

**APN** | Property Group

# APN Property Group Limited Nomination and Remuneration Committee Charter

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# Nomination and Remuneration Committee Charter

## 1 Purpose of the Committee

- (a) The Board has established a Nomination and Remuneration Committee (**Committee**). This Charter sets out the role and responsibilities of the Committee in relation to APN PG.
- (b) The existence of the Committee should not be seen as implying a fragmentation or diminution of the responsibilities of the Board.
- (c) The purpose of the Committee is to:
  - (i) provide a mechanism for the Board to focus on appropriate remuneration policies which are designed to meet the needs APN PG and to enhance corporate and individual performance;
  - (ii) fairly and regularly review and evaluate the competence and performance of the Board and key executives against both measurable and qualitative indicators;
  - (iii) ensure the remuneration structure is fair and equitable and aligned with the long-term interests of APN PG and aligned with the other policies applicable to APN PG from time to time;
  - (iv) review and make recommendations to the Board, on:
    - (A) Board succession plans;
    - (B) remuneration, recruitment, retention and termination policies and procedures in place for senior management;
    - (C) incentive schemes;
    - (D) superannuation arrangements; and
    - (E) the remuneration framework for Directors;
  - (v) ensure the Board, management and the Committee are provided with sufficient resources and information, including access to advice from external specialists or consultants, to ensure informed decision-making on the issue of remuneration and nomination of the Board and, to the extent applicable, senior management; and
  - (vi) advise the APN PG Board on the appropriate disclosure to be made in relation to executive remuneration, termination payments and retirement benefits.

## 2 Membership of the Committee

- (a) The Committee will be comprised of a minimum of three Directors appointed by the Board.

- (b) The majority of the Committee must at all times be comprised of non-executive Directors who are independent.<sup>1</sup>
- (c) Members of the Committee will be appointed by the Board for a period of one year, or any other period determined by the Board. For the avoidance of doubt, no Committee member's reappointment will be regarded as being automatic.
- (d) The Board may appoint additional Directors to the Committee, or remove and replace members of the Committee.
- (e) The duties and responsibilities of a member of the Committee shall be in addition to those duties set out for, and required of, a Director.

### 3 Role and responsibilities of the Committee

The role of the Committee will be to make recommendations to the Board, about:

- (a) the appropriate size and composition of the Board, together with the APN FM Board (to the extent of APN PG's authority at the sole shareholder in APN FM);
- (b) the necessary and desirable competencies of Directors;
- (c) the appointment, re-appointment and removal of Directors;
- (d) developing formal and transparent procedures and criteria for the selection of candidates for, and appointments to, the Board and the APN FM Board in the context of each board's existing composition and structure;
- (e) appropriate succession plans or arrangements for the Board and regularly (meaning at least annually) reviewing the plan approved by the Board;
- (f) implementing induction procedures designed to allow new Board appointees to participate fully and actively in Board decision-making at the earliest opportunity;
- (g) implementing induction programs that enable Directors to gain an understanding of:
  - (i) financial, strategic, operational and risk management position of APN PG;
  - (ii) their rights, duties and responsibilities; and
  - (iii) the role of the Board and other committees;
- (h) providing Directors and key executives with access to continuing education to update their skills and knowledge and provide them access to internal and external sources of information which enhance their effectiveness in their roles;
- (i) an appropriate process for performance and remuneration evaluation of the Board, its committees, Directors, and key executives;
- (j) appropriate remuneration and incentive policies from time to time which motivate Directors and management to pursue the long-term growth and success of APN PG within an appropriate control framework;

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<sup>1</sup> Please refer to the APN PG Board Charter for information in relation to a Director's independence.

- (k) the relevant policies which demonstrate a clear relationship between key executive performance and remuneration;
- (l) the remuneration and incentive policies for senior management, including any eligibility criteria and performance hurdles for equity based plans and considering whether securityholder approval is needed for plans and for any changes to them;
- (m) the remuneration packages of senior management and Directors and whether securityholder approval is needed for any change to remuneration of Directors; and
- (n) any report on executive remuneration that may be required by the ASX Listing Rules or the *Corporations Act 2001* (Cth) or proposed for inclusion in the APN PG's annual report.

#### 4 The function of the Chairman

- (a) The chairman of the Committee (**Chairman**) will be a non-executive director appointed by the Board.
- (b) In addition to the Chairman's responsibilities as a member of the Committee, the Chairman is responsible for:
  - (i) leading the Committee in discharging its duties and responsibilities to the Board;
  - (ii) the efficient organisation and conduct of the Committee's function;
  - (iii) chairing Committee meetings and directing Committee discussions so that there is an effective use of time and that critical issues are discussed;
  - (iv) facilitating the effective contribution of all members of the relevant Committee; and
  - (v) briefing all members of the relevant Committee in relation to issues arising at meetings of the Committee.
- (c) The Chairman is required to commit sufficient time in order to properly discharge the role of chairman of the relevant Committee.
- (d) If the Chairman is absent from any meeting of the relevant Committee, the members of the Committee present at the meeting shall choose one of the other members of the Committee present to chair that particular meeting.

#### 5 Committee Meetings

- (a) The Committee will meet as often as it deems necessary.
- (b) The Chairman will call a meeting of the Committee if so requested by any member of the Committee.
- (c) A quorum of the Committee will be two members or any greater number determined by the Committee from time to time.
- (d) All matters arising for determination at Committee meetings will be decided by a majority of votes of Committee members present and voting.

- (e) Each member of the Committee has one vote.
- (f) Decisions of the Committee are decided by a majority of votes cast by members present and entitled to vote.
- (g) In the case of an equality of votes on a resolution at a Committee meeting, the Chairman will have a second or casting vote on that resolution in addition to any vote the Chairman has in his or her capacity as a member of the Committee in respect of that resolution.
- (h) Unless otherwise determined by the Committee, the Secretary of APN PG will be appointed as Secretary of the Committee.
- (i) The proceedings of all meetings of the Committee are to be minuted and signed by the chair of the meeting or the chair of the next successive meeting.
- (j) The Chairman of the Committee will report the Committee's findings to the APN PG Board after each Committee meeting.
- (k) The minutes of all meetings of the Committee are to be circulated to members and approved by the Committee at the next successive meeting.
- (l) A member of the Committee will not be entitled to be present or to vote when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated by the Committee.

## **6 Access to Information**

The Committee shall have direct access to internal and external officers and advisers of APN PG, and shall have the authority to seek whatever independent, professional or other advice it requires from outside APN PG in order for it to meet its responsibilities.

## **7 Delegation**

The Committee may delegate any of their respective 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 and the company secretary of APN PG. For reporting obligations to members, the Committee may also delegate some of its responsibilities to the Audit and Risk Committee.

## **8 Review of Charter**

This Charter will be reviewed by the Board from time to time to ensure it remains consistent with the objectives and responsibilities of the Board.

## **9 Date of adoption**

This Charter was adopted by the Board in October 2016.

## 10 Definitions

In this Charter, unless the context otherwise requires:

**APN FM** means APN Funds Management Limited.

**APN FM Board** means the board of directors of APN FM.

**Board** means the board of directors of APN PG.

**APN PG** means APN Property Group Limited.

**ASX** means the Australian Securities Exchange.

**Audit and Risk Committee** means the Audit and Risk Committee of APN PG.

**Board** means the board of directors of APN PG.

**Directors** means the directors of APN PG.

**Secretary** means the secretary of APN PG.