

# **Nomination and remuneration committee charter**

FOS Capital Limited

ACN 637 156 275

Adopted by the Board on 29 April 2021

## **1 Introduction**

- 1.1 The Nomination and Remuneration Committee is a committee of the board of directors of the Company (**Board**).
- 1.2 The Board established the Nomination and Remuneration Committee under the Company's constitution.
- 1.3 This charter sets out the scope of the Nomination and Remuneration Committee's responsibilities in relation to the Company.
- 1.4 The role of the Nomination and Remuneration Committee is not an executive role.

## **2 Objective**

The objective of the Nomination and Remuneration Committee is to assist the board in ensuring the Company:

- (a) has a board of an effective composition, size and commitment to adequately discharge its responsibilities and duties;
- (b) has coherent remuneration policies and practices to attract and retain non-executive directors who will create value for shareholders; and
- (c) observes those remuneration policies and practices.

## **3 Nominations – responsibilities**

- 3.1 The responsibilities of the Nomination and Remuneration Committee include:
  - (a) assist the Board to develop a board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.
  - (b) 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 Chief Executive Officer, 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.
  - (c) review and recommend to the Board the criteria for Board membership, including:
    - (i) the necessary and desirable competencies of Board members; and
    - (ii) the time expected to be devoted by non-executive directors in relation to the Company's affairs.
  - (d) review and recommend to the Board the composition and membership of the Board, including:
    - (i) making recommendations for the re-election of directors, subject to the principle that a Committee member must not be involved in making recommendations to the Board in respect of themselves; and
    - (ii) assisting the Board as required to identify individuals who are qualified to become Board members, in accordance with the policy outlined in section 4.
  - (e) 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.

- (f) Review and make recommendations in relation to any corporate governance issues as requested by the Board from time to time.
- (g) Review the Board Charter on a periodic basis, and recommend any amendments for Board consideration.
- (h) Ensure that an effective director induction process is in place and regularly review its effectiveness and provide appropriate professional development opportunities for directors.
- (i) On an annual basis, review the effectiveness of the Diversity Policy by:
  - (i) assessing the Company's progress towards the achievement of the measurable objectives and any strategies aimed at achieving the objectives; and
  - (ii) reporting to the Board recommending any changes to the measurable objectives, strategies or the way in which they are implemented.
- (j) In accordance with the Diversity Policy, on an annual basis, review the relative proportion of women and men on the Board, in senior management positions and in the workforce at all levels of the Group, and submit a report to the Board, which outlines the Committee's findings or, if applicable, provide the Board with the Company's most recent indicators as required by the *Workplace Gender Equality Act 2012* (Cth).

3.2 A member of the Nomination and Remuneration Committee must not participate in any review or assessment of their own performance.

## **4 Remuneration policies and practices**

Independent non-executive directors should be paid directors' fees in cash at a level determined by the Board.

## **5 Remuneration - responsibilities**

5.1 The responsibilities of the Nomination and Remuneration Committee include:

- (a) review the remuneration of non-executive directors for serving on the Board and any committee (both individually and in total);
- (b) recommend to the Board the remuneration, retirement and termination policies for non-executive directors having regard to market trends and shareholder interests; and
- (c) review any insurance premiums or indemnities for the benefit of directors.

## **6 Other responsibilities**

6.1 The Nomination and Remuneration Committee is responsible for doing anything the Board considers appropriate in the context of this charter.

## **7 Nomination and Remuneration Committee composition**

7.1 The Nomination and Remuneration Committee should comprise:

- (a) at least 3 directors; and
- (b) a majority of independent directors.

- 7.2 The Nomination and Remuneration Committee will appoint its chairperson. The chairperson of the Nomination and Remuneration Committee should be an independent director.
- 7.3 The Board decides appointments, rotations and resignations within the Nomination and Remuneration Committee having regard to the ASX Listing Rules, the Corporations Act and the Company's constitution.
- 7.4 A Nomination and Remuneration Committee member may appoint an alternate member and act by their alternate.

## **8 Nomination and Remuneration Committee meetings**

- 8.1 The Nomination and Remuneration Committee will meet as often as it considers necessary.
- 8.2 Subject to clauses 9.3 and 9.4, the quorum for a Nomination and Remuneration Committee meeting is two Nomination and Remuneration Committee members.
- 8.3 Nomination and Remuneration Committee meetings may be held by any technological means allowing its members to participate in discussions even if all of them are not physically present in the same place. A member who is not physically present but participating by technological means is taken to be present.
- 8.4 A notice of each meeting confirming the date, time, venue and agenda shall be forwarded to each member of the committee, generally no later than one week prior to the date of the meeting. The notice will include relevant supporting papers for the agenda items to be discussed.
- 8.5 The Nomination and Remuneration Committee may pass or approve a resolution without holding a meeting in accordance with the procedures (so far as they are appropriate) in section 248A of the Corporations Act.
- 8.6 The Nomination and Remuneration Committee may invite anyone it considers appropriate to attend Nomination and Remuneration Committee meetings.
- 8.7 The Nomination and Remuneration Committee should keep minutes of its meetings and shall report these regularly to the Board.

## **9 Access to information and independent advice**

- 9.1 The Nomination and Remuneration Committee may seek any information it considers necessary to fulfil its responsibilities.
- 9.2 The Nomination and Remuneration Committee has access to management to seek explanations and information from management, at the Company's cost.
- 9.3 The Nomination and Remuneration Committee may seek professional advice from employees (if any) of the Company and from appropriate external advisers, at the Company's cost. The Nomination and Remuneration Committee may meet with external advisers without management being present.

## **10 Review and changes to this charter**

- 10.1 The Nomination and Remuneration Committee will review this charter annually or as often as it considers necessary.
- 10.2 The Board may change this charter from time to time by resolution.

## **11 Approved and adopted**

- 11.1 This charter was approved and adopted by the Board on 29 April 2021

