



Remuneration & Nomination Committee Charter

Bellamy's Australia Limited ACN 124 272 108
Adopted 24 August 2017

I Remuneration and Nomination Committee Charter

The Remuneration and Nomination Committee (**Committee**) is established under rule 8.15 of the Constitution of Bellamy's Australia Limited (**Company**).

2 Membership of the Committee

2.1 Composition

The Committee must comprise of:

- a minimum of 3 members of the Board;
- only Non-Executive Directors;
- a majority of independent Directors; and
- an independent Director who is not Chair of the Board.

2.2 Membership

The Board may appoint additional Non-Executive Directors to the Committee or remove and replace members of the Committee by resolution. Members may withdraw from membership by written notification to the Board.

Any Director may attend Committee meetings, however, only members of the Committee may vote on matters before the Committee. The Committee Chair may invite non-Committee members, including members of management to attend meetings of the Committee.

The Company Secretary, or his or her delegate, must attend all Committee meetings.

3 Administrative matters

3.1 Meetings

The Committee will meet as often as the Committee members deem necessary in order to fulfil their role. However, it is intended that the Committee will normally meet two times each year.

The Company Secretary is required to convene a meeting if requested to do so by any Committee Member. Notice will be given to every member of the Committee of every meeting of the Committee at the member's advised address for service of notice.

The quorum is at least 2 members.

3.2 Access to resources and independent advisors

The Committee is to have access to adequate internal and external resources. For example, the Committee may seek the advice of the Company's auditors, solicitors or other independent advisors (including external consultants and specialists) as to any matter pertaining to the powers or duties of the Committee or the responsibilities of the Committee, as the Committee may require.

The Committee may seek input from senior executives of the Company on remuneration and diversity policies, subject to the principle that no senior executive should be directly involved in deciding their own remuneration.

3.3 Minutes and reporting

The Committee Chair will report the findings and make recommendations to the Board after each Committee meeting.

Minutes of meetings of the Committee must be kept by the Company Secretary and, after approval by the Committee Chair, be included in the Board papers for the next Board meeting.

4 Role & responsibilities

4.1 Role

The Committee's primary role is assisting the Board to ensure that the Company:

- (a) has appropriate remuneration and nomination policies and practices which enable the Company to attract and retain Directors and senior executives who will create value for shareholders;
- (b) fairly and responsibly remunerates Directors and senior executives having regard to the performance of the Company, the performance of the executives and the general market environment;
- (c) has policies to evaluate the performance, composition and membership of the Board, its Committees and individual Directors on at least an annual basis, with a view to ensuring that the Board has the appropriate mix of skills, expertise and experience necessary to fulfil its function effectively;
- (d) has adequate succession plans in place (including for the recruitment or appointment of Directors and senior executives); and
- (e) has policies and procedures that are effective to attract, motivate and retain appropriately skilled and diverse people that meet the Company's needs and that are consistent with the Company's strategic goals and its diversity policy objectives.

4.2 Responsibilities – Remuneration

The responsibilities of the Committee with respect to remuneration matters are as follows:

- (a) Review and recommend to the Board arrangements for the CEO and the CEO's direct reports, including contract terms, annual remuneration, and participation in the Company's short and long-term incentive plans.
- (b) Review the performance assessment processes for the CEO and their direct reports and the annual results of those assessments, including development plans.

- (c) Review and recommend to the Board major changes and developments in the Company's remuneration framework, recruitment, retention and termination policies and procedures for senior executives.
- (d) Review and recommend to the Board major changes and developments in the remuneration policies, superannuation arrangements, human resource practices and employee relations strategies for the Group.
- (e) Review and recommend to the Board the remuneration arrangements for the Chair and the Non-Executive Directors of the Board, including Board fees, travel and other benefits.
- (f) Review and recommend to the Board approval of short and long-term incentive strategies, performance targets, bonus payments including any major changes or developments to the Company's employee incentive plans.
- (g) Recommend to the Board whether offers are to be made under any or all of the Company's employee incentive plans in respect of a financial year.
- (h) At least annually, review and report on the relative proportion of women and men in the workforce at all levels of the Company and relative remuneration and recommend strategies or changes to address any pay gap.
- (i) Review and recommend to the Board the remuneration report prepared in accordance with the *Corporations Act 2001* (Cth).
- (j) Approve the appointment of remuneration consultants for the purposes of the *Corporations Act 2001* (Cth).
- (k) Review and facilitate shareholder and other stakeholder engagement in relation to the Company's remuneration policies and practices.

4.3 Responsibilities – Nomination

The responsibilities of the Committee with respect to nomination matters are as follows:

- (a) Assist the Board to develop a Board skills matrix setting out the mix of skills, expertise, experience and diversity that the Board currently has or is looking to achieve in its membership.
- (b) Review and recommend to the Board the size and composition of the Board, including review of Board succession plans and the succession of the Chairman and CEO, having regard to the Board skills matrix and the objective that the Board comprise Directors with a broad range of skills, expertise and experience from a broad range of backgrounds, including gender.
- (c) Assist the Board as required to identify individuals who are qualified to become Board members (including in respect of executive Directors).
- (d) Review and recommend to the Board membership of the Board, including recommendations for the election and re-election of Directors, subject to the principle that a Committee member must not be involved in making recommendations to the Board in respect of themselves.
- (e) Assist the Board in conducting any appropriate checks on a potential candidate to be appointed by the Board, or to be put forward to shareholders as a candidate for election as a Director.
- (f) Assist the Board as required in relation to the performance evaluation of the Board, its Committees and individual Directors, and in developing and implementing plans for identifying, assessing and enhancing Director competencies.
- (g) Ensure that an effective induction process is in place for any newly appointed Director and regularly review its effectiveness.

- (h) In accordance with the Diversity Policy, assist the Board in establishing measurable objectives for achieving gender diversity and on at least an annual basis, review them and recommend any changes to the Board.
- (i) On an annual basis, review the effectiveness of the Diversity Policy by:
 - (i) assessing the Company's measurable objectives and its progress towards achieving them, including the effectiveness of any strategies aimed at achieving the objectives; and
 - (ii) reporting to the Board on its findings and any changes to the strategies or the way in which the objectives are implemented.

5 Remuneration policy

- (a) In discharging its responsibilities, the Committee must have regard to the following policy objectives:
 - (i) ensuring the Company's remuneration frameworks are equitable and aligned with the long-term interests of the Company and shareholders;
 - (ii) attracting and retaining skilled Directors and executives;
 - (iii) structuring short and long-term incentive programs that are challenging, transparent and linked to the creation of sustainable shareholder returns; and
 - (iv) ensuring any termination benefits are justified and consistent with regulatory standards.
- (b) In the discharge of the Committee's responsibilities, no Director or executive should be directly involved in determining their own remuneration.
- (c) The Committee must at all times have regard to, and notify the Board as appropriate of, all legal and regulatory requirements, including any shareholder approvals which are necessary to obtain.
- (d) The Committee Chair or if they are not available, a Committee member should attend the Annual General Meeting and make themselves available to answer any questions from shareholders about the Committee's activities or, if appropriate, the Company's remuneration arrangements.

6 Review

The Board will, at least once in each year, assess the adequacy of this Charter and make any necessary or desirable amendments to ensure it remains consistent with the Board's objectives, current law and best practice.