or where it is considered that the Board would benefit from the services of a new director with particular skills, the non-executive Directors and the Managing Director will review potential candidates, with advice from external consultants if necessary, and then recommend candidates to the Board.

The Committee follows the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations in relation to remuneration policies and practices, as per the table below

<b>Guidelines for Executive Remuneration</b>	<b>Guidelines for Non-Executive Director Remuneration</b>
Composition – remuneration packages for executive directors and other senior executives should include an appropriate balance of fixed remuneration and performance-based remuneration	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).
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 entity's business. It should reflect core performance requirements and expectations	Fixed remuneration: levels of fixed remuneration for non-executive directors should reflect the time commitment and responsibilities of the role.



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Guidelines for Executive Remuneration	Guidelines for Non-Executive Director Remuneration
Performance-based remuneration – should be linked to clearly specified performance targets. These targets should be aligned to the entity's short and long-term performance objectives and should be appropriate to its circumstances, goals and risk appetite	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.
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 entity's longer-term performance objectives. Care needs to be taken in the design of equity-based remuneration schemes, however, to ensure that they do not lead to "short-termism" on the part of senior executives or the taking of undue risks.	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 security holders. <sup>47</sup> 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.
Termination payments: termination payments, if any, for senior executives should be agreed in advance and the agreement should clearly address what will happen in the case of early termination. <sup>48</sup> There should be no payment for removal for misconduct.	Termination payments: non-executive directors should not be provided with retirement benefits other than superannuation.

### Powers

- 2.5 The Committee has an advisory role, consistent with its purpose of assisting the Board in relation to the matters with which it is charged with responsibility and does not have any power to commit the Board to any recommendation or decision made by it but may nevertheless consult independent external expert advisers as it may consider appropriate for the proper performance of its function and charge the costs to the Company or Company within the Group.

### Meetings

- 2.6 Meetings are held at least once during each year and more often as required. Representatives of management and other employed personnel may be invited to attend meetings or specific parts of meetings at the discretion of the



## About PS+C Limited

We design and develop solutions that connect our clients with their customers, strengthen the security of their operations, streamline their processes and sharpen their competitive advantage.

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