

## Clover Corporation Limited – Remuneration Committee Charter

### **1. Introduction**

- 1.1 The Remuneration Committee (**Committee**) is a committee established by the Board of Directors of Clover Corporation Limited (**Clover** or **Company**).
- 1.2 The purpose of the Committee is to assist the Board to determine the Remuneration of Directors, Senior Executives and other employees.

### **2. Definitions**

- 2.1 In this charter the following terms have the meanings shown:

**Board** means the Board of Directors of Clover.

**Chair** means Chair of the Committee.

**Director** means a director of Clover.

**Executive Director** means a Director who is employed in an executive capacity by Clover.

**independent Director** means a Director who has been determined by the Board to be independent in accordance with the Board Charter.

**Non-executive Director** means a Director who is not employed in an executive capacity by Clover.

**Remuneration** includes all forms of employment-related rewards including but not limited to salary, superannuation and awards made under equity incentive plans.

**Remuneration Principles** are the principles for remuneration stated in the Company's Annual Report.

**Secretary** means the Secretary to the Committee.

**Senior Executives** means the Chief Executive Officer (**CEO**), Chief Financial Officer (**CFO**) and Company Secretary of Clover.

### **3. Role and Responsibilities**

- 3.1 The role of the Committee is to make recommendations to the Board with regard to the following:
  - Remuneration of Non-executive Directors.
  - Remuneration of Executive Directors.
  - Proposals for Remuneration of Senior Executives put forward to the Committee by the CEO.
  - Compliance with statutory obligations regarding Remuneration related disclosures.
  - Policies and reporting with respect to any employee incentive programs, including setting of, and assessment of performance against goals.
  - Policies and reporting with respect to any employee equity programs, including setting of, and assessment of performance against goals.
  - Superannuation arrangements for Directors, Senior Executives and other employees.
  - Whether there is any gender or other inappropriate bias in remuneration for Directors, Senior Executives or other employees.
  - Any other matters referred to it by the Board.
- 3.2 In formulating its recommendations, the Committee must balance:
  - the Company's desire to attract and retain high quality Directors and to attract, retain and motivate high quality Senior Executives; and
  - the need to ensure that the incentives for Executive Directors and other Senior Executives encourage them to pursue growth and success for the Company;

against:

- the need to ensure that the incentives for Non-executive Directors do not conflict with their obligation to bring an independent judgement to matters before the Board;
  - the need to ensure that the incentives for Executive Directors and other Senior Executives do not reward conduct that is not in the best interests of longer term performance of the company, or otherwise contrary to the Company's values or risk appetite;
  - 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
  - the Company's commercial interest in controlling expenses.
- 3.3 In formulating its recommendations, the Committee should also have regard to the different roles and responsibilities of Non-executive Directors compared with Executive Directors and other Senior Executives in accordance with the guidelines in Box 8.2 of the ASX Corporate Governance Principles and Recommendations 4<sup>th</sup> edition (extracted as a schedule to this charter).
- 3.4 The Committee is to review the Company's Remuneration arrangements from time to time and determine whether any significant matters should be brought to the attention of the Board. Remuneration arrangements are to:
- provide incentives for sound and effective management and risk management of the Company (including both financial and non-financial risk), to enable achievement of the Company's short, medium and long term strategic goals;
  - be consistent with the Company's stated Remuneration Principles, and with prevailing better practice principles, including those related to equity; and
  - be focused on long-term achievements while also recognising short and medium term achievements consistent with Clover's strategic goals.
- 3.5 Remuneration arrangements should not:
- create incentives for management to pursue greater profitability by relaxing risk controls; or
  - create incentives for a focus on short term achievement at the expense of the longer term directions of the Company.
- 4. Composition**
- 4.1 The members of the Committee will be appointed, removed and/or replaced by the Board.
- 4.2 The Committee should be of a sufficient size and independence to discharge its role and responsibilities effectively.
- 4.3 With this in mind, the Committee will consist of:
- only Non-executive Directors;
  - at least three members;
  - a majority of independent Directors; and
  - an independent Director as Chair.
- 4.4 The Company Secretary or their nominee will act as the Secretary to the Committee. Where the Committee meets in the absence of executives, the role of Secretary will be assumed by the Chair or their nominee.
- 5. Authority**
- 5.1 The Committee is authorised by the Board to perform any activities, other than incurring expenditure, as required to discharge its responsibilities.
- 5.2 The Committee has unrestricted access to meet and interview Company officers and executives, including requiring their attendance at Committee meetings, and may seek additional information as and when required.

- 5.3 The Committee has no delegated authority from the Board to determine the Remuneration of Directors or employees. The Committee has delegated authority from the Board only to carry out activities related to its responsibilities and to make Recommendations to the Board, but not itself to make determinations on Remuneration matters.

## **6. Meetings**

- 6.1 The Committee is to meet as often as required and at least once each year.
- 6.2 Meetings will be called by the Secretary at the request of the Chair of the Committee or the Chair of the Board.
- 6.3 A quorum will consist of two members of the Committee.
- 6.4 Members of the Board who are not members of the Committee and other persons may attend meetings at the invitation of the Chair. However, care should be taken to ensure invitations extended to other persons who are not members of the Committee do not compromise the composition criteria set out in paragraph 4.3.
- 6.5 No individual Director should participate in meetings or otherwise be involved in recommending or making decisions concerning their individual Remuneration. However, this does not prevent the Committee making Recommendations to the Board on the level of remuneration for Directors as a group and on how the pool of Directors' fees approved by security holders should be split between Directors.
- 6.6 Executive Directors, other Senior Executives and other employees (including the Secretary) are not to be present when their own Remuneration is being considered or when other Remuneration, which may have a bearing on their Remuneration, is being considered (and are not to be otherwise involved in recommending or making decisions concerning their Remuneration). In particular, the Committee should be alive to the potential conflict of interest in an executive being present when considering the Remuneration of other executives that may indirectly affect his or her own Remuneration (for example, through relativities or setting a benchmark).
- 6.7 The Secretary will keep minutes of proceedings and resolutions of the Committee together with copies of Committee papers.
- 6.8 A meeting of the Committee can be held in person, by telephone, by teleconference or by other electronic means or any combination thereof, so long as a quorum of members can hear and contribute to the proceedings of the meeting at all times.

## **7. Reporting**

- 7.1 The Committee reports to the Board and Committee meeting minutes will be provided to the Board for noting.
- 7.2 The Committee will provide recommendations to the Board, with sufficient information to allow informed decision making.

## **8. Access to advisers**

- 8.1 The Committee shall have the authority to appoint and set the terms of engagement of advisers as required for the Committee to carry out its responsibilities. Any associated expenditure must be approved by the Board Chair.
- 8.2 If the Committee engages expert advisers on matters pertaining to the Remuneration of Directors, Senior Executives or other employees, those advisers are to provide their advice directly to the Committee, independent of management.

**9. Review**

- 9.1 The Committee is to periodically review this charter to keep it up to date with the responsibilities and objectives of the Committee.
- 9.2 Amendments to this charter are to be made by the Board.
- 9.3 Performance of the Committee should be reviewed regularly, in association with reviews of performance of the Board

**10. Publication**

This charter is to be made available on Clover's website.