

# Remuneration and Nomination Committee Charter

NSX Limited

(ABN 33 089 447 058)

National Stock Exchange of Australia Limited

(ABN 11 000 902 063)

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# 1. Introduction

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## Background

NSX Limited (“**NSXL**”) is committed to conducting its business in a way that is open and accountable to shareholders, its stakeholders, customers and the wider marketplace. NSXL believes that its corporate governance practices as a public company should be of a high and rigorous standard.

NSXL is the parent company of the National Stock Exchange of Australia Ltd (“**NSXA**”). NSXA holds an Australian Market Licence enabling NSXA to operate a Stock Exchange within Australia.

As a market licensee, NSXA has the statutory obligation to operate a market that is fair, orderly and transparent (“**FOT obligations**”)<sup>1</sup>. Responsibility for NSXA meeting its statutory obligations as a market licensee rests with the board of NSXA and supported by the Board of NSXL.

This requirement is enshrined in the constitutions of NSX Limited and National Stock Exchange of Australia Limited.

If you are in doubt about the standards that are set by the Policy or your obligations under the Policy, you should speak to your manager.

## Governance Standards and Requirements

The policy is reflective of the following governance standards:

- (a) The Constitution of NSX Limited;
- (b) The Corporations Act;
- (c) ASIC Regulatory Guides as varied from time to time;
- (d) While NSXL is the holding company of NSXA, reflect the requirements and conditions of the National Stock Exchange of Australia Australian Market Licence and published variations; and
- (e) While NSXL is listed on ASX, the ASX Corporate Governance Council Principles and Recommendations (the fourth edition), the ASX Listing Rules and Guidance Notes.

# 2. Purpose of the Charter

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The Remuneration & Nomination Committee (“the Committee”) is a committee of the NSX Limited (“NSXL”) Board (“the Board”).

This Charter sets out the role, responsibilities, composition and operation of the Committee.

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<sup>1</sup> Subsection 792A of the Corporations Act (2001) Cth



### 3. Role and responsibilities

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The Board has delegated certain responsibilities to the Committee which will require formal reporting back to the Board. Ultimate responsibility for remuneration policy matters rests with the Board.

The Committee also serves as the remuneration committee for the NSX Group boards. In that context, it has been delegated responsibility for remuneration arrangements and performance management processes relating to any senior management reporting to those Boards.

The Committee's primary functions are to:

- (a) review director competence standards;
- (b) review Board succession plans;
- (c) evaluate the Board's performance;
- (d) make recommendations for the appointment and removal of directors to the Board; and
- (e) make recommendations to the Board on, senior management remuneration and incentive policies, the remuneration packages of senior management, recruitment, retention and termination policies for senior management, incentive schemes, and remuneration for directors.

The Committee will review the following matters and consider whether any significant matters should be brought to the attention of the Board or NSX Group subsidiary boards:

- (a) the processes for overseeing performance accountability and effective monitoring of senior management, including setting and evaluating performance against goals and targets;
- (b) NSX's remuneration structure, including short term incentive ("STI") and Long Term Incentive ("LTI") arrangements and participation;
- (c) incentives and behaviours arising from NSX's remuneration structure;
- (d) senior management succession and key staff succession plans;
- (e) recruitment and retention strategies and termination policies and procedures;
- (f) achievement against gender diversity objectives and remuneration by gender;
- (g) the remuneration report; and
- (h) other relevant matters identified or requested by the Board or NSX Group subsidiary boards.



## 4. Membership and term

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The Committee will consist of a minimum of three directors. Committee members are appointed by the Board. The Committee will comprise at least three non-executive directors and a majority of independent directors.

The chair of the Committee must be an independent non-executive director who is not the chair of the Board.

All Committee members will have sufficient understanding of the industries in which the NSX operates to be able to effectively discharge Committee duties and responsibilities.

The Committee can make a recommendation to the Board concerning the membership of the Committee.

The Board to review the membership skills and tenure of the Committee as per section 5: Term.

The Board appoints the Chair and determines the members of the Committee.

## 5. Term

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The Committee or the Board may review the membership skills of the Committee.

Committee members are appointed on a 3-year term basis.

Committee member terms may be extended, by the Board, for multiple 3 year terms.

## 6. Authority and Resources

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- (a) The Committee has no executive power over its findings or recommendations.
- (b) The Board authorises the Committee as a delegated Committee of the Board under the Constitution to assist it in fulfilling its statutory and regulatory responsibilities.
- (c) The Committee may seek provision of information, documents and records on accounting policies and other relevant financial topics to assist in fulfilling its duties.
- (d) The Committee may require management to attend meetings and provide any information or advice that the Committee requires;
- (e) The Committee may seek explanations and additional information from the external auditors, without management present, as the Committee considers necessary.
- (f) When considered necessary, within financial reason or appropriate, the Committee may conduct or authorise investigations within its Charter and may retain independent legal, accounting or other advisors with costs approved by the Board.



## 7. Reporting to the Board

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The Chair of the Committee reports to the Board after each Committee meeting. Minutes of Committee meetings will be included in the papers for the next Board meeting after each Committee meeting.

To assist the Board, the Committee will report to the Board on the following matters:

- (a) assessment of whether external reporting is consistent with Board members' information and knowledge and is adequate for shareholder needs;
- (b) assessment of the management processes supporting external reporting;
- (c) assessment of nomination recommendations;
- (d) assessment of remuneration and incentive scheme recommendations.

## 8. Meetings and Attendance

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The Chair will call a meeting of the Committee or if so requested by any member of the Committee as necessary to undertake its role effectively.

## 9. Committee members' interests

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Committee members must disclose any actual or potential conflicts of interest that exist in relation to the role and responsibilities of the Committee.

## 10. Secretary

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The Company Secretary of NSX shall act as Secretary of the Committee.

## 11. Voting

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Matters arising for determination at Committee meetings shall be decided by a majority of votes of directors present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

In the case of equality of votes, the Chair of the meeting, in addition to their deliberative vote, has a casting vote.



## 12. Nomination duties

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The duties of the Committee in relation to nomination matters include:

- (a) determining the appropriate size and composition of the Board;
- (b) setting a formal and transparent procedure for selecting new directors for appointment to the Board;
- (c) developing criteria for selection of candidates for the Board in the context of the Board's existing composition and structure;
- (d) making recommendations to the Board on the appointment and removal of directors;
- (e) developing a plan for identifying, assessing, and enhancing director competencies;
- (f) developing a succession plan for the Board and regularly reviewing the plan;
- (g) recommending the performance and evaluation policies and procedures Board and key senior management; and
- (h) ensuring that there is an appropriate induction programme in place for new directors and members of senior management and reviewing its effectiveness.

## 13. Remuneration duties

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The duties of the Committee in relation to remuneration matters include:

- (a) determining remuneration policies and remuneration of directors;
- (b) determining remuneration and incentive policies packages of key senior management;
- (c) determining recruitment, retention, and termination policies and procedures for senior management;
- (d) determining and reviewing incentive schemes;
- (e) oversees the ongoing effectiveness of remuneration policies, ensuring that the approach is influencing culture, performance and behaviours as intended.
- (f) determining and reviewing superannuation arrangements; and
- (g) reviewing succession plans for senior management.

The Committee shall ensure that the Board and senior management are provided with sufficient information to ensure informed decision making.



## 14. Review of the Charter

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This Charter is to be reviewed by the Committee or the Board from time to time to ensure it remains consistent with Board's objectives and responsibilities. Recommendations for change to the Charter by the Committee are to be communicated to the Board for discussion and, if thought fit, approval.

## 15. Publication

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A copy of this charter is available at [www.nsx.com.au](http://www.nsx.com.au).