

# Global Nomination and Remuneration Committee Charter

## 1. Purpose and Authority

### 1.1 Purpose

The purpose of this Charter is to specify the authority delegated to the Committee by the Board and to set out the role, responsibilities, membership and operation of the Committee.

### 1.2. Authority

The Committee is a committee of the Board established in accordance with the Company's constitution and authorised by the Board to assist it in fulfilling its statutory, fiduciary and regulatory responsibilities. It has the authority and power to exercise the role and responsibilities set out in this Charter and granted to it under any separate resolutions of the Board from time to time.

## 2. Definitions

General terms and abbreviations used in this Charter are defined as follows:

**ASX** means ASX Limited ACN 008 624 691 or the securities market operated by ASX Limited, as the case may be.

**ASX Listing Rules** means the listing rules of the ASX as amended from time to time.

**ASX Corporate Governance Principles** means *Corporate Governance Principles and Recommendations (4th Edition, 2019)* as amended from time to time.

**Board** means the Board of Directors of the Company.

**Board Committees** means committees established by the Board.

**CEO** means the chief executive officer of the Company.

**CFO** means the chief financial officer of the Company.

**Chair** means chair of the Committee.

**Charter** means this 'Nomination and Remuneration Committee Charter'.

**Committee** means the 'Nomination and Remuneration Committee'.

**Company** means Close the Loop Limited ACN 095 718 317.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Director** means a director of the Company.

**Executive Director** means an executive Director of the Company.

**Non-executive Director** means a Non-executive Director of the Company.

**Secretary** means the company secretary of the Company.

### **3. Role of the Committee**

#### **3.1. Nomination**

The Committee assists and advises the Board on:

- (a) Board succession planning generally;
- (b) induction and continuing professional development programs for Directors;
- (c) the necessary and desirable competencies of the Non-executive Directors;
- (d) the development and implementation of a process for evaluating the performance of the Board, its committees and Directors;
- (e) the process for recruiting a new Director, including evaluating the balance of skills, knowledge, experience, independence and diversity on the Board and, in the light of this evaluation, preparing a description of the role and capabilities required for a particular appointment;
- (f) the appointment and re-election of Directors; and
- (g) ensuring there are plans in place to manage the succession of the CEO and other senior executives, to ensure that the Board is of a size and composition conducive to making appropriate decisions, with the benefit of a variety of perspectives and skills and in the best interests of the Company as a whole.

#### **3.2. Remuneration**

- (a) The Committee also assists and advises the Board on remuneration policies and practices for the Board, CEO, CFO, senior executives and other persons whose activities, individually or collectively, affect the financial soundness of the Company.
- (b) The policies and practices are designed to:
  - (i) enable the Company to attract, retain and motivate Directors, executives and employees who will create value for shareholders within an appropriate risk management framework, by providing remuneration packages that are equitable and externally competitive;
  - (ii) be fair and appropriate having regard to the performance of the Company and the relevant Director, executive or employee;
  - (iii) comply with relevant legal requirements; and
  - (iv) encourage the creation of an 'employer of choice' culture within the Company.

## **4. Nomination responsibilities**

The Committee is responsible for:

- (a) identifying and making recommendations regarding the necessary and desirable competencies of Directors in the context of the Board's existing composition and structure in light of its desired mix of skills, experience and diversity;
- (b) making recommendations regarding the size of the Board so that the size encourages efficient decision making;
- (c) developing and reviewing the process for the selection, appointment and re-election of Directors;
- (d) undertaking the appropriate checks before nominating an individual as a candidate for appointment to the Board;
- (e) identifying and making recommendations to the Board for the appointment of new Board candidates, having regard to their skills, experience and expertise;
- (f) co-ordinating with the Board to ensure that the Company meets its commitment to becoming a diverse and inclusive workplace;
- (g) identifying ways to promote a culture supportive of diversity including recruitment from a diverse pool of candidates;
- (h) reviewing nomination practices against measurable objectives for achieving gender diversity;
- (i) reviewing and reporting to the Board annually on those objectives and on the Company's progress in achieving them, including a review of the relative proportions of men and women at all levels in the organisation;
- (j) developing and reviewing induction procedures for new appointees to the Board to enable them to effectively discharge their duties, including increasing their knowledge about the Company and the industry within which the Company operates;
- (k) developing and offering induction training to new Directors that is tailored to their existing skills, knowledge and experience, to position them to discharge their responsibilities effectively and to add value;
- (l) developing and offering training to new Directors on legal frameworks that govern the Company;
- (m) developing and offering training to new Directors on accounting skills in relation to the Company's financial statements;
- (n) developing, implementing and reviewing continuing education measures to enhance Director competencies and to update and enhance Directors' knowledge and skills including on key developments affecting the Company and the industry and environment in which it operates;
- (o) overseeing the development and implementation of a process for the evaluation of the performance of the Board, Board Committees, and Directors individually, using both measurable and qualitative indicators;

(p) determining and reviewing the time commitment required from each Director to discharge his or her obligations to the Company in an effective manner and whether each Director is meeting these requirements;

(q) assisting the Board in assessing the independence of each Non-executive Director regularly, including any potential effect on independence arising out of the directorships held by, or offered to, each Non-executive Director in other public companies;

(r) reviewing Board and senior executive succession plans and processes, including for the CEO and other senior executive positions and being conscious of each Director's tenure, to maintain an appropriate balance of skills, experience, expertise and diversity;

(s) ensuring that Directors receive briefings on material developments in laws, regulations and accounting standards relevant to the Company;

(t) reviewing all public disclosures to ensure both the composition of the Board and the matrix of skills, experience and diversity the Committee intends to achieve and maintain is fully, fairly and transparently reported as required; and

(u) reviewing the performance of the Chair and reporting the results of the evaluation to the Board.

## **5. Remuneration responsibilities**

### **5.1. General**

An objective of the Committee is to provide an independent and objective perspective on the value and structure of remuneration for each of the Non-executive Directors, CEO, CFO, and other senior executives and employees to maximise the benefit derived from their skills and experience in order to facilitate the long-term growth and success of the Company.

### **5.2. Committee Responsibilities**

In order to fulfil its responsibilities, the Committee will:

(a) in respect of the executive remuneration policy: (i) review and make recommendations regarding the Company's policy for determining executive remuneration;

(ii) maintain the contemporary relevance of such policy, consistent with the objective of retaining and attracting quality personnel in a competitive executive market whilst considering the implications for the Company's reputation and standing in the community if it is seen to pay excessive remuneration to Directors and senior executives; and

(iii) oversee the implementation of the executive remuneration policy within the Company;

(b) in respect of Executive Director and senior management remuneration: (i) make recommendations to the Board regarding the remuneration of the CEO;

(ii) make recommendations to the Board regarding the remuneration of other Executive Directors and direct reports to the CEO;

(iii) make recommendations to the Board on specific superannuation or retirement arrangements for Executive Directors, the CEO and direct reports to the CEO; and

- (iv) obtain independent, market-based remuneration benchmarks on an annual basis to ensure competitive levels of benefit;
- (c) in respect of executive incentive plans, make recommendations to the Board regarding the design of all executive incentive plans;
- (d) in respect of Non-executive Director remuneration: (i) distinguish the structure of Non-executive Directors' remuneration from that of Executive Directors and other senior executives; and
  - (ii) make recommendations to the Board regarding the framework and level of remuneration for Non-executive Directors consistent with the objective of retaining and attracting suitable candidates for the Board while maintaining a level of remuneration commensurate with boards of a similar size and type including the design of and their participation in any share option or performance rights incentive plan which may be appropriate for the Company;
- (e) in respect of performance measurement policies and procedures: (i) ensure that the recommended remuneration of each of the CEO, the Executive Directors and direct reports to the CEO comprises a suitable balance between fixed and incentive pay, reflecting short and long-term objectives relevant to the Company's scale, performance and business objectives;
  - (ii) adopt and implement policies and practice regarding the deferral of performance-based remuneration; and
  - (iii) make recommendations to the Board regarding performance management policies and procedures, consistent with incentive-based remuneration practices and designed by reference to specified performance targets, for the CEO, the Executive Directors and direct reports to the CEO;
- (f) in respect of termination policies and procedures, make recommendations to the Board regarding termination policies for the CEO, Executive Directors and direct reports to the CEO;
- (g) review all public disclosures to ensure that both the levels and process of setting the remuneration for Directors, the CEO and senior executives are fully and fairly reported, as required by law and consistent with common practice; and
- (h) review and make recommendations on whether there is any gender or other inappropriate bias in remuneration for Directors, senior executives or other employees.

### **5.3. Further Responsibilities**

The Committee is also responsible for monitoring and providing input to the Board regarding:

- (a) legislative, regulatory or market developments likely to have a significant impact on the Company and legislative compliance in employment issues;
- (b) Company remuneration policies, practices and systems, and the remuneration trends across the Company, including: (i) the trends in base pay for senior management relative to that of all Company employees; and
  - (ii) remuneration by gender;
- (c) major changes to employee benefits structures in the Company; and

(d) as necessary, the perspective of external proxy advisers and shareholders on the remuneration policies, practices and the annual remuneration report of the Company.

#### **5.4. Incentive schemes and equity-based remuneration**

For any incentive schemes or equity-based plans which are adopted, the Committee is responsible for:

- (a) reviewing their terms (including any performance hurdles);
- (b) overseeing their administration (including compliance with applicable laws that restrict participants from hedging the economic risk of their security holdings);
- (c) ensuring the incentives encourage the pursuit of growth and success of the Company, without rewarding conduct that is contrary to the Company's values or risk appetite;
- (d) considering whether shareholder approval is required or desirable for the schemes or plans and for any changes to them; and
- (e) ensuring that payments and awards of equity are made in accordance with their terms and any shareholder approval.

#### **5.5. Structure of remuneration**

In fulfilling these responsibilities, the Committee will ensure that:

- (a) a proportion of Executive Directors' and senior executives' remuneration is structured in a manner designed to link rewards to corporate and individual performance (reflecting short and long-term performance objectives appropriate to the Company's circumstances and goals);
- (b) any engagement of a remuneration consultant is approved by the Board, or the Committee and the remuneration consultant must report its recommendation directly to either or both of the members of the Board (other than an Executive Director) or members of this Committee;
- (c) the Committee and the Board are satisfied with the arrangements put in place to ensure that any remuneration recommendation made by the remuneration consultant is made free from undue influence from any member of the key management personnel to whom the recommendation relates; and
- (d) the Committee will provide the Board with information sufficient to ensure that the Board makes an informed decision in relation to the Committee's recommendations.

### **6. Reporting and disclosure**

- (a) The Committee will liaise with the Board in relation to the Company's remuneration related reporting in the financial statements and remuneration report required by the ASX Listing Rules and Corporations Act.
- (b) The Committee will approve an annual remuneration report containing information on the Company's remuneration policy, practices, attendance at and frequency of Committee meetings and make recommendations to the Board for the inclusion of the remuneration report in the Company's annual

report. The Company must separately disclose its policy and practices in relation to the remuneration of Non-executive Directors and the remuneration of Executive Directors or other senior executives.

(c) The Committee will make recommendations to the Board regarding the process for evaluating performance of the Board, its committees and the Directors.

(d) The Committee will ensure that all applicable governance, accounting and legal requirements regarding disclosure of remuneration, in all forms, are complied with.

(e) The Chair will attend the Company's annual general meetings prepared to respond to any shareholder questions on the Committee's activities.

## **7. Delegation**

The Committee may delegate any of its powers and responsibilities as the Committee thinks appropriate for the administration of Director, senior executive and employee share, option or other plans, to senior management. The Committee may engage external consultants or specialists where the Committee considers it necessary or appropriate.

## **8. Membership**

### **8.1. Composition and size**

(a) In so far as is practicable given the size of the board and requirements of the Company, the Committee should consist of: (i) a majority of independent Directors; and

(ii) at least three (3) members.

(b) Membership is reviewed periodically and re-appointment to the Committee is not automatic. Appointments and resignations are decided by the Board.

### **8.2. Chair**

Where possible, given the composition of the Board, the Chair must be an independent Non-executive Director. The Chair is appointed by the Board. If, for a particular Committee meeting, the Chair is not present within 10 minutes of the nominated starting time of the meeting, the Committee may elect a Chair for the meeting.

### **8.3. Technical expertise**

Members of the Committee must have an appropriate level of understanding of:

(a) the principles of corporate governance, including knowledge of the ASX Corporate Governance Principles;

(b) the Company's businesses and organisation structure;

(c) the functions of the Board and the various roles and responsibilities of the Directors and other key executives; and

(d) company management, at a senior management level.

#### **8.4. Skills development**

If the Chair approves, a Committee member may attend seminars or training related to the functions and responsibilities of the Committee at the Company's expense.

#### **8.5. Commitment of Committee members**

(a) Committee members must devote the necessary time and attention for the Committee to carry out its responsibilities.

(b) At the first Committee meeting after their appointment and when the Board reviews Committee membership, each Committee member must confirm that they are able to devote sufficient time and attention to the Committee for the coming year.

#### **8.6. Secretary**

The Secretary is the secretary of the Committee.

### **9. Committee meetings and process**

#### **9.1. Meetings**

(a) Meetings and proceedings of the Committee are governed by the provisions in the Company's constitution regulating meetings and proceedings of the Board and Board Committees in so far as they are applicable and not inconsistent with this Charter.

(b) Committee members may attend meetings in person or by electronic means.

#### **9.2. Frequency and calling of meetings**

The Committee will meet as frequently as required to perform its functions. The Chair must call a meeting of the Committee if requested by any member of the Committee, the external auditor, the internal auditor or the chair of the Board.

#### **9.3. Quorum**

Two Directors constitute a quorum for meetings of the Committee.

#### **9.4. Attendance by management and advisers**

The Chair may invite the CEO, CFO, other senior executives, Directors who are not members of the Committee and external advisers to attend meetings of the Committee.

#### **9.5. Conflicts**

No member of the Committee will participate in the determination of their own remuneration or the specific remuneration policies that are applicable to them.

#### **9.6. Notice, agenda and documents**



Unless otherwise agreed or considered necessary by the Chair, notice of each meeting confirming the venue, date and time together with an agenda of items to be discussed and supporting documentation, will be circulated by the Secretary to each Committee member and any other individual invited to attend, not less than seven working days before the meeting.

#### **9.7. Minutes**

(a) The Secretary will keep minute books to record the proceedings and resolutions of Committee meetings.

(b) The Chair, or delegate, will report to the Board after each Committee meeting. Minutes of Committee meetings will be included in the papers for the next Board meeting after each Committee meeting.

(c) The Committee must refer any matter of significant importance to the Board for its consideration and attention.

#### **9.8. Access to information and advisers**

(a) The Committee has direct and unlimited access to all resources necessary to discharge its duties and responsibilities, including engaging counsel, accountants or other experts as it considers appropriate. This may include requesting management or engaging external remuneration consultants to provide information to the Committee. (b) The Committee also has the authority to conduct or direct any investigation required to fulfil its responsibilities.

#### **10. Committee's performance evaluation**

10.1. The Committee will review its performance at least annually, or earlier if circumstances dictate, and whenever there are major changes to the management structure of the Company.

10.2. The performance evaluation will have regard to the extent to which it has met its responsibilities in terms of this Charter.

10.3. Committee members must be available to meet with external bodies if requested to do so in accordance with relevant laws, regulations or prudential standards.

#### **11. Review and publication of the Charter**

11.1. The Board will review this Charter annually to check that it is operating effectively and whether any changes are required to this Charter. The Charter may be amended by resolution of the Board.

11.2. This Charter will be available on the Company's website. Key features will be published in:

(a) either the annual report or on the Company's website; and

(b) in the Appendix 4G to be lodged with the ASX at the same time as lodgement of the annual report.



**Close the Loop Limited**  
(Company, CLG)  
ACN 095 718 317

Adopted by the Board on 23rd September 2021.

A handwritten signature in black ink that reads "M Lichtenstein".

Marc Lichtenstein

Executive Director / CFO