

# **Board Remuneration and Nominations Committee Charter.**

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# 1. Introduction.

- 1.1 The boards of Judo Capital Holdings Limited and Judo Bank Pty Ltd (collectively “Judo”) (the “Board”) is responsible for the oversight and implementation of Judo’s Remuneration strategy and policy and its consistency with Judo Risk Management Framework
- 1.2 This charter sets out the role, composition and responsibilities of the Board Remuneration and Nominations Committee (“Committee”), a committee established by the Board.

## 2. Purpose.

- 2.1 The purpose of the Committee is to advise and assist the Board to fulfil its responsibilities in relation to Board composition, Judo’s Management Board, people and remuneration matters, including remuneration strategies, policies, frameworks for implementation and how these support Judo’s strategy and culture.
- 2.2 In discharging its responsibilities, the Board has delegated authority to the Committee in accordance with the provisions of this charter as well as any powers conferred by statute, regulation or regulatory authority requirements.
- 2.3 The Board may place reasonable reliance on the Committee’s advice and recommendations in relation to those matters set out in this clause as it deems necessary.

## 3. Membership.

- 3.1 The Committee will comprise at least three directors, a majority of whom shall be ‘independent’ directors as determined by resolution of the Board. All members of the Committee will be non-executive directors.
- 3.2 The Chair of the Committee will be appointed by resolution of the Board and will be an independent director. The Chair of the Board may be a member of the Committee however cannot be its Chair. Should the Chair of the Committee be absent from a meeting, the members of that Committee present will appoint another independent director as Chair for that particular meeting (other than the Chair of the Board).
- 3.3 The membership of the Committee will be reviewed annually by the Board, or as deemed necessary by the Board.
- 3.4 The Company Secretary will be responsible for keeping membership records.

## 4. Authority.

- 4.1 The Board authorises the Committee, within the scope of its responsibilities to:
  - a. monitor, advise on and, where applicable, approve all matters falling within its purpose and duties as set out in this charter or as directed by the Board;
  - b. seek any information it requires from the Chief Executive Officer (“CEO”) and the Committee shall have unfettered access to the Management Board, any employees or any internal or external parties at any time, to request relevant and additional information or seek explanations as it deems necessary; and
  - c. obtain, at the expense of the Judo, external legal or other independent professional advice or to arrange for the attendance at meetings, at the expense of the Judo, of outside parties with relevant experience and expertise if it considers this necessary.

- 4.2 The Committee does not take action or make decisions on behalf of the Board unless specifically mandated. The Committee is not responsible for the day-to-day management functions or operation of the business. However, the Board may consider advice from the Committee in relation to its financial reporting, performance monitoring and overall internal control frameworks.
- 4.3 Committee may delegate its authority in accordance with the Board Delegation Framework provided such delegation is recorded in its minutes.

## 5. Responsibilities and Duties of the Committee.

- 5.1 The Management Board is responsible for implementing and maintaining appropriate people and remuneration policies designed to ensure compliance with internal policies, applicable laws and regulations, to foster a positive culture and to identify and address any issues of risk for Judo.
- 5.2 The responsibilities and duties of the Committee are to:
- a. review director's fees (including superannuation) as required and make recommendations to the Board regarding any proposed increases within the total already approved by shareholders or for consideration by shareholders at the annual general meeting of shareholders;
  - b. review and recommend to the Board the terms of any equity schemes for directors and/or employees;
  - c. review and make an annual recommendation (as relevant) to the Board on any applicable remuneration (including superannuation), including vesting of short and long term incentives against risk, values and conduct requirements, of the CEO<sup>1</sup> and on the recommendation of the CEO, of staff who report directly to the CEO<sup>2</sup>;
  - d. review and recommend to the Board the terms of employment agreements for the CEO;
  - e. receive reports from the Management Board on the remuneration framework from time to time (including, whether there is any gender or other inappropriate bias in remuneration for directors, senior executives or other employees) and attend to any other matter relating to remuneration issues put to the Committee for consideration by the Board or by the Management Board, including any adjustments required in accordance with regulatory obligations;
  - f. review regulatory compliance of the Remuneration Policy on a regular basis<sup>3</sup> and oversee the process of review of the Remuneration Policy as required from time to time;
  - g. be available to meet with APRA upon request;<sup>4</sup>
  - h. be responsible for developing recommendations to the Board regarding new Board appointments and nominations, including:
    - i. reviewing the composition of the Board and the balance of skills, qualifications, experience and background on the Board, identify and recommend for the approval of the Board candidates to fill Board vacancies as and when they arise;
    - ii. considering any nominations received for the election of directors by shareholders and make appropriate recommendations to the Board; and

<sup>1</sup> CPS 510 - 70

<sup>2</sup> CPS 510 - 70

<sup>3</sup> CPS 510 - 70

<sup>4</sup> CPS 510 - 73

- iii. attending to any other matter relating to Board appointment and nomination issues put to the Committee for consideration by the Board; and
- i. board succession planning generally and ensuring there are plans in place to manage the succession of the CEO, Management Board members, and Company Secretary;
- j. induction and continuing professional development programs for directors;
- k. the development and implementation of a process for evaluating the performance of the board, its committees and directors;
- l. recommend to the Board Judo's statement of values and code of conduct.

## 6. Attendance.

- 6.1 The CEO and directors of the Board who are not members of the Committee can be invited to attend Committee meetings and may request to receive copies of the Committee papers.
- 6.2 The Committee may request members of the Management Board to attend part, or all, of any Committee meeting.
- 6.3 The Chief People and Culture Officer (or their nominee, subject to prior clearance by the Committee Chair) must attend all relevant sections of the Committee meetings.
- 6.4 Representatives of the Management Board, including the CEO, may not be present at those parts of the meeting where the Committee is discussing that person's remuneration or matters where that person may have a personal interest.

## 7. Meetings.

- 7.1 The Committee shall meet at least three times a year or more frequently if so required.
- 7.2 A quorum for a meeting shall consist of not less than half of the Committee members eligible to vote on a matter.
- 7.3 The Chair and the Company Secretary will be responsible for setting the agenda for each meeting subject to input from any Committee member.
- 7.4 Subject to the prior consent of the members, a Committee meeting may take place using any form of technology that the Chair deems appropriate.
- 7.5 The Chair may, in his/her discretion, determine that the Committee's approval authority be delegated to a group comprising not less than three members of the Committee.
- 7.6 The Chair shall, to the extent possible, act as the liaison between the Management Board and the Committee members. The agenda and supporting documentation will be circulated to the Committee members within a reasonable period in advance of each meeting. The Company Secretary of the Committee will circulate minutes of meetings to members of the Committee and the Board within a reasonable period following each meeting.
- 7.7 Copies of the Committee minutes, together with such reports received by the Committee as are deemed appropriate, will be included in the monthly Board reports. The Chair of the Committee will update the Board with a verbal report at the Board meeting following each Committee meeting.
- 7.8 The Committee will refer to the Board Risk Committee any matters that have come to the attention of the Committee that are relevant for the Board Risk Committee's consideration.

## 8. Voting.

- 8.1 Each member present at a Committee meeting, including the Chair, has one vote.
- 8.2 In the event that votes are deadlocked, the Chair does not have a casting vote.
- 8.3 Any Committee member with a real or perceived conflict of interest, may not:
- a. be present at a meeting while the matter is being considered by the Committee; and
  - b. vote on the matter being considered by the Committee,
- unless the other members of the Committee agree otherwise.

## 9. Review of the Committee.

- 9.1 The Board shall undertake a regular review, at least annually, of the Committee's performance, objectives and responsibilities including (without limitation) any matter set out in this charter.
- 9.2 The Committee may recommend to the Board any amendments to this charter.