



Collection House Group

# Remuneration and Nomination Committee Charter

## DOCUMENT CONTROL

### Endorsement

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### Version Control

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CHG 030B	Remuneration and Nomination Committee Charter	8	7/2016	Company Secretary
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# REMUNERATION AND NOMINATION COMMITTEE CHARTER

## ROLE

The role of the Remuneration and Nomination Committee (the Committee), where and when established by the Board of Directors (the Board), is to assist and advise the Board to fulfil its responsibilities to members of Collection House Limited (the Company) on the following matters:

- Remuneration structure and incentive reward plan for the Chief Executive Officer (CEO) and the Company's Senior Executives;
- Remuneration policies, fees and other entitlements for the Non-Executive Directors;
- Board succession planning; and
- Composition of the Board.
- Where the Board has not established or has absorbed the functions, powers and delegations of the Remuneration and Nominations Committee, it will use this Charter in the discharge of its Corporate Governance responsibilities.

## OBJECTIVES

The Committee's objectives include:

### Remuneration

- Assisting the Board to discharge its responsibility to exercise due care, diligence and skill in relation to:
  - reviewing the remuneration policy for Directors;
  - reviewing the remuneration, recruitment, retention and termination policy and procedures for Directors and Senior Executives;
  - evaluating and reviewing current industry standards and practices;
  - reviewing the evaluation of the CEO (by the Chairman) and Senior Executives' (by CEO) performances;
  - the Company's public reporting of financial information on remuneration matters.
- Providing a formal forum for communication between the Board and Senior Executives in relation to remuneration.
- Improving the efficiency of the Board by delegating tasks to the Committee where greater attention can be given to the task.

## Nomination

- To consider and make recommendations for the Company on the composition of, criteria for appointment to, and succession planning for the Company's Board of Directors.
- Ensuring adequate succession planning and development is in place for Senior Executives;

## DUTIES AND RESPONSIBILITIES

The Committee's role includes:

### Remuneration

- Reviewing and making recommendations to the Board on Director's fees, remuneration packages and other policies applicable to Executive and Non-Executive Directors. In considering the remuneration packages for Directors, the remuneration packages should clearly distinguish the structure of Non-Executives Directors from that of Executive Directors. Executive Directors' remuneration packages should involve a balance between fixed and incentive pay, reflecting short and long term performance objectives appropriate to the Company's circumstances and objectives.
- Reviewing and making recommendations to the Board on salary packages, including remuneration, superannuation arrangements and incentives for Senior Executives and other senior employees as required. In considering the remuneration packages for Senior Executives, the remuneration packages should involve a balance between fixed and incentive pay, reflecting short and long term performance objectives appropriate to the Company's circumstances and objectives, and should motivate Senior Executives to pursue the long term growth and success of the Company and demonstrate a clear relationship between remuneration and performance.
- Reviewing whether there is any gender or other inappropriate bias in remuneration for Directors, Senior Executives or other employees.
- Reviewing, evaluating, considering and making recommendations to the Board about Senior Executive succession planning.
- Evaluating current industry practices and the different remuneration methods and philosophies in the market.
- Developing policies relating to the Company's employee share and option plans and reward and recognition schemes across the Company and the monitoring of such schemes.
- Evaluating and making recommendations to the Board in relation to the CEO and Senior Executives' performance.
- Reviewing remuneration packages which are to be set at levels that will attract and retain Senior Executives and personnel who will manage the Company's operations and enhance shareholder value.
- Ensuring that any remuneration package, including termination benefits, for a Director, Senior Executive or a person in a key management position is compliant with the Company's policy and procedures and the current legislation and regulatory requirements from time to time.

- Noting that the remuneration and other terms of employment for all staff are to be formalised in employment contracts developed and monitored by the Executive Management Team.

## Nomination

- Identifying and reviewing the skills required of the Board and its Committees using the Board Skills Matrix procedure.
- Identifying and reviewing the appropriate number of Directors and Board and Committee structures.
- Reviewing the nomination of new Directors to the Board. Ensuring the process for recruiting a new Director includes evaluating the balance of skills, knowledge, experience, independence and diversity on the Board. A short-list of potential candidates, whose capabilities meet the requirements of the role, should be created with at least one female candidate wherever possible.
- Reviewing the criteria for Board membership to meet the 'Fit and Proper' test.
- Reviewing the appointment and re-election of Directors to the Board and its Committees.
- Reviewing the induction and continuing professional development programs for Directors.
- Reviewing the Board and Committee succession plans.
- Ensuring there are plans in place for the succession of the CEO and Executive Team.
- Reviewing and making recommendations to the Board on the CEO's employment contract and remuneration package.
- Reviewing the process (including development and implementation) for evaluating the performance of the Board, its Committees, Chairman and individual Directors.
- At least annually assessing the independence of each Non-Executive Director.
- Recommending to the Board measurable objectives for gender diversity on the Board and in the Company and annually reviewing those objectives and the entity's progress towards achieving them.

## MEMBERSHIP

- The Remuneration and Nomination Committee will comprise of at least three (3) Non-Executive Directors, a majority of whom are Independent Directors.
- A quorum will be two members.
- The Board will appoint the Committee Chair who must be an Independent Director.

The Chair of the Committee shall preside over the meetings of the Committee and may call special meetings, in addition to those regularly scheduled, and will report to the Board the actions and recommendations of the Committee.

However, if it should occur that the Chairman of the Board is also the Chair of the Committee, a separate Chair will be appointed when the Committee is dealing with an appointment of a successor to the Chair.

## AUTHORITY

- The Board authorises the Committee to act in a non-executive role 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 co-operate with any request made by the Committee.
- The Committee is authorised by the Board to obtain legal or other independent external professional advice or consultants, and to secure the attendance of outside parties with relevant experience and expertise if it considers this necessary.
- Subject to Board approval, to do such other things and take such other actions as are necessary or prudent to fulfil the responsibilities of the Committee.
- Undertake other related activities referred to the Committee by the Board.

## ADMINISTRATION OF THE COMMITTEE

- To seek the assignment, secondment or appointment of administrative personnel necessary to assist the Committee in performing its responsibilities.
- The CEO shall normally attend meetings but may be excluded on discussions relating to the CEO.
- The Chairman of the Committee should report formally to the Board and provide a summary of the Committee's work, deliberations and results.
- The Company Secretary or such other person as the Board may appoint shall be the designated Secretary to facilitate the administrative functions of the Committee.
- The responsibilities of the Secretary include preparing and sending notices of meetings and agendas, recording the minutes of meetings of the Committee and performing any other administrative duties deemed necessary by the Committee.
- The Secretary will ensure that all matters that are confidential to the Committee are not communicated to the CEO or other employees of the Company.

## MEETINGS

- The Committee will establish a timetable for regular meetings which shall be held not less than twice each financial year or more often as required.
- The Chairman of the Committee may call a meeting of the Committee at any time, or if so requested by any member of the Committee.
- Other Board members are invited to attend meetings of the Committee in an unofficial capacity.
- Where the Committee requires a Director, Senior Executive or employee to attend a meeting in a formal capacity, the Committee will follow the process contained in the "Invitation to Board and Sub-Committee Meeting Procedure".

- Minutes shall be circulated to all members of the Committee as soon as practicable after each meeting and thereafter to all members of the Board.

## MEETING AGENDAS

- The Committee at each of the regularly scheduled meetings should consider the following matters:
  - Review and approve Minutes of the previous meeting.
  - The formulation of reports and recommendations to the Board.
  - Perform such other functions and consider such other matters deemed necessary by the Committee to fulfil its responsibilities.

## EVALUATION AND REVIEW OF THE COMMITTEE

- The Committee shall:
  - Evaluate its own performance (both of individual members and collectively) on an annual basis having regard to its functions, roles, responsibilities and work to determine whether it is functioning effectively and has discharged its responsibilities as set out in this Charter. The results of this evaluation will be reported to the Board.
  - Obtain feedback from the Board on the effectiveness of the Committee.
- The Committee shall review the continuing relevance of the Charter on an annual basis. Where changes are deemed necessary they will be submitted to the Board of Directors for endorsement.