

**HAPPY VALLEY NUTRITION LIMITED  
REMUNERATION & NOMINATION COMMITTEE CHARTER**

# Remuneration and Nomination Committee Charter

Happy Valley Nutrition Limited (5952532) (**HVN or Company**)

Adopted by the Board on 29 October 2019

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## **1. Introduction**

The purpose of this charter is to specify the authority delegated to the Remuneration and Nomination Committee (**Committee**) by the Board and to set out the role, responsibilities, membership and operation of the Committee.

The Committee is a committee of the Board and is authorised by the Board to assist it in fulfilling its statutory, fiduciary and regulatory responsibilities. It has the authority and power to exercise the role and responsibilities set out in this charter and granted to it under any separate resolutions of the Board from time to time.

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## **2. Role of the Committee**

### **2.1 Remuneration**

The Committee assists and advises the Board on remuneration policies and practices for the Board, the Chief Executive Officer (**CEO**), the Chief Financial Officer (**CFO**), the Company Secretary, senior executives and other persons whose activities, individually or collectively affect the financial soundness of the Company. The policies and practices are designed to:

- (a) enable the Company to attract, retain and motivate directors, executives and employees who will create value for shareholders within an appropriate risk management framework, by providing remuneration packages that are equitable and externally competitive;
- (b) be fair and appropriate having regard to the performance of the Company and the relevant director, executive or employee; and

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- (c) comply with relevant legal requirements.

**2.2 Nomination**

The Committee assists and advises the Board on:

- (a) Board succession planning generally;
- (b) induction and continuing professional development programs for directors;
- (c) the development and implementation of a process for evaluating the performance of the Board, its committees and directors;
- (d) the process for recruiting a new director, including evaluating the balance of skills, knowledge, experience, independence and diversity on the Board and, in the light of this evaluation, preparing a description of the role and capabilities required for a particular appointment;
- (e) the appointment and re-election of directors; and
- (f) ensuring there are plans in place to manage the succession of the CEO and other senior executives,

to ensure that the Board and senior management is of a size and composition conducive to making appropriate decisions, and with the benefit of a variety of perspectives and skills so as to discharge their duties and obligations in the best interests of the Company as a whole.

**3. Remuneration Responsibilities**

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**3.1 General**

- (a) The Committee is responsible for developing, reviewing and making recommendations to the Board on:
  - (i) (**directors' fees**) the Company's remuneration framework for directors, including, the process by which any pool of directors' fees approved by shareholders is allocated to directors;
  - (ii) (**senior executives**) the remuneration packages to be awarded to senior executives;
  - (iii) (**disclosure**) separately disclosing its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives;
  - (iv) (**policies**) the Company's recruitment, retention and

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- termination policies for the CEO and other senior executives and any changes to those policies;
- (v) **(incentive schemes)** incentive schemes, if appropriate, for the CEO and other senior executives;
  - (vi) **(equity based)** equity-based remuneration plans, if appropriate, for senior executives and other employees; and
  - (vii) **(superannuation)** superannuation arrangements for directors, senior executives and other employees.
- (b) The Committee is also responsible for monitoring and providing input to the Board regarding:
- (i) **(updates)** legislative, regulatory or market developments likely to have a significant impact on the Company and legislative compliance in employment issues;
  - (ii) **(Company trends)** the remuneration trends across the Company, including:
    - (A) the trends in base pay for senior management relative to that of all Company employees; and
    - (B) remuneration by gender; and
  - (iii) **(benefits)** major changes to employee benefits structure in the Company.

**3.2 Incentive Schemes and Equity Based Remuneration**

For any incentive schemes or equity based plans which are adopted, the Committee is responsible for:

- (a) **(reviewing)** reviewing their terms (including any performance hurdles);
- (b) **(administration)** overseeing their administration (including compliance with applicable laws that restrict participants from hedging the economic risk of their security holdings) and disclosing its policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme;
- (c) **(shareholder approval)** considering whether shareholder approval is required or desirable for the schemes or plans and for any changes to them; and
- (d) **(payments and awards)** ensuring that payments and awards of equity are made in accordance with their terms and any shareholder approval.

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### 4. Structure of remuneration

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In fulfilling these responsibilities, the Committee will ensure that:

- (a) **(alignment)** the remuneration structure for senior executives and the organisation as a whole is aligned to the Company's purpose, values, risk appetite and strategic objectives;
- (b) **(distinguishing structures)** a clear distinction is maintained between the structure of non-executive directors' remuneration and that of executive directors and senior executives;
- (c) **(linking rewards)** a proportion of executive directors' and senior executives' remuneration is structured in a manner designed to link rewards to corporate and individual performance (reflecting short and long-term performance objectives appropriate to the Company's circumstances and goals);
- (d) **(remuneration consultant)** any engagement of a remuneration consultant is approved by the Board or the Committee and the remuneration consultant must report its recommendation directly to either or both of the members of the Board (other than an executive director) or members of the Committee;
- (e) **(no influence)** the Committee and the Board are satisfied with the arrangements put in place to ensure that any remuneration recommendation made by the remuneration consultant is made free from undue influence from any member of the key management personnel to whom the recommendation relates; and
- (f) **(providing information)** the Committee will provide the Board with information sufficient to ensure that the Board makes an informed decision in relation to the Committee's recommendations.

### 5. Reporting and Disclosure

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The Committee will liaise with the Audit and Risk Committee in relation to the Company's remuneration-related reporting in the financial statements and remuneration report.

The Committee will approve an annual remuneration report containing information on the Company's remuneration policy, practices and make recommendations to the Board for the inclusion of the remuneration report in the Company's annual report.

The Committee will ensure that all applicable governance, accounting and legal requirements regarding disclosure of remuneration, in all forms, are complied with.

The Committee chairman will attend the Company's annual general meeting prepared



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to respond to any shareholder questions on the Committee's activities.

### **6. Membership**

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#### **6.1 Composition and Size**

Where practical, the Committee, to be appointed by the Board, shall consist of at least three members, all of whom are non-executive directors and the majority of whom are independent. The Board reserves the right to appoint external advisors to this Committee.

Each member must be free from any interest, business or other relationship which, in the opinion of the Board, could, or could reasonably be perceived to, materially interfere with the exercise of his or her independent judgement as a member of the Committee.

The term of service of Committee members will be reviewed by the Board at least annually with a view to rotating members periodically, but without losing the continuity of experience and knowledge gained by the members of the Committee.

If a member of the Committee retires, is removed or resigns from the Board, that member ceases to be a member of the Committee. The Board will appoint the successor.

#### **6.2 Chairman**

Where practical, the Chairman of the Committee shall be an independent non-executive director.

The Chairman of the Committee will be appointed by the Board. If, for a particular Committee meeting the Committee Chairman is not present within 10 minutes of the nominated starting time of the meeting, the Committee may elect a chairman for that meeting.

#### **6.3 Company Secretary**

The Company Secretary of the Board shall be the Company Secretary of the Committee, but not a member of the Committee.

### **7. Committee Meetings and Process**

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#### **7.1 Meetings**

The Committee will meet as frequently as required to perform its functions, but not less than twice per year. The Chairman must call a meeting of the Committee if requested by any member of the Committee, the external auditor or the Chairman of the Board.

The Annual Report for a relevant financial year will disclose the number of times the



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Committee met throughout that financial year and the individual attendance of each member of the Committee at those meetings.

### **7.2 Quorum**

Two members of the Committee constitute a quorum for meetings of the Committee.

### **7.3 Attendance by Management and Advisers**

The Committee Chairman may invite the CEO, other senior executives, directors who are not members of the Committee and external advisers to attend meetings of the Committee.

### **7.4 Conflicts**

No member of the Committee will participate in the determination of their own remuneration or the specific remuneration policies that are applicable to them.

### **7.5 Notice, Agenda and Papers**

The Chairman of the Committee will determine the meeting agenda after appropriate consultation.

Unless otherwise agreed or considered necessary by the Chairman, notice of each meeting confirming the venue, date and time together with an agenda of items to be discussed and supporting papers, will be circulated by the Company Secretary to each Committee member and any other individual invited to attend. Copies of the Agenda and supporting papers are also to be circulated to all board members.

### **7.6 Minutes**

The Company Secretary will keep minute books to record the proceedings and resolutions the Committee meetings.

The Chairman of the Committee, or his or her delegate, will report to the Board after each Committee meeting.

The Committee must refer any matter of significant importance to the Board for its consideration and attention.

### **7.7 Access to Information and Advisers**

The Committee has direct and unlimited access to all resources necessary to discharge its duties and responsibilities. This may include requesting management or engaging external remuneration consultants, to provide information to the Committee.

The Committee also has the authority to conduct or direct any investigation required to fulfill its responsibilities.



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**8. Committee's Performance**

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The performance of the Committee will be reviewed on an annual basis, or earlier if circumstances dictate. The performance evaluation will have regard to the extent to which it has met its responsibilities in terms of this charter.

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**9. Review and publication of charter**

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This charter shall be reviewed on an annual basis to ensure it remains relevant to the current needs of the Company. The charter may be amended by resolution of the Board.

This charter will be available on the Company's website and the key features will be published in the Corporate Governance Statement.