



Remuneration & Nomination Committee Charter

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Remuneration & Nomination Committee Charter

1 Purpose

- 1.1 The Remuneration and Nomination Committee (Committee) has been established as a Committee of the Board of Directors (Board) of Collection House Limited (Collection House).
- 1.2 The Committee supports the Board in fulfilling its responsibilities to Collection House shareholders and employees by reviewing and recommending to the Board:
 - remuneration framework and structure, and incentive reward plan
 - Board membership and composition
 - Board performance.
- 1.3 The Committee will fulfil these responsibilities by carrying out the activities outlined in this Remuneration and Nomination Committee Charter (Charter).

2 Authority

- 2.1 This Charter sets out the Committee's authority, role, responsibilities, and composition. In order to fulfil its responsibilities, the Committee may:
 - Seek any information it considers necessary to fulfil its responsibilities, including seeking information from management and any Collection House employee.
 - Obtain advice from external consultants or specialists, at a cost to Collection House, where the Committee considers necessary or appropriate to enable it to formulate recommendations to the Board. The Committee may meet with these external advisors within management being present.
 - Undertake such activities as referred to the Committee by the Board from time to time.

3 Role

- 3.1 The Committee's role is to assist the Board fulfil its responsibilities to Collection House shareholders and employees in relation to the following:
 - Remuneration framework and structure, and incentive reward plan, which covers:
 - remuneration framework(s) and packages for the Chief Executive Officer (CEO) and Senior Executives
 - remuneration policies, fees and other entitlements for Non-Executive Directors (NEDs)
 - short and long term incentives for the CEO, Senior Executives and other employees.
 - Board membership and composition, including nomination and appointment of Directors and examining whether the Board has the appropriate balance of skills and experience diversity to enable it to discharge its duties and responsibilities effectively.

- Evaluation of the Board's performance.
- Collection House's diversity policy and practices.

4 Responsibility

The responsibilities of the Committee are as follows:

REMUNERATION

4.1 The Committee will review and recommend to the Board:

- Collection House's Remuneration Policy and its ongoing appropriateness and relevance
- the remuneration, recruitment, retention and termination policy and procedures for the CEO and Senior Executives
- the evaluation of the performance of CEO (by the Chairman) and Senior Executives' (by CEO)
- remuneration related to Collection House's reporting requirements
- the remuneration framework for Directors, including the process by which any pool of Directors' fees approved by shareholders is allocated to Directors.

4.2 In formulating Collection House's Remuneration Policy, the Committee will:

- review and evaluate relevant current market conditions and practices in relation to the competitiveness of executive and non-executive remuneration
- review and recommend to the Board regarding executive remuneration generally including, but not limited to, base pay, incentive payments, and service contracts
- consider whether to seek shareholder approval of the executive remuneration, and if not required, whether additional and specific remuneration terms, such as termination payments, are to be disclosed to relevant legislative and regulatory bodies
- oversee the implementation of Collection House's executive remuneration.

4.3 The Committee will ensure that any remuneration package, including termination benefits, for a Director, Senior Executive or a person in a key management position is compliant with Collection House policy and procedures and the current legislation and regulatory requirements from time to time.

CEO and ELT Remuneration

4.4 The Committee will review and recommend to the Board:

- the remuneration of the CEO and each ELT member, including base pay, incentive payments, termination payments and service contracts
- whether shareholder approval is required, and ensuring that any equity based remuneration is made in accordance with shareholder approvals.

4.5 In considering the remuneration package of the CEO and ELT, the Committee should ensure an appropriate balance between fixed and incentive pay, reflecting short and long term performance objectives appropriate to Collection House's circumstances and objectives.

NED Remuneration

4.6 The Committee will review and recommend to the Board:

- the level of remuneration for NEDs, including fees, superannuation and other benefits
- whether shareholder approval is required for the level of remuneration allocated to NEDs
- whether any equity based remuneration is appropriate for NEDs.

Equity based and long term incentive (LTI) plans

4.7 The Committee will:

- review and recommend policies relating to Collection House's employee share and option plans, and reward and recognition schemes
- recommend proposed amendments to any plans or schemes in response to any legislative, regulatory and market developments
- review, at least annually, and recommend to the Board any proposed amendments to the design or operation of all equity based and/or LTI plans
- will determine each year, for each plan or scheme, whether awards will be made under that plan or scheme
- review and recommend to the Board regarding proposed aggregate and individual awards under each plan or scheme, including determining applicable eligibility criteria and vesting and exercise conditions
- review and recommend to the Board performance hurdles for such plans and schemes
- administer the operation of the plans, including determining disputes and resolving questions of fact or interpretation concerning the plans or schemes.

Short term incentives

4.8 The Committee will review, at least annually, and recommend to the Board regarding short term incentives, performance targets and bonus payments for the CEO, ELT and employees in key management positions.

BOARD MEMBERSHIP AND COMPOSITION

4.9 The Committee will:

- establish the criteria for Board membership
- review and recommend to the Board the size and composition of the Board
- develop and review the process for the selection, appointment and re-election of Directors
- establish a skills matrix setting out the mix of skills and diversity the Board has or is looking to achieve
- periodically assess the skills, experience and expertise required to discharge the Board's duties, having regard to Collection House's strategic direction
- recommend to the Board the necessary and desirable competencies of Directors, the time expected to be devoted by NEDs in relation to Collection House, and plans for enhancing Director competencies.

BOARD NOMINATION

4.9 The Committee will:

- regularly review the skills required of the Board and its Committees using the Board skills matrix

- review and recommend to the Board the Board and Committee structures, and the number of Directors required to fulfil those Committees
- review the nomination of new Directors to the Board, ensuring that this process includes evaluating the balance of skills, knowledge, experience, independence and diversity on the Board
- review the criteria for Board membership to meet the 'Fit and Proper' test
- review and recommend to the Board the appointment, removal and re-election of Directors to the Board and its Committees
- review and recommend to the Board the induction and continuing professional development programs for Directors
- review and recommend to the Board succession plans for the Board and Committees
- assess the independence of each NED on an annual basis
- review and recommend to the Board measurable objectives for gender diversity on the Board and in Collection House, and annually reviewing those objectives and Collection House's progress towards achieving them.

BOARD PERFORMANCE

4.10 The Committee will:

- review and recommend processes for the evaluation of the performance of the Board, its Committees and individual Executive and NEDs, regularly review those processes
- facilitate the regular review of the Board's performance and recommend opportunities to improve the Board's performance

DIVERSITY POLICY AND PRACTICES

4.11 The Committee will:

- regularly assess there is any gender or other inappropriate bias in remuneration for Directors, Senior Executives or other employees
- approve and monitor compliance with Collection House's Diversity Policy
- where appropriate, establish measurable objectives for achieving gender diversity in accordance with Collection House's Diversity Policy, and periodically reviewing those objectives and the progress towards achieving them
- regularly review Collection House's Diversity Policy and recommend strategies required to address Board diversity
- regularly review and note, at least annually, the relative proportion of women and men at all levels.

OTHER RESPONSIBILITIES

4.12 The Committee will:

- 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
- obtain feedback from the Board on the effectiveness of the Committee
- review the continuing relevance of the Charter on an annual basis and recommend necessary changes to the Board for endorsement.

5 Membership

- 5.1 The Committee will consist of at least three (3) members and usually not more than five (5) Non-Executive Directors, a majority of whom are Independent Directors. At least two (2), or a majority of Committee Members, will be NEDs who are independent of management and free from any relationship which might, in the Board's opinion, be perceived as a conflict of interest.
- 5.2 Where the number of NEDs from which to appoint to the Committee is less than the required minimum (2), the Board will dissolve the Committee and absorb its functions, powers and delegations until such time as the required minimum is reached.
- 5.3 The Committee Chair is appointed by the Board and must be a NED who is not the Chair of the Board.
- 5.4 Membership of the Committee is reviewed annually with members eligible for reappointment. Membership of the Committee is to be confirmed annually by the Board in alignment with Collection House's annual general meeting. To ensure continuity within the Committee, the appointment of Members to the Committee is to be staggered.

6 Meetings

- 6.1 The Committee will meet at least four (4) times a year and hold extra meetings as required, including extra meetings requested by the Committee Chair or by the Board Chair.
- 6.2 A quorum shall be two (2) Committee members. Directors who are not Committee members shall have the right to attend Committee meetings.
- 6.3 Should Committee Chair be absent from any Committee meeting, the Committee members present at that meeting shall appoint one of their number to be Chair of that meeting. All Committee members are expected to attend each meeting in person or by other approved means, such as teleconferencing or video conferencing.
- 6.4 If it should occur that the Board Chair is also the Committee Chair, a separate Chair will be appointed when the Committee is reviewing and recommending an appointment of a successor to the current Board Chair.
- 6.5 The Committee may invite other people to attend a meeting, consult other people or seek any information considered necessary to fulfil its responsibilities. The CEO has a standing invitation to attend meetings but will be excluded from meetings where the CEO's performance is evaluated and discussed.
- 6.6 The Committee Chair will provide to the Board a summary of the Committee's work, deliberations and results.
- 6.7 Collection House's Company Secretary, or delegate, will be the Committee Secretariat. For each meeting, the Secretariat, in conjunction with the Committee Chair, will be responsible for:
 - developing the agenda for each meeting, supported by documentation
 - circulating the notice and agenda for each meeting, including relevant supporting papers, to Committee members at least seven (7) working days prior to each meeting
 - preparing draft meeting minutes and circulating those to the Chair for approval within seven (7) working days after each meeting.
- 6.8 The approved Committee meeting minutes will be circulated to Committee members within 14 working days after each meeting.
- 6.9 The minutes must be ratified and signed by the Chair at the following meeting.
- 6.10 The Company Secretary will ensure that all matters that are confidential to the Committee are not communicated to the CEO and other employees.



**We're here to help.
Get in touch with us today.**

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