

Remuneration & Nominations Committee Charter



Pendal Group Limited
ABN 28 126 385 822

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1 Purpose

- 1.1 The Pandal Group Limited (**Company**) Remuneration & Nominations Committee (**Committee**) is a committee of the Board.
- 1.2 The primary function of the Committee is to assist the Board in:
 - (a) providing oversight of the Company's remuneration framework and policies and their application to the Group Chief Executive Officer & Managing Director (**Group CEO**), and those executives reporting directly to the Group CEO (**Group CEO's Direct Reports**);
 - (b) reviewing the remuneration of the Company's non-executive Directors;
 - (c) identifying suitable candidates for appointment to the Board;
 - (d) providing oversight of the Company's key strategic human resources initiatives;
 - (e) providing oversight of the allocation or issue of Shares or other securities to employees of the Pandal Group, as part of remuneration arrangements.
- 1.3 The Committee should understand the Company's remuneration structure and framework and may receive periodic presentations to assist in achieving such an understanding.
- 1.4 This Charter sets out the functions and responsibilities of the Committee.

2 Membership and composition

- 2.1 Members of the Committee shall be appointed by the Board.
- 2.2 The Committee shall be comprised of at least three members, all of whom shall be non-executive Directors.
- 2.3 A majority of the Committee shall be independent Directors.
- 2.4 The Group CEO shall not be a member of the Committee but may attend meetings of the Committee, except when matters being considered relate to the Group CEO.

3 Chairman

- 3.1 The Chairman of the Committee (**Chairman**) shall be appointed by the Board.
- 3.2 The Chairman shall be an independent non-executive Director.

4 Meetings

- 4.1 The Committee shall meet at least four times a year and shall determine the duration and agendas of its meetings.
- 4.2 The Group Company Secretary or his or her delegate shall be the Secretary of the Committee.
- 4.3 The Chairman or the Group Company Secretary may convene a meeting of the Committee at any time, provided that reasonable notice is given to all members of the Committee.
- 4.4 A quorum shall be two members of the Committee.
- 4.5 A meeting of the Committee may be held using any technology agreed to by all Directors present.
- 4.6 Decisions will be made by majority vote, but the Chairman shall not have a casting vote. The Chairman will report the fact of a dissenting vote in his or her report to the next meeting of the Board.
- 4.7 Directors who are not members of the Committee are eligible to attend meetings of the Committee and will receive a copy of the papers for each meeting of the Committee.

- 4.8 The Committee may request the Group CEO, any of the Group CEO's Direct Reports, any officer or other employee of the Company, external legal counsel, or any external person or group with relevant experience or expertise to attend meetings of the Committee.
- 4.9 A resolution in writing signed by a majority of members of the Committee is a valid resolution of the Committee and is effective when signed by the last member of the Committee to form a majority. A copy of any written resolution passed by the Committee shall be provided to the Committee's next meeting.

5 Conflicts of Interest

- 5.1 Members of the Committee must comply with their legal, statutory and equitable duties and obligations as Directors, when discharging their responsibilities as members of the Committee.
- 5.2 The duties of a director include:
- (a) acting in good faith and in the best interests of the Company as a whole;
 - (b) acting with care and diligence and for proper purpose;
 - (c) refraining from making improper use of information gained through the position of Director (or member of the Committee) and from taking improper advantage of the position of Director (or a member of the Committee); and
 - (d) avoiding conflicts of interest wherever possible and where conflicts arise complying with statutory and equitable duties regarding disclosure and voting.
- 5.3 Members of the Committee must disclose to the Committee (through the Group Company Secretary or the Chairman) any actual or potential conflicts of interest which may exist or be thought to exist as soon as the Committee member becomes aware of the issue and shall take any necessary and reasonable measures to resolve or manage the conflict.
- 5.4 A standing agenda item at each meeting of the Committee will be the disclosure, recording and resolution or management of conflicts of interest, or potential conflicts of interest, by members of the Committee.

6 Independent Advice

- 6.1 The Committee may, subject to clauses 6 and 7 of this Charter, obtain independent legal, accounting or other professional advice at the Company's expense.
- 6.2 Prior to obtaining independent professional advice in accordance with this clause, the Committee shall obtain the prior approval of the Chairman of the Board, which shall not be unreasonably withheld.
- 6.3 Prior to seeking the approval of the Chairman of the Board to obtain independent professional advice, the Committee shall provide the Chairman of the Board with an estimate of the cost of obtaining the advice.
- 6.4 Any independent professional advice obtained by the Committee at the Company's expense must be made available to all Directors, including the Group CEO.

7 Advice in relation to remuneration of Key Management Personnel

- 7.1 Where the Company seeks or receives a Remuneration Recommendation from a Remuneration Consultant in relation to the nature, amount or value of remuneration of any of the Company's Key Management Personnel, that Remuneration Recommendation must be obtained in accordance with any requirements set out in the Corporations Act.

8 Responsibilities

The Committee has the following functions and responsibilities to:

8.1 *Remuneration Strategy*

- (a) Define Pental Group's remuneration principles and the strategic objectives for remuneration frameworks and regulatory requirements, for Board approval.

8.2 *Executive Remuneration Policies*

- (a) Review and make recommendations to the Board in relation to policies concerning remuneration arrangements for the Group CEO and the Group CEO's Direct Reports (including but not limited to fixed remuneration (including superannuation), any termination payments (which are to be agreed in advance and include provisions in case of early termination) and equity offers under the Employee Equity Plans (**Executive Remuneration Policies**)).
- (b) Regularly review the ongoing appropriateness of the Executive Remuneration Policies.

8.3 *Remuneration and Performance – Group CEO*

- (a) Review and make recommendations to the Board in relation to the remuneration arrangements of the Group CEO.
- (b) Review and make recommendations to the Board at the beginning of each financial year, in relation to the appropriate performance objectives for the Group CEO.
- (c) Review and make recommendations to the Board in relation to the evaluation of the performance of the Group CEO having regard to his or her performance objectives.

8.4 *Appointment, Remuneration and Performance – Group CEO's Direct Reports*

- (a) Review and make recommendations to the Board in relation to the appointment of the Group CEO's Direct Reports.
- (b) Review and make recommendations to the Board in relation to the remuneration arrangements for the Group CEO's Direct Reports.
- (c) Review and make recommendations to the Board in relation to any remuneration arrangements that are outside the terms, or spirit, of the Executive Remuneration Policies.

8.5 *Variable Reward Pools*

- (a) Approve the size of the variable reward pools and any other bonus or incentive pools under any variable reward scheme approved by the Board from time to time.

8.6 *Employee Equity Plans*

- (a) Review and make recommendations to the Board for the approval of the terms of any new Employee Equity Plan, or material changes to an existing Employee Equity Plan.
- (b) Review the issue or allocation of shares, granted under the terms of a variable reward or incentive scheme, previously approved by the Board.
- (c) Regularly review the ongoing appropriateness of all Employee Equity Plans, having regard to legislative, regulatory and market developments.
- (d) Approve individual awards under each Employee Equity Plan to the Group CEO and the Group CEO's Direct Reports.
- (e) Approve the issue or allocation of shares under an Employee Equity Plan, where the issue or allocation is outside the annual plan (or budget) approved by the Board.
- (f) Exercise any of the discretions that the Board may exercise under the rules of each Employee Equity Plan.

8.7 *Boutique Remuneration*

- (a) Make recommendations to the Board in relation to the approval of any profit sharing arrangements with a new boutique, or material changes to a profit sharing arrangement with an existing boutique.
- (b) Review the annual variable reward grants (cash and equity) for individuals in accordance with the Company's Boutique Variable Reward Scheme.

8.8 *Pendal Group Employees*

- (a) Approve any remuneration arrangements for employees of the Pendal Group that are outside the terms, or spirit, of the Company's remuneration policies.

8.9 *Non-executive Directors*

- (a) Review and make recommendations to the Board in relation to the remuneration (including superannuation) of the Board's non-executive Directors and make recommendations, having regard to the requirement for any increase in the total amount payable to non-executive Directors to be approved at a general meeting of the Company's shareholders.
- (b) Review and make recommendations to the Board in relation to the remuneration of directors of subsidiary boards within the Pendal Group.

8.10 *Talent Management*

- (a) Review and make recommendations to the Board, in relation to succession plans for the Group CEO.
- (b) Review succession plans for the Group CEO's Direct Reports.

8.11 *Strategic Initiatives*

- (a) Provide oversight over the Company's strategic human resources initiatives, including diversity, culture and leadership.

8.12 *Board Composition and Nominations*

- (a) Assess the collective skills required to effectively discharge the Board's duties having regard to the Company's performance, financial position and strategic direction.
- (b) Periodically review the composition, functions, responsibilities and size of the Board.
- (c) Periodically review the Board's policy on Director tenure.

8.13 *Non-executive Director Appointments*

- (a) Develop a succession plan for non-executive Directors and the Chairman of the Board.
- (b) Periodically establish director appointment criteria.
- (c) Consider the suitability of candidates and make recommendations to the Board for the appointment of directors, having regard to:
 - (i) the background, experience, professional skills and personal qualities of the candidates;
 - (ii) the collective skills and experience required by the Board to effectively discharge its duties;
 - (iii) the current composition and size of the Board;
 - (iv) whether the candidate would be considered to be an independent director, if appointed.
- (d) Oversee appropriate checks (including criminal record, bankruptcy, education and character references) being carried out prior to the appointment of any person as a director of the Company.

8.14 *Board & Director Performance*

- (a) Develop and implement a process for the evaluation of the performance and effectiveness of the Board as a whole, committees of the Board and individual Directors.
- (b) Conduct a peer review of the performance of all Directors who are retiring and seeking re-election to the Board, to enable the Board to make a recommendation to shareholders in relation to the re-election of Directors.

8.15 *Director Education*

- (a) Review and recommend to the Board a process for the orientation and education of new Directors.
- (b) Review and approve any continuing education for existing Directors.

8.16 *Pendal Subsidiaries*

- (a) Consider and make recommendations to the Board (and to any relevant subsidiary board) in relation to the appointment of directors of subsidiaries of the Company.

9 Authority and Reporting

- 9.1 The Committee reports to the Board.
- 9.2 At the Board meeting next following a meeting of the Committee, the Chairman will report to the Board about the Committee's activities and any recommendations that have been made by the Committee to the Board.
- 9.3 The Group Company Secretary will circulate copies of the minutes of the Committee's meetings to the Board.

10 Other Responsibilities

- 10.1 The Committee will review its own performance as part of the Board evaluation process and report findings to the Board.
- 10.2 This Charter shall be reviewed every two years by the Committee to ensure that it is kept up to date and is consistent with the Committee's authority, objectives and responsibilities.
- 10.3 Any amendments to this Charter shall be approved by the Board.
- 10.4 The Committee will confirm to the Board on an annual basis that the activities listed in this Charter have been addressed.

11 Interpretation

- 11.1 In this Charter, unless the context requires otherwise:

Board means the Board of Directors of Pendal Group Limited;

Boutique Variable Reward Scheme means a scheme to reward performance for investment employees who are in boutiques on a revenue share arrangement;

Corporations Act means the *Corporations Act 2001* (Cth), as amended from time to time;

Director means a director of the Company;

Employee Equity Plans means any employee equity plan which employees of the Company, JOHCM or any of their subsidiaries are eligible to participate in and includes:

- (a) the Pental Group Limited Employee Equity Plan approved by the Board on 26 October 2007 and as amended from time to time;
- (b) the JOHCM Employee Equity Plan approved by the Board on 22 December 2011 and as amended from time to time;
- (c) the Pental Performance Reward Scheme approved by the Board on 26 October 2015 and as amended from time to time;
- (d) the JOHCM Performance Reward Scheme approved by the Pental Remuneration & Nominations Committee on 18 November 2013;

JOHCM means J O Hambro Capital Management Limited;

Key Management Personnel has the same meaning given to that term in the Corporations Act, as amended from time to time;

Pental Group means Pental Group Limited and each of its subsidiaries and includes JOHCM;

Remuneration Consultant has the same meaning given to that term in the Corporations Act, as amended from time to time;

Remuneration Recommendation has the same meaning given to that term in the Corporations Act, as amended from time to time;

Shares means fully paid ordinary shares in the capital of Pental Group Limited.

Approved by the Board on 8 May 2018.

PENTAL

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