

**HEARMEOUT LIMITED**

**Corporate Governance Policies**

**Remuneration Committee Charter**

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## 1. Composition

The full Board performs the function of a Remuneration Committee.

From time to time, non Board members may be invited to attend Board meetings when remuneration matters are being discussed, if it is considered appropriate.

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## 2. Role

The Board's function as a Remuneration Committee is to fulfil its corporate governance responsibilities with respect to remuneration by reviewing:

- (a) Remuneration packages of Executive Directors, Non-Executive Directors and senior executives; and;
  - (b) Employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.
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## 3. Operations

The full Board shall consider remuneration matters in its capacity as a Remuneration Committee as part of general meetings of the Board at least once a year and otherwise as required. Minutes of the consideration of such matters are to be kept as part of the minutes of the general meeting of the Board.

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## 4. Responsibilities

The responsibilities of the Board's function as the Committee include a review of:

- (a) the Company's remuneration policy and framework;
- (b) senior executives' remuneration and incentives;
- (c) superannuation arrangements; and
- (d) remuneration by gender.

### 4.1 Executive Remuneration

In considering the Company's remuneration policy and levels of remuneration for executives, the Board makes decisions which:

- (a) motivates Executive Directors and senior executives to pursue long term growth and success of the Company within an appropriate control framework;
- (b) demonstrates a clear correlation between senior executives' performance and remuneration;
- (c) aligns the interest of key leadership with the long term interests of the Company's shareholders; and
- (d) prohibits executives from entering into transactions or arrangements which limit the economic risk of participating in invested entitlements.

To the extent that the Company adopts a different remuneration structure for its Executive Directors, the Board shall document its reasons for the purpose of disclosure to stakeholders.

#### **4.2 Non-Executive Remuneration**

In considering the Company's remuneration policy and levels of remuneration for non-executive Directors, the Board is to ensure that:

- (a) fees paid to Non-Executive Directors are within the aggregate amount approved by shareholders and make recommendations to the Board with respect to the need for increases to this aggregate amount at the Company's annual general meeting;
- (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 schemes designed for executives without due consideration and appropriate disclosure to the Company's shareholders. To the extent that Non-Executive Directors do participate in equity based remuneration schemes, 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 Board shall document its reasons for the purpose of disclosure to stakeholders.

#### **4.3 Incentive Plans and Benefits Programs**

The Board 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 Board 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.

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## **5. Authorities and Resources**

The Board may seek input from individuals on remuneration policies, but no individual should be directly involved in deciding their own remuneration.

The Board may, when it considers it necessary or appropriate, obtain advice from external consultants or specialists in relation to remuneration related matters.