



# REMUNERATION COMMITTEE CHARTER

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## 1. PURPOSE OF THIS CHARTER

- 1.1 The Remuneration Committee (“Committee”) is a committee of the Board of Directors (“Board”) of Reckon Limited (“the Company”).
- 1.2 This Charter sets out the role and responsibilities, composition and structure of the Committee.
- 1.3 The Board has delegated certain responsibilities to the Committee which will require formal reporting back to the Board. The ultimate responsibility of remuneration policy matters rests with the Board.
- 1.4 A copy of this Charter is available on the Company website at: [www.reckon.com](http://www.reckon.com)

## 2. FUNCTIONS OF THE BOARD

- 2.1 The Committee has the delegated responsibility from the Board to conduct detailed examination of certain matters which may require the Board’s approval.
- 2.2 The role of the Committee is to assist and advise the Board to fulfil its responsibilities to members of the Company on matters relating to the compensation, bonuses, incentives and remuneration issues of directors and key management personnel. The Remuneration Committee is not a policy making body but assists the Board by implementing policy.
- 2.3 In discharging their responsibilities, the Committee members have a duty to act in the best interests of the Company as a whole, irrespective of personal, professional, commercial or other interests, loyalties or affiliations.

## 3. RESPONSIBILITIES

- 3.1 The Committee is responsible for the following:
  - Reviewing the remuneration and incentive framework for directors and key management personnel, including any short term incentive components (“STI”) and Long Term Incentives (“LTI”) arrangements and participation;
  - Monitoring and reviewing the key management personnel performance and key performance indicators for the determination of the annual bonus components;

## Remuneration Committee Charter (cont.)

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- Reviewing superannuation arrangements for directors and key management personnel;
- Ensuring that the Company's remuneration and incentive policies, practices and performance indicators are aligned to the Board's vision, values and overall business objectives and that they are appropriately designed to:
  - motivate staff to pursue the long term growth and success of the Company,
  - motivate the implementation of sound and effective risk management strategies and practices;
  - be consistent with best practices and to be based on long-term achievements;
  - demonstrate a relationship between the achievement of the Company's objectives and the CEO's and staff's performance and remuneration; and
  - always mindful of the range of stakeholders in the company, including members and employees.
- Reviewing the CEO's recommendations regarding remuneration for staff (including staff other than key management personnel), taking into account market trends and other appropriate factors, such as any unique characteristics or requirements of the company;
- Reviewing the Remuneration Report;
- Considering other relevant matters identified from time to time, or requested by the Board; and
- In relation to any of the matters above, and where appropriate, consider whether any significant matters should be brought to the attention of the Board.

### **4. COMPOSITION & STRUCTURE**

- 4.1 The Committee members are appointed, removed and /or replaced by the Board. Appointments are as determined by the Board as appropriate.
- 4.2 The Committee will consist of:
- Only non-executive directors;
  - At least three members;
  - A majority of independent directors; and
- 4.3 An independent director who is not Chair of the Board as Committee Chair. The duties and responsibilities of a member of the committee will be in addition to those duties set out for a director of the Board.

# Remuneration Committee Charter (cont.)

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## 5. MEETINGS

- 5.1 The Committee will hold meetings at least twice a year and additionally as it considers necessary.
- 5.2 Meetings of the Committee may be held face-to-face or through any technological means by which members can participate in a discussion.
- 5.3 A quorum shall be at least two members or any greater number determined by the Board. The notice and agenda of meetings will include relevant supporting papers as appropriate.
- 5.4 The Committee may have access to the Company's senior management and invite any such other persons to attend as it sees fit, and consult with other persons or seeking information it considers necessary, to fulfil its responsibilities.
- 5.5 The Committee Chair shall have the authority to directly seek independent, professional or other adviser or seek any other information as required by the Committee to carry out or fulfil its responsibilities.
- 5.6 If the Committee engages expert advisers on matters pertaining to the remuneration of the Company's directors and key management personnel, those advisers are to provide advice directly to the Committee, independent of management.
- 5.7 If the Committee enters into an arrangement or commissions advisers on matters relating to remuneration that involves remuneration recommendations, these arrangements will be disclosed in the Remuneration Report, as required.
- 5.8 The Committee reports to the Board and Committee meeting minutes will be provided to the Board for noting.
- 5.9 The Committee will provide the Board with sufficient information to allow informed decision making.
- 5.10 Any matters requiring a decision will be decided by a majority of votes of the Committee members present.

## 6. REVIEW OF CHARTER

- 6.1 The Board will review this Charter annually to keep it up to date and consistent with the Board's objectives and responsibilities.
- 6.2 Amendments to the Charter, other than updates for Reckon branding or position titles, are to be approved by the Board.