

Nomination & Remuneration Committee Charter

Simonds Group Limited
(ACN: 143 841 801)

1. Introduction

The Board of Simonds has established a Nomination and Remuneration Committee. The purpose for which the Nomination and Remuneration Committee has been established and the powers of the Committee are set out in this document.

2. Definitions

General terms and abbreviations used in this Charter have the following meaning set out below.

Board	the board of directors of Simonds.
Group CEO/MD	Group Chief Executive Officer and Managing Director (where applicable).
CFO	Chief Financial Officer.
Charter	this Nomination and Remuneration Charter.
Committee	the Nomination and Remuneration Committee.
Director	a director of Simonds.
KMP	key management personnel including executive directors, non-executive directors, and nominated executive
Simonds or the Company	Simonds Group Limited ACN 143 841 801

3. Role and Objectives

The role of the Nomination and Remuneration Committee relates to the appointment and remuneration of the non-executive directors, Managing Director, and KMP.

The Committee is responsible for recommending remuneration practices and policies. The objectives of the Committee in relation to these roles include:

- (a) to review and assess the necessary and desirable competencies of the non-executive members of the Board;
- (b) to develop succession plans for the Board and to oversee development by management of succession planning for KMP; and
- (c) to review the Group's overall remuneration practices and policies.

4. Membership and Structure of the Committee

The Committee members are appointed, removed and/or replaced by the Board. The term of an appointment is to be determined by the Board.

Unless otherwise determined by the Board, the Committee comprises only non-executive directors and a minimum of three directors. It is intended that a majority of the Committee at any time will be independent directors such that they are independent of management and free of any conflicts, business or other relationship that could materially interfere with – or could reasonably be perceived to interfere with – the exercise of their unfettered and independent judgement.

The chairperson should be an independent director and not the Chairman of the Board. The Board will appoint the chairperson of the Committee.

Other non-executive directors who are not Committee members may attend meetings of the Committee should they wish. The external auditors and other officers of the Company may attend meetings of the Committee by invitation. The Group CEO, CFO (or equivalent) shall be given notice of all meetings and may be invited to attend.

The Board will review the membership and charter of the Committee annually, in accordance with clause 7.

The Committee has the authority, within the scope of its responsibilities, to seek any information it requires from an employee or external party.

The Committee will have direct access to Company's senior management. The Committee chairperson will have the authority to directly seek independent, professional or other advisers as required for the Committee to carry out its responsibilities.

5. Administrative matters

It is intended that the Committee will meet at least two times each year, or as often as the Committee members deem necessary in order to fulfil their role and objectives set out in this Charter.

Except as set out in this Charter, the Committee is subject to the Board's general policy for engaging or seeking advice from financial and legal advisers.

The Company Secretary will attend all Committee meetings as minute secretary. All minutes of the Committee will be entered into a minute book maintained for that purpose and will be open at all times for inspection by any director.

6. Responsibilities and functions

The Committee will be responsible for determining and reviewing:

- (a) the total level of remuneration of non-executive directors and for individual fees for non-executive directors and the Chairman, including any additional fees payable for membership of Board committees;
- (b) the total remuneration package for the Group CEO and KMP, including short term and long term incentives; and
- (c) management succession planning in regard to the Group CEO and KMP

For the avoidance of doubt, the Committee will separately consider the remuneration packages of non-executive directors, executive directors and KMP.

The Committee will be responsible for:

- (d) reviewing and approving management recommendations on remuneration practices and policies, and the remuneration of employees generally;
- (e) reviewing the performance targets for KMP;
- (f) reviewing management succession planning for Simonds in general;
- (g) reviewing the appointments and terminations to KMP positions;
- (h) reviewing Simonds' obligations on matters such as superannuation and other employment benefits and entitlements;
- (i) reviewing the appointment of non-executive directors, including attending to the following matters:
 - (i) periodically assessing the appropriate mix of skills, experience and expertise required on the Board and assessing the extent to which the required skills are represented on the Board;
 - (ii) establishing processes for the identification of suitable candidates for appointment to the Board, including, establishing criteria for Board membership, engaging appropriate search firms to assist in identifying potential candidates, and
 - (iii) where appropriate, nominating appropriate candidates for non-executive directorship;
- (j) monitoring the length of service of current Board members, considering succession planning issues and identifying the likely order of retirement by rotation of non-executive directors;
- (k) establishing processes for the review of the performance of individual non-executive directors, the Board as a whole and the operation of Board committees;

- (l) designing induction and ongoing training and education programs for the Board to ensure that non-executive directors are provided with adequate information regarding the operations of the business, the industry and their legal responsibilities and duties; and
- (m) monitoring board members and senior executives to ensure no transactions in associated products are entered into which limit the economic risk of participating in unvested entitlements under any equity-based remuneration schemes.

7. Review

The Board will, at least once per year, review the Nomination and Remuneration Charter to determine its adequacy for current circumstances. Where necessary the Board may by resolution alter the terms of the Nomination and Remuneration Charter.

8. Access and Advisers

The Board will have direct access to the Company's senior management. The Board will have the authority to directly seek independent, professional or other advisers as required for the Board to carry out its responsibilities under this Nomination and Remuneration Charter.

9. Experts

If the Board engages expert advisers on matters pertaining to the remuneration of directors and key management personnel, those advisers are to provide advice directly to the Board, independent of management. If the Board enters into an arrangement or commissions advisers on matters relating to remuneration, these arrangements will be disclosed in the Corporate Governance section of the Company's annual report to shareholders.

10. Publication

A copy of this Charter is available at www.simondsgroup.com.au
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