



**Smiles**<sup>Inclusive</sup>  
*Together We Smile*

# Nomination and Remuneration Committee Charter

Smiles Inclusive Limited ACN 621 105 824

adopted on 12 March 2018

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## 1. Purpose of Nomination and Remuneration Committee

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- 1.1 As a committee of the board of directors (**Board**) of Smiles Inclusive Limited ACN 621 105 824 (**Company**), it is the role of the Nomination and Remuneration Committee (**Committee**) to improve the efficiency of the Board through accepting the delegation of tasks and performing them in a forum where they can receive greater attention to detail than would be practical solely at Board level.
- 1.2 Specifically, the Committee's role is to:
- (a) assist the Board and make recommendations to it about the appointment of new directors of the Company (**Directors**) (both executive and non-executive); and
  - (b) advise on remuneration and issues relevant to remuneration policies and practices, including for non-executive Directors.

## 2. Scope of responsibility

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- 2.1 In relation to nomination matters, the Committee is responsible for:
- (a) developing suitable criteria (about experience, expertise, skills, qualifications, contacts or other qualities) for Board candidates;
  - (b) identifying individuals who, by virtue of their experience, expertise, skills, qualifications, contacts or other qualities, are suitable candidates for appointment to the Board;
  - (c) undertaking appropriate checks on identified individuals before making recommendations for the consideration of the Board (such checks may include, but are not limited to checks as to the person's character, experience, education, criminal record and bankruptcy history);
  - (d) recommending individuals for consideration by the Board;
  - (e) recommending to the chair of the Board (**Chair**) procedures for the proper supervision of the Board;
  - (f) ensuring that the performance of each Director is reviewed and assessed each year in accordance with procedures adopted by the Board;
  - (g) ensuring that the Company complies with its diversity policy from time to time (**Diversity Policy**) and implements the strategies developed under it; and
  - (h) ensuring that any diversity profile identified by the Board is a factor that is taken into account in the selection and appointment of Board candidates.
- 2.2 In relation to remuneration matters, the Committee is responsible for:
- (a) reviewing and evaluating market practices and trends for remuneration relevant to the Company;
  - (b) reviewing and making recommendations to the Board for the Company's remuneration policies;
  - (c) reviewing and making recommendations to the Board for the Company's remuneration practices;

- (d) overseeing the performance of non-executive Directors;
- (e) reviewing and making recommendations to the Board for the remuneration of non-executive Directors;
- (f) preparing for the Board any report that may be required under applicable legal or regulatory requirements about remuneration matters;
- (g) in administrating the Diversity Policy:
  - (i) formulate and implement a Company remuneration policy;
  - (ii) reviewing and reporting to the Board, at least annually, on the diversity of the Company, including the relative proportion of men and women in the workforce at all relevant levels of the Company (and their relative levels of remuneration) and the extent to which the Company is progressing towards achieving its measurable objectives set out in the Diversity Policy;
  - (iii) making make recommendations to the Board on remuneration by gender and reporting to the Board; and
  - (iv) at the direction of the Board, implementing its recommendations on remuneration by gender.

2.3 Remuneration includes not only monetary payments (salary and wages) but all other monetary and non monetary compensation for services and benefits including:

- (a) fringe benefits;
- (b) directors' and officers' and other insurance arrangements;
- (c) retirement benefits;
- (d) superannuation; and
- (e) equity participation, and other incentive programs.

### **3. Vacancies and new board appointments**

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3.1 When a Board vacancy arises for any reason or where the Board decides a new Director is required with particular skills, the Committee must prepare a list of candidates considering:

- (a) what may be appropriate for the Company;
- (b) the skills, expertise and experience required;
- (c) the mix of those skills, expertise and experience with those of the existing Directors; and
- (d) the perceived compatibility of the candidates with the Company and with the existing Directors; and
- (e) the results of any checks conducted in respect of the candidates pursuant to paragraph 2.1(c).

- 3.2 Potential candidates to be appointed as Directors should then be considered by the Board, with advice from an external consultant if the Board considers this to be appropriate. Persons appointed in this manner continue in office only until the next annual general meeting and are then eligible for election.

## **4. Composition**

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### **4.1 Composition of the Committee**

- (a) The Committee must consist of no fewer than three members.
- (b) The Committee should, where practical, consist of a majority of independent directors.
- (c) The Board will appoint one member of the Committee to act as its Chair.
- (d) Where possible, the chair of the Committee (**Chair**) will be an independent director.

### **4.2 Secretary**

The secretary of the Company has responsibility for coordinating the completion and despatch of committee agenda and briefing materials, as well as draft minutes of meetings of committee for approval at the next meeting.

## **5. Powers**

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The Committee has an advisory role, to assist the Board in relation to matters set out in paragraph 2. The Committee cannot commit the Board to any recommendation or decision made by it but may consult independent external experts to perform its function, and charge the costs to the Company.

## **6. Reporting**

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The Committee must report in writing to the Board after each committee meeting, and provide a copy of the minutes.

## **7. Proceedings**

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- 7.1 Meetings are held at least once during each year and more often as required.
- 7.2 Representatives of management and other employed personnel may be invited to attend meetings, or specific parts of meetings, at the discretion of the Committee.
- 7.3 Any meeting may be held by means of conference call or any other means of communication that may, under the Corporations Act 2001 (Cth) or the constitution, be used for Board meetings.
- 7.4 The quorum for the Committee meeting is any two members.
- 7.5 A Director may attend (but not vote at) a meeting of a Committee of which that Director is not a member, as the Committee decides, for discussion of any particular matter relevant to that Director or in relation to which that Director may have a special contribution to make.
- 7.6 The Committee may delegate any specific task to one of its members or to a sub-committee consisting of two or more of its members.

7.7 The procedural provisions of this paragraph 7 apply in relation to any sub-committee of the Committee.

## **8. Performance review and evaluation**

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The Board will, at least once every two years review the membership, operation, role and responsibilities of the Committee to determine its adequacy and effectiveness for current circumstances. The Committee may make recommendations to the Board at any time in relation to the Committee's membership, operation, role and responsibilities.

## **9. Authority**

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This charter was adopted on 12 Mar