



Nomination, Remuneration and Governance Committee Charter

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Qualitas Limited ACN 655 057 588

(Company)

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Approved by the Board on 6 September 2023

Nomination, Remuneration and Governance Committee Charter

1. Introduction

- (a) The Nomination, Remuneration and Governance Committee (**NRG Committee**) is a committee of the board of directors (**Board**) of Qualitas Limited ACN 655 057 588 (**Company**).
- (b) The Board established the NRG Committee under the Company's Constitution.
- (c) This charter sets out the scope of the NRG Committee's responsibilities in relation to the Company and its related bodies corporate (**Group**).
- (d) The effectiveness of the Committee is assessed against the responsibilities set out in this charter and a review is undertaken on an annual basis.

2. Objective

The objective of the NRG Committee is to help the Board achieve its objective to ensure the Company:

- (a) has a Board that has the necessary mix of skills, knowledge and experience to be able to adequately discharge its responsibilities and duties as an ASX listed entity;
- (b) has coherent remuneration and people related policies and practices to attract and retain directors, senior executives and employees who can reasonably be expected to create value for shareholders;
- (c) monitors those remuneration and people related policies and practices;
- (d) fairly and responsibly rewards senior executives having regard to the performance of the Group, the performance of the senior executives and the general external pay environment; and
- (e) has appropriate board related governance policies and frameworks.

3. Nomination responsibilities

The NRG Committee is responsible for:

- (a) recommending to the Board the appropriate size and composition of the Board (in accordance with the Company's Constitution);
- (b) undertaking a process to create and then monitor a board skills matrix setting out the necessary and desirable competencies and characteristics for Board membership, as developed by the NRG Committee;
- (c) monitoring the balance of skills, experience and diversity on the Board and, when necessary, providing recommendations to the Board for the appointment and removal of directors;
- (d) advising the Board on the appointment and removal of the Group Managing Director;
- (e) establishing processes for identifying suitable candidates for appointment to the Board to ensure an appropriate and diverse mix of expertise, experience and succession;

- (f) ensuring appropriate succession plans are in place for the Board, the Group Managing Director and senior executives; and
- (g) ensuring appropriate checks including checks as to a candidate's character, experience, education, media profile, criminal record and bankruptcy history have been undertaken before a candidate is recommended to the Board for appointment as a director or as a senior executive.

4. Performance – responsibilities

The NRG Committee is responsible for:

- (a) Board related performance, comprising:
 - (i) annually reviewing the performance of the Group Managing Director with the chairman of the Board;
 - (ii) establishing processes for evaluating the performance of the Board, both collectively and individually;
 - (iii) annually evaluating the performance of the Board, both collectively and individually and considering if the directors as a group have the skills, knowledge, experience, qualifications and diversity to deal with new and emerging business and governance issues, and make recommendations to the Board;
 - (iv) regularly reviewing the time required from non-executive directors to perform their roles and assessing whether they are fulfilling their functions effectively;
 - (v) providing directors with opportunities for professional development to perform their role as directors effectively, including to maintain their knowledge and expand on best practice corporate governance; and
 - (vi) ensuring there is an appropriate induction process in place for new directors and reviewing its effectiveness as required.
- (b) Group employee related performance, comprising oversight of the Group's people strategies and policies, including:
 - (i) reviewing and making recommendations to the Board on the Group's objectives for achieving diversity and inclusion in the composition of the Board, senior executives and employees generally;
 - (ii) reviewing and monitoring the Group's engagement and people surveys, including action items;
 - (iii) reviewing and monitoring the performance of the Group's senior executive against measurable and qualitative indicators as decided by the Board; and
 - (iv) reviewing the Group's people management strategies and policies including the employee performance metrics, Code of Conduct, bullying, harassment, discrimination and grievances in the workplace.

5. Remuneration - responsibilities

- (a) In performing its responsibilities in relation to remuneration, the NRG Committee must oversee the Group's overall remuneration and incentives framework and policies, including giving appropriate consideration to the Company's performance and objectives, employment conditions and remuneration relativities.

- (b) The Group's remuneration and incentive policies and practices must be designed to:
 - (i) motivate employees to pursue the Group's long-term growth and success;
 - (ii) demonstrate a clear relationship between the Group's overall performance and the performance of employees;
 - (iii) comply with all relevant legal and regulatory provisions; and
 - (iv) enhance retention of key employees and senior executives.
- (c) When reviewing the remuneration of directors and senior executives the NRG Committee will undertake regular benchmarking to relevant remuneration data.
- (d) The NRG Committee is responsible for:
 - (i) reviewing, approving and recommending to the Board for adoption of Group remuneration and incentive policies and practices;
 - (ii) annually considering, approving and recommending to the Board the Group Managing Director's total remuneration (including base salary, incentive awards, equity awards, retirement rights, termination payment and terms of engagement) having regard to the Group's remuneration and incentive policies;
 - (iii) annually considering, approving and recommending to the Board in respect of each direct report of the Group Managing Director any incentive awards and equity awards having regard to the Group's remuneration and incentive policies;
 - (iv) determining if shareholder approval is needed for any change to remuneration of directors or senior executives;
 - (v) preparing for approval by the Board any report on executive remuneration that may be:
 - (A) required by the ASX Listing Rules or the *Corporations Act 2001* (Cth); or
 - (B) proposed for inclusion in the annual report,and reporting regularly to the Board on those matters;
- (vi) reviewing, approving and recommending to the Board for implementation the design of the Group's incentive plan;
- (vii) reviewing, approving and recommending to the Board for adoption the design of any equity based plan, including recommending to the Board the total proposed awards under any equity plan
- (viii) reviewing any plan for legislative, regulatory and market developments;
- (ix) reviewing, approving, recommending to the Board for adoption and keeping under review the performance hurdles for any equity based plan;
- (x) reviewing the remuneration of non-executive directors for serving on the Board and any committee (both individually and in total); and
- (xi) recommending to the Board the remuneration, tenure, retirement and termination policies for non-executive directors having regard to market trends and shareholder interests.

6. Governance

The NRG Committee is responsible for:

- (a) reviewing and making recommendations to the Board on the most appropriate board related governance policies and frameworks for the Group;
- (b) monitoring and making recommendations to the Board in regards to nominee directors and/or substantial shareholder engagement frameworks; and
- (c) regularly reviewing and recommending the Qualitas Corporate Governance Statement for approval by the Board.

The NRG Committee is additionally responsible for doing anything the Board considers appropriate and refers to it in the context of the objectives of the NRG Committee.

7. NRG Committee composition

- (a) Subject to section 7(b), the NRG Committee should comprise:
 - (i) at least three directors, a majority of whom are independent directors;
 - (ii) only non-executive directors; and
 - (iii) a chairman who is an independent director.
- (b) While the Company will aim to have a NRG Committee of at least the size and composition outlined in sub clause 7(a) above, this may not always be practicable given the size of the Board and the circumstances of the Group, including the nature of the Group's business. Accordingly, the Board has absolute discretion to determine the appropriate size and composition of the NRG Committee from time to time.
- (c) The Board will appoint the chairman of the NRG Committee. The chairman of the NRG Committee must be an independent director, subject to sub clause (b) above.
- (d) The Board decides appointments, rotations and resignations within the NRG Committee having regard to the ASX Listing Rules, the Corporations Act 2001 (Cth) and the Company's constitution.

8. NRG Committee meetings

- (a) The NRG Committee will meet at least quarterly, and otherwise as required.
- (b) The quorum for a NRG Committee meeting is two members. .
- (c) NRG Committee meetings may be held by any technological means allowing its members to participate in discussions even if all of them are not physically present in the same place. A member who is not physically present but participating by technological means is taken to be present.
- (d) A notice of each meeting confirming the date, time and venue and agenda shall be forwarded to each member of the committee, generally no later than one week prior to the date of the meeting. The notice will include relevant supporting papers for the agenda items to be discussed.
- (e) The NRG Committee may pass or approve a resolution without holding a meeting in accordance with the procedures (so far as they are appropriate) in the Company's constitution or equivalent.

- (f) The NRG Committee may invite anyone it considers appropriate to attend NRG Committee meetings.
- (g) The NRG Committee must keep minutes of its meetings and shall report these regularly to the Board.

9. Access to information and independent advice

- (a) The NRG Committee may seek any information it considers necessary to fulfil its responsibilities.
- (b) The NRG Committee has access to management to seek explanations and information from management, at the Company's cost.
- (c) The NRG Committee may seek professional advice from employees of the Group and from appropriate external advisers, at the Company's cost. The NRG Committee may meet with external advisers without management being present.

10. Review and changes to this charter

- (a) The NRG will review this charter periodically to ensure that it is operating effectively and determine whether any changes are required.
- (b) Any material changes to this charter must be approved by the Board.
- (c) The Board may change this charter from time to time by resolution.

11. Approved and adopted

This charter was last updated and approved by the Board on 6 September 2023.