

Scales Corporation Limited

Nominations and Remuneration Committee Charter

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NOMINATIONS AND REMUNERATION COMMITTEE CHARTER

1.0 Constitution

The Nominations and Remuneration Committee (the Committee) shall be a committee of the Board of Scales Corporation Limited (Scales or the Company).

2.0 Purpose

2.1 The primary functions of the Committee are:

- (a) to establish a clear framework for oversight and management of the Company's remuneration structure, policies, procedures and practices to ensure Scales' remuneration is fair and reasonable;
- (b) defining the roles and responsibilities of the Board and senior management; and
- (c) reviewing and making recommendations on Board composition and succession.

2.2 Specifically, the Committee is to, among other things:

- (a) regularly review, and recommend changes to Director's remuneration to ensure that it is at an appropriate level, and effectively managed, to best advance the business objectives of the Company;
- (b) assist the Board in the establishment of remuneration policies and practices for, and in discharging the Board's responsibilities relative to remuneration-setting and performance review of, the Company's managing director, other senior executives, and directors (both non-executive and executive);
- (c) undertake the annual performance review of the Managing Director and set key performance indicators;
- (d) annually review the Diversity Policy, the diversity objectives and achievement against the objectives;
- (e) ensure that the Company has a formal and transparent method for the nomination and appointment of Directors to the Board;
- (f) oversee an annual review of board, committee and director performance and, when appropriate, recommend changes to the composition of the Board to ensure that the

Company has, and maintains, the right composition of Directors to effectively govern and provide guidance to the business; and

- (g) identify and recommend to the Board individuals for nomination as members of the Board and its Committees (taking into account such factors as it deems appropriate, including experience, qualifications, judgement and the ability to work with other Directors).

3.0 Duties and Responsibilities

3.1 The Committee does not take actions or make decisions on behalf of the Board. The Board has delegated certain functions to the Committee which is responsible for, among other things:

- (a) setting and reviewing the Company's remuneration policies and practices for consideration by the Board;
- (b) setting and reviewing, in accordance with the Company's remuneration policies and practices, all components of the remuneration of the managing director, executive and non-executive directors as the Board may from time to time determine. The components shall include base salary, reimbursable expenses, bonuses, entitlements under employee incentive plans, company share schemes and company option schemes, and all other entitlements and benefits arising from such directorships;
- (c) setting and reviewing, as appropriate, the terms of employment contracts for the Company's managing director and other senior executives;
- (d) setting and reviewing the terms of the Company's short and long term incentive plans including any share and option schemes for employees and/or directors for consideration by the Board;
- (e) setting and reviewing the terms of the Company's superannuation and/or pension schemes for consideration by the Board;
- (f) making recommendations to the Board as to its size;
- (g) reviewing from time to time as required, the composition of the Board to ensure that the Company has access to the most appropriate balance of skills, qualifications, experience and background to effectively govern the Company;
- (h) considering whether any changes to the Board are necessary and/or desirable to enhance the performance of the Board, and recommend any changes to the Board;

- (i) reviewing Board succession plans to maintain an appropriate balance of skills, experience and expertise on the Board;
- (j) reviewing from time to time the criteria for determining suitability of potential directors in terms of balance of the Board, qualities, qualifications, skills and experience and recommending to the Board any necessary alterations;
- (k) in the event of any vacancies on the Board, including any casual vacancy, considering any person(s) nominated, either by Directors or shareholders, and making recommendations to the Board in respect of such nominations. The Committee can also make recommendations for removal of particular Directors from the Board;
- (l) ensuring that potential candidates understand the role of the Board and the time commitment involved when acting as a member of the Board;
- (m) ensuring there is an appropriate induction programme in place for all new Directors;
- (n) attending to any other matter put to the Committee for consideration by the Board and, as appropriate, the management of the Company;
- (o) developing and recommending to the Board for its approval an annual evaluation process for the Board, its directors and its committees;
- (p) preparing for the Board's consideration the letter of appointment for new directors; and
- (q) ensuring that Director and Executive remuneration disclosure in annual reports complies with regulatory requirements and good governance practices.

3.2 The Committee shall:

- (a) At least annually, and in sufficient time to commission any study, survey and/or advice, review Directors fees and determine whether those fees are appropriate and make recommendations to the Board to put forward any proposed increases to be considered by shareholders at the next Annual Meeting.
- (b) Consider and make recommendations to the Board on any payment proposed to be made to a retiring Director, subject to compliance with the Constitution. Provided however, that a member of the Committee should not participate in any discussions with respect to a payment to that member and that the Board shall nominate another Director as an alternative for such discussions.
- (c) Attend to any other matter put to the Committee for consideration by the Board and as appropriate, by the manager of the Company.

- 3.3 The Committee may commission any study, survey and/or advice that it sees fit to assist in its consideration of any matter.

4.0 Membership

- 4.1 The Committee will have at least two directors and the majority of directors shall be independent.
- 4.2 The Committee will be structured to ensure that, as a collective group, it has the skills, experience and knowledge to fulfil its role and responsibilities. The Committee may, from time to time, co-opt external experts if the Committee believes this would assist the Committee to discharge its responsibilities.
- 4.3 The Board shall appoint a Chairperson from members of the Committee. The Chairperson is to be an independent director.
- 4.4 The appointment and removal of the Committee members shall be the responsibility of the Board.
- 4.5 The Company shall identify the members of the Committee each year in its annual report.

5.0 Attendance

- 5.1 The Committee may invite an adviser (or advisers) to attend meetings of the Committee to provide information and assistance to the Committee as required.

6.0 Secretarial and Meetings

- 6.1 The secretary of the Committee shall be appointed by the Board. The secretary is responsible, in conjunction with the Committee Chairperson, for co-ordination of all Committee business including an annual work programme, meeting scheduling, agendas, papers, minutes, Charter and policy reviews and communication with the Board and auditors.
- 6.2 A quorum of members of the Committee shall be a majority of members.
- 6.3 The Committee may have in attendance such members of management and such other persons including external advisers, as it considers necessary to provide appropriate information and advice.

- 6.4 All directors shall be entitled to attend meetings of the Committee by standing invitation provided that executive directors, including the managing director, shall not be entitled to attend meetings where they are conflicted for personal reasons.
- 6.5 Any person may be asked to leave the meeting at the Chair's discretion.
- 6.6 Reasonable notice of meetings and the business to be conducted shall be given to the members of the Committee and all other members of the Board and to such other persons as the Board directs.
- 6.7 From time to time the Chairperson of the Committee shall be entitled to request that the Committee meet without the presence of a particular Director.
- 6.8 The agenda and Committee papers will be prepared and circulated to all Directors including members of the Committee prior to the meetings.
- 6.9 Meetings shall be held at least once per year having regard to when director and executive remuneration is due for review in terms of the Company's remuneration policies. Any member of the Committee including the managing director may request a meeting at any time if they consider it necessary.
- 6.10 Proceedings of all meetings will be in accordance with the Constitution and otherwise as determined by the Chairperson of the committee.
- 6.11 Minutes of all meetings shall be kept.

7.0 Authorities

- 7.1 The Company will make recommendations to the Board on all matters requiring its decision. The Committee does not have the power or authority to make a decision in the Board's Company Name or on its behalf. The Board will consider the Committee's recommendations in formulating its recommendations regarding Director remuneration packages to shareholders.
- 7.2 In accordance with Section 3 above, the Committee is authorised by the Board, at the Company's expense, to obtain such outside legal or other independent information and advice including market surveys and reports, and to consult with such management and executive search consultants and other outside advisers with relevant experience and expertise, as it thinks necessary for carrying out its responsibilities.
- 7.3 The Committee may delegate any of its responsibilities to the Chairperson of the Committee from time to time and on such conditions as the Committee considers appropriate.

- 7.4 The Committee is authorised by the Board to investigate any activity covered by its role.
- 7.5 The Committee members may communicate with any Company employee to seek any information they require in order for the Committee to carry out its role.

8.0 Review of the Committee

- 8.1 The Committee will undertake an annual self-review of its objectives and responsibilities. Such objectives and responsibilities will also be reviewed (as against the Committee Charter) by the Board and any other person the Board considers appropriate.

9.0 Reporting Procedures

- 9.1 As soon as practicable after each Committee meeting the Chairperson will report the Committee's findings and recommendations to the Chairperson of the Board.
- 9.2 The minutes of all Committee meetings will be circulated to members of the Board. Extracts from the minutes will be made available to such other persons as the Board directs, as may be necessary to enable them to properly carry out their functions.
- 9.3 The Chairperson will present an annual report to the Board summarising the Committee's activities during the year and any related significant results and findings.

10.0 Accountability to the Board

- 10.1 This Charter has been approved by the Committee and the Board. The Committee reviews the Charter annually and recommends any proposed changes to the Board for approval.