

August 2020

Remuneration Committee Charter



PIONEER CREDIT LIMITED ACN 103 003 505 (COMPANY)

1. Composition

The Remuneration Committee will be structured so that it has at least three members. All members are to be non-executive independent directors.

From time to time, non-Remuneration Committee members may be invited to attend meetings of the Remuneration Committee, if it is considered appropriate.

2. Role

The function of the Remuneration Committee is to assist the Board in fulfilling its corporate governance responsibilities with respect to remuneration by reviewing and making appropriate recommendations to the Board on:

- a) remuneration packages for directors and senior executives; and
- b) incentive and equity-based remuneration plans including the appropriateness of performance hurdles and total payments proposed.

3. Operations

The Remuneration Committee will meet at least once a year and otherwise as required. Minutes of all meetings of the Remuneration Committee must be kept. The minutes must be tabled at each subsequent meeting of the full Board, and a report of actions taken by the Remuneration Committee also given by the Chair of the Remuneration Committee at each subsequent meeting of the full Board. Remuneration Committee meetings will be governed by the same rules as set out in the Company's Constitution, as they apply to meetings of the Board.

4. Responsibilities

4.1. Responsibilities

The responsibilities of the Remuneration Committee include a review of and recommendation to the Board on:

- a) the Company's Remuneration Policy;
- b) senior executives' remuneration and incentives;
- c) the remuneration framework for directors;
- d) superannuation arrangements;
- e) termination payments;
- f) remuneration related reporting requirements; and
- g) remuneration by gender.

4.2. Executive remuneration

In considering the Company's Remuneration Policy and levels of remuneration for executives, the Remuneration Committee makes recommendations which aim to:

- a) motivate executive directors and senior executives to pursue the long term growth and success of the Company;
- b) demonstrate a clear correlation between senior executives' performance and remuneration;
- c) align the interests of key leadership with the long-term interests of the Company's shareholders; and
- d) prohibit executives from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under any equity-based remuneration plan.

To the extent that the Company adopts a different remuneration structure for its senior executives, the Remuneration Committee will document its reasons for the purpose of disclosure to stakeholders.

4.3. Non-executive remuneration

In considering the Company's Remuneration Policy and levels of remuneration for non-executive directors, the Committee is to ensure that:

- a) fees paid to non-executive directors are within the aggregate amount approved by shareholders and to make recommendations to the Board with respect to the need for increases to this aggregate amount by requesting shareholder approval;
- b) non-executive directors are remunerated by way of fees (in the form of cash and superannuation benefits);
- c) non-executive directors are not provided with retirement benefits other than statutory superannuation entitlements; and
- d) non-executive directors are not entitled to participate in equity-based remuneration plans designed for executives without due consideration and appropriate disclosure to the Company's shareholders. To the extent that non-executive directors are permitted to participate in equity-based remuneration plans, they are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.

To the extent that the Company adopts a different remuneration structure for its non-executive directors, the Remuneration Committee will document its reasons for the purpose of disclosure to stakeholders.

4.4. Incentive plans and benefits programs

The Remuneration Committee is to:

- a) review and make recommendations concerning long-term incentive compensation plans, including the use of share options and other equity-based plans. Except as otherwise delegated, the Remuneration Committee will administer equity-based and employee benefit plans, and as such will discharge any responsibilities under those plans, including making and authorising issues of equity, in accordance with the terms of those plans;
- b) ensure that incentive plans are designed around appropriate and realistic performance targets that measure relative performance and provide rewards when they are achieved; and

- c) continually review and if necessary improve any existing benefit programs established for employees.

4.5. Remuneration reporting and engagement with shareholders

The Remuneration Committee is to:

- a) review and recommend to the Board for approval the Remuneration Report for inclusion in the Company's Annual Report and oversee the process supporting its preparation;
- b) agree who should engage with shareholders, governance advisers, proxy advisory firms and other relevant external parties on the Remuneration Policy and the Remuneration Committee's work on behalf of the Board;
- c) ensure that shareholder approval is sought for remuneration matters which require it;
- d) consider if interaction with the Audit and Risk Management Committee is required to fulfil reporting obligations; and
- e) consider if the Chair of the Remuneration Committee rather than the Chair of the Board will take questions from shareholders on the Remuneration Report at the Company's Annual General Meeting.

4.6. Monitoring

The Remuneration Committee is to monitor the following:

- a) compliance with applicable legal and regulatory requirements associated with remuneration matters; and
- b) changes in the legal and regulatory framework in relation to remuneration.

5. Reporting to the Board

The Remuneration Committee is to report to the Board, at least annually, on the following:

- a) all matters relevant to the Remuneration Committee's role and responsibilities as set out in this Remuneration Committee Charter;
- b) the results of the Remuneration Committee's review of this Remuneration Committee Charter; and
- c) comment on the Remuneration Committee's operation and composition.

6. Engaging Remuneration Consultants

The Remuneration Committee is responsible for engaging Remuneration Consultants. A Remuneration Consultant is a person:

- a) who makes a Remuneration Recommendation under a contract for services with the Company whose Key Management Personnel recommendation relates to and
- b) who is not an officer or employee of the Company.

Key Management Personnel are persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any directors (whether executive or otherwise) of the Company. A Remuneration Recommendation is defined in section 9B of the *Corporations Act 2001 (Cth)*.

The Remuneration Committee will, in accordance with any policies or guidelines set by the Remuneration Committee from time to time:

- a) ensure that the requirements of Part 2D.8 of the *Corporations Act 2001 (Cth)* are complied with, including:
 - i. reviewing and approving all remuneration consultancy contracts (as defined in section 206K(1) of the *Corporations Act*) before they are entered into by the Company; and
 - ii. ensuring that any Remuneration Recommendation is provided directly to the Remuneration Committee (excluding any executive directors on the Remuneration Committee) and that the Remuneration Recommendation is not provided to a person who is neither a director of the Company or a member of the Remuneration Committee;
- b) put in place arrangements to ensure that a Remuneration Consultant is not unduly influenced by a member or members of Key Management Personnel to whom a Remuneration Recommendation relates;
- c) ensure that the Company's Remuneration Report includes the details relating to Remuneration Consultants as required by section 300A(1)(h) of the *Corporations Act 2001 (Cth)*;
- d) authorise the distribution of any Remuneration Recommendation by any person other than the Remuneration Consultant beyond the Remuneration Committee (excluding any executive directors on the Remuneration Committee); and
- e) set policies or guidelines to ensure that the Company meets its obligations under the *Corporations Act 2001 (Cth)*, including its reporting obligations, in relation to Remuneration Consultants.

7. Authority and resources

The Company is to provide the Remuneration Committee with sufficient resources to undertake its duties. The Remuneration Committee may seek input from individuals on remuneration policies, but no individual should be directly involved in deciding their own remuneration.

The Remuneration Committee has the authority, as it deems necessary or appropriate, to obtain advice from external consultants or specialists in relation to remuneration related matters.

The Remuneration Committee has the authority to seek any information he/she requires from any employee and all employees must comply with such requests. Unless a conflict exists or to do so would be inconsistent with the director's duties, the director is to request such information via the Managing Director.

8. Review of Charter

The Remuneration Committee will review this Remuneration Committee Charter at least annually and will recommend to the Board the charter for approval if any updates are made.

9. Charter history

25 February 2014	Charter adopted
August 2020	Last Reviewed