



Nomination and Remuneration Committee Charter

H&G High Conviction Limited
ACN 660 009 165
(Company)

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1 Purpose

The purpose of this Nomination and Remuneration Committee Charter is to set out the role, responsibilities, membership and operation of the Nomination and Remuneration Committee (**Committee**).

2 Definitions

General terms and abbreviations used in this Policy have the meanings set out below:

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

Board means the board of Directors of the Company.

Chairperson means the chairperson of the Board.

Charter means this "Nomination and Remuneration Committee Charter".

Company means H&G High Conviction Limited ACN 660 009 165.

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

Director means a director of the Company.

Employee means executive Directors, managers and all other staff engaged or employed by the Company either on a contract of employment or a salaried basis.

Investment Manager means the manager engaged by the Company to manage its investment portfolio from time to time.

3 Composition

The Board carries out the functions that would ordinarily be carried out by the Committee.

The Board will monitor on an on-going basis whether formation of a separate sub-committee is required or otherwise in the best interests of the Company, and will form a separate sub-committee as applicable.

References to the Committee in this Charter shall be read to mean the Board convening in its capacity as the Committee under this Charter.

4 Nomination and remuneration

4.1 Nomination

The Committee assists and advises the Board on the following matters 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:

- (a) Board succession planning generally;
- (b) induction and continuing professional development programs for Directors;
- (c) the development and implementation of a process for evaluating the performance of the Board, its committees and Directors;

- (d) 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;
- (e) the appointment and re-election of Directors; and
- (f) ensuring there are plans in place to manage the succession of the Chairperson and other senior executives.

4.2 Remuneration

The Committee also assists and advises the Board on remuneration policies and practices for the Board, Investment Manager, senior executives and other persons whose activities, individually or collectively, affect the financial soundness of the Company.

The policies and practices are designed to:

- (a) 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;
- (b) be fair and appropriate having regard to the performance of the Company and the relevant Director, executive or Employee;
- (c) comply with relevant legal requirements; and
- (d) encourage the creation of an 'employer of choice' culture within the Company.

5 Nomination responsibilities

The Committee is responsible for:

- (a) identifying and making recommendations regarding the necessary and desirable competencies of Directors;
- (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) identifying and making recommendations to the Board for the appointment of new Board candidates, having regard to their skills, experience and expertise;
- (e) coordinating with the Board to ensure that the Company meets its commitment to becoming a diverse and inclusive workplace;
- (f) 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;
- (g) 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;
- (h) overseeing the development and implementation of a process for the evaluation of the performance the Board, Board committees, and Directors individually, using both measurable and qualitative indicators;

- (i) reviewing the time required to be committed by non-executive Directors to properly fulfil their duties to the Company and whether non-executive Directors are meeting these requirements;
- (j) assisting the Board in assessing the independence of each non-executive Director;
- (k) reviewing Board and senior executive succession plans and processes, including for the Chairperson and other senior executive positions and being conscious of each Director's tenure, to maintain an appropriate balance of skills, experience, expertise and diversity; and
- (l) reviewing the performance of the Chairperson and reporting the results of the evaluation to the Board.

6 Remuneration responsibilities

6.1 General

- (a) The Committee is responsible for developing, reviewing and making recommendations to the Board on:
 - (i) the Company's remuneration framework for Directors, including, the process by which any pool of Directors' fees approved by security holders is allocated to Directors;
 - (ii) the remuneration packages to be awarded to senior executives;
 - (iii) incentive compensation including, equity-based remuneration plans for senior executives and other Employees; and
 - (iv) superannuation arrangements for Directors, senior executives and other Employees.
- (b) The Committee is also responsible for monitoring and providing input to the Board regarding:
 - (v) legislative, regulatory or market developments likely to have a significant impact on the Company and legislative compliance in employment issues;
 - (vi) Company remuneration policies, practices and systems, and the remuneration trends across the Company, including the trends in base pay for senior management relative to that of all Employees and remuneration by gender;
 - (vii) major changes to Employee benefits structures in the Company; and
 - (viii) as necessary, the perspective of external proxy advisers and shareholders on the remuneration policies, practices and the annual remuneration report of the Company.

6.2 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) considering whether shareholder approval is required or desirable for the schemes or plans and for any changes to them; and
- (d) ensuring that payments and awards of equity are made in accordance with their terms and any shareholder approval.

6.3 Structure of remuneration

In fulfilling these responsibilities, the Committee will ensure that:

- (a) a clear distinction is maintained between the structure of non-executive Directors' remuneration and that of executive Directors and senior executives;
- (b) 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);
- (c) 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;
- (d) 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
- (e) 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.

7 Reporting and disclosure

The Committee will:

- (a) liaise with the Board in relation to the Company's remuneration related reporting in the financial statements and remuneration report required by the Corporations Act;
- (b) 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;
- (c) make recommendations to the Board regarding the process for evaluating performance of the Board, its committees and the Directors; and
- (d) ensure that all applicable governance, accounting and legal requirements regarding disclosure of remuneration, in all forms, are complied with.

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

8 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.

9 Review and publication of this Policy

The Committee will review this Charter periodically to keep it up to date and consistent with the Committee's authority, objectives and responsibilities and report to the Board any changes it considers should be made. The Charter may be amended by resolution of the Board.

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 lodgment of the annual report.

Adopted by the Board on 8 August 2022