



# **NOMINATION AND REMUNERATION COMMITTEE CHARTER**

## 1. Purpose

- 1.1 This Nomination and Remuneration Committee Charter (Charter) governs the operations of the HSC Technology Group Ltd (the Company) Nomination and Remuneration Committee (the Committee). It sets out the Committee's role and responsibilities, composition, structure, and membership requirements.
- 1.2 The Committee has been established by the Board of HSC Technology Group Limited (the Board). The purpose of the Committee is to support and advise the Board in fulfilling its responsibilities to shareholders by:
- a) providing advice in relation to remuneration packages of senior executives, non-executive Directors and executive Directors, equity-based incentive plans and other employee benefit programs;
  - b) reviewing the Company's recruitment, retention, and termination policies;
  - c) reviewing the Company's superannuation arrangements;
  - d) reviewing succession plans of senior executives and executive Directors;
  - e) recommending individuals for nomination as members of the Board and its committees;
  - f) ensuring the performance of senior executives and members of the Board are reviewed at least annually;
  - g) considering those aspects of the Company's remuneration policies and packages, including equity-based incentives, which should be subject to shareholder approval;
  - h) monitoring the size and composition of the Board to ensure that it has an appropriate mix of skill and experience to be an effective decision-making body; and
  - i) reviewing the Company's diversity policy and its effectiveness

## 2. Composition

- 2.1 The Board will strive to adhere to the following composition requirements for the Nomination and Remuneration Committee where at all possible. However, the Board acknowledges that the composition of the Board may not allow adherence to the following composition requirements from time to time.
- a) The Committee shall comprise at least three Directors, the majority being independent non-executive Directors.
  - b) The Committee will be chaired by an independent Director who will be appointed by the Board.
  - c) The Board may appoint such additional non-executive Directors to the Committee or remove and replace members of the Committee by resolution.

### **3. Meetings**

- 3.1 The Committee will meet as often as necessary but must meet at least twice a year and one of those meetings must take place at least two months prior to each annual general meeting.
- 3.2 The Chair of the Committee must call a meeting of the Remuneration and Nomination Committee if so, requested by any Committee member, the Managing Director / Chief Executive Officer, or the Company Secretary.
- 3.3 The Committee may invite other persons, such as internal specialists or external advisers, to attend meetings if considered appropriate by the Chair of the Committee.
- 3.4 The quorum necessary for a meeting of the Remuneration and Nomination Committee shall be two members. In the absence of the Chair of the Committee being able to attend the members present will appoint one of their number to chair the meeting.
- 3.5 The Company Secretary will act as the Secretary of the Committee and will attend all Committee meetings.

### **4. Reporting**

- 4.1 The Chair of the Committee must report the findings and recommendations of the Committee at the next Board meeting following each meeting of the Committee.
- 4.2 The minutes of all Committee meetings will be circulated to members of the Board by the Company Secretary.
- 4.3 The Committee must approve:
  - (a) the details to be published in the Company's annual report or any other statutory report or document with respect to the activities and responsibilities of the Committee; and
  - (b) any statement on the Company's remuneration policy and executive compensation disclosures that may be required by law or other regulatory requirements (including any such statement to be included in the Company's annual report).

### **5. Responsibilities**

- 5.1 In addition to any other matters which may be delegated to the Committee by the Board (including special investigations), the Committee is responsible for:
- 5.2 *Remuneration of Senior Executives and Executive Directors*
  - (a) Regularly reviewing and making recommendations to the Board with respect to an appropriate remuneration policy including retirement benefits and termination

payments (if any) for senior executives and executive Directors ,ensuring that such a policy:

- (i) enables the Company to attract and retain valued employees;
  - (ii) motivates senior executives and executive Directors to pursue the long term growth and success of the Company;
  - (iii) demonstrates a clear relationship between performance and remuneration; and
  - (iv) has regard to prevailing market conditions.
- (b) Regularly reviewing and making recommendations to the Board regarding the remuneration packages of senior executives and executive Directors, including (as appropriate) fixed, performance-based and equity-based remuneration, reflecting short and long term performance objectives appropriate to the Company's circumstances and goals.
- (c) Making recommendations to the Board with respect to the quantum of short term incentives (if any) to be paid to senior executives.

### 5.3 Remuneration of Non-Executive Directors

- (a) Making recommendations as to the structure of remuneration for non-executive Directors.
- (b) Ensuring that fees paid to non-executive Directors are within the aggregate amount approved by shareholders and making recommendations to the Board with respect to the need for increases to this aggregate amount at the Company's annual general meeting.
- (c) No member of the Remuneration and Nomination Committee may participate in any decision with respect to his or her position or remuneration

### 5.4 Superannuation

Regularly reviewing and providing advice to the Board in relation to the Company's superannuation arrangements.

### 5.5 Succession Plans - Senior executives and executive Directors

Reviewing succession plans of senior executives and executive Directors on a regular basis to maintain an appropriate balance of skills, experience, expertise and diversity in the management of the Company and providing advice to the Board accordingly.

### 5.6 Succession Plans - Board

Reviewing Board succession plans on a regular basis to maintain an appropriate balance of skills, experience, expertise and diversity on the Board and providing advice to the Board accordingly.

## 5.7 New Directors

- (a) Identify and recommend to the Board candidates for the Board after considering the necessary and desirable competencies of new Board members to ensure the appropriate mix of skills and experience and after assessment of how the candidates can contribute to the strategic direction of the Company.
- (b) Undertake appropriate checks before appointing a candidate or putting forward to security holders a candidate for election, as a Director, including checks in respect of character, experience, education, criminal record, and bankruptcy history (as appropriate).
- (c) Ensuring an effective induction program is available to new Directors to ensure they understand their responsibilities and the business activities of the Company as well as ensuring that an effective orientation program for new Directors is in place, and regularly reviewing its effectiveness.
- (d) Ensure that all material information relevant to a decision on whether or not to elect or re-elect a Director will be provided to security holders in the Notice of Meeting containing the resolution to elect or re-elect a Director, including:
  - (i) biographical details (including relevant qualifications and experience and skills);
  - (ii) details of any other material directorships currently held by the candidate;
  - (iii) where standing as a Director for the first time, any material adverse information revealed by the checks, details of any interest, position, association, or relationship that might materially influence their capacity to be independent and act in the best interests of the Company and its shareholders, and a statement whether the Board considers the candidate is considered to be independent;
  - (iv) where standing for re-election as a Director, the term of office served by the Director and a statement whether the Board considers the candidate is considered to be independent; and
  - (v) a statement by the Board whether it supports the election or re-election of the candidate.

## 5.7 Board Committees

Identifying Directors qualified to fill vacancies on Board Committees and making recommendations to the Board, accordingly, having regard to such factors as the Committee considers appropriate, including the terms of reference of the particular Board Committee the Director's experience, the interplay of the Director's experience with the experience of other Board Committee members and the Guidelines.

## 5.8 Performance – Senior Executives and Executive Directors

- (a) Developing and implementing a plan for identifying, assessing and enhancing competencies of senior executives and executive Directors.

- (b) Ensuring that the performance of each senior executive and executive Director is evaluated at least annually.

#### 5.9 Performance – Board and Nomination and Remuneration Committee

- (a) Considering and articulating the time needed to fulfil the role of Chair and non-executive Director.
- (b) Developing and implementing a plan for identifying, assessing and enhancing Director competencies.
- (c) Regularly evaluating the performance of the Board and each Director on an annual basis including an assessment of whether each Director has devoted sufficient time to their duties.
- (d) Ensuring the Board has access to continuing education to update and enhance their skills and knowledge.

#### 5.10 Board Skills Matrix

Prepare and maintain a Board skills matrix setting out the mix of skills and diversity that the Board currently has (or is looking to achieve) and otherwise provide advice to the Board in compliance with the ASX Corporate Governance Principles and Recommendations that are in place from time to time. The Company must disclose this matrix in, or in conjunction with, its Annual Report.

#### 5.11 Shareholder Approval

Considering those aspects of the Company's remuneration policies and packages, including equity-based incentives, which should be subject to shareholder approval and making recommendations to the Board accordingly.

#### 5.12 Size and composition of the Board

- (a) Regularly reviewing the size and composition of the Board and making recommendations to the Board with regard to any appropriate changes.
- (b) Providing advice to the Board with respect to the necessary and desirable competencies of Directors.
- (c) Making recommendations to the Board for the appointment and removal of Directors.
- (d) In a timely manner, making recommendations to the Board whether or not Directors, whose term of office is expiring should be proposed for re-election at the Company's next annual general meeting.

### 6. **Reliance on Information or Professional or Expert Advice**

Each member of the Committee is entitled to rely on information, or professional or expert advice, to the extent permitted by law, given or prepared by:

- (a) an employee of the Group whom the member believes on reasonable grounds to be reliable and competent in relation to the matters concerned;
- (b) a professional adviser or expert in relation to matters that the member expert competence; or
- (c) another Director or officer of the Group in relation to matters within the Directors or officer's authority.

**7. Access to Advice**

- 7.1 Committee members have a right of access to the books and records of the Company to enable them to discharge their duties as Committee members, except where the Board determines that such access would be adverse to the Company's interests.
- 7.2 The Committee may consult independent experts to assist it in carrying out its duties and responsibilities. Any costs incurred as a result of the Committee consulting and independent expert will be borne by the Company.

**8. Review of Charter**

- 8.1 The Board will conduct an annual review of the membership of the Committee to ensure that the Committee has carried out its functions in an effective manner and will conduct an annual review of this Charter as required or as a result of new laws, regulations or best industry practice.

**APPROVAL**

This Nomination and Remuneration Committee Charter was approved and adopted by the Board on 16 December 2020.



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Chair of HSC Technology Group Ltd