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## **CORPORATE POLICY – REMUNERATION**

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### **SECOS Group Limited (ACN 064 755 237) and subsidiaries (Group)**

#### **PURPOSE OF THE POLICY**

The purpose of the Remuneration Policy (the **Policy**) is to ensure that:

- coherent remuneration policies and practices are observed which enable the attraction and retention of directors and management who will create value for shareholders;
- directors and senior management are fairly and responsibly rewarded having regard to the Company's performance, the performance of the senior management and the general pay environment; and
- the Company complies with all relevant legal and regulatory provisions.

#### **RESPONSIBILITY**

The Board is responsible for the Group's remuneration policies and practices. The role of the Remuneration Committee is to assist the Board in ensuring the appropriate and effective remuneration packages and policies are implemented to attract and retain and motivate high quality personnel to create value for shareholders. The Committee also reviews the appropriateness of director remuneration and monitors compliance with Board approved remuneration practices.

#### **REMUNERATION FOR EXECUTIVE DIRECTORS AND SENIOR EXECUTIVES**

Remuneration for executive directors and senior executives may incorporate fixed and variable pay performance elements with both a short term and long-term focus. The Committee will make a recommendation to the Board regarding the remuneration of executive directors and senior management having regard to various factors including performance and any recommendations made by the Managing Director, senior management, compensation consultants. Remuneration packages may contain any or all of the following:

- annual base salary - reflecting the value of the individuals' personal performance, length of service, ability and experience, as well as the Company's obligations at law and labour market conditions and should be relative to the scale of the business of the Company;
  - performance based remuneration - rewards, bonuses, special payments and other measures available to reward individuals and teams following a particular outstanding business contribution having regard to clearly specified performance targets;
  - equity based remuneration - share participation via employee share and option schemes, reflecting the Company's medium and long term performance objectives;
  - other benefits - such as holidays, sickness benefits, superannuation payments and long service benefits;
  - expense reimbursement - for any expenses incurred in the course of the personnel's duties; and
  - termination payments - employee benefit entitlements accrued to the date of retirement and reflect contractual and legal obligations. Termination payments are generally not payable on resignation or dismissal for serious misconduct. Termination payments cannot exceed more than 1 year's base salary as required by the Corporations Act 2001.
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## **REMUNERATION FOR NON-EXECUTIVE DIRECTORS**

The Committee may make recommendations to the Board regarding the remuneration of non-executive directors and may engage services from compensation consultants on this matter. Remuneration for non-executive directors may contain any or all of the following:

- annual fees - reflecting the value of the individuals' personal performance, time commitment and responsibilities of the role at market rate and is reviewed annually;
- equity based remuneration – issue of shares or securities, reflecting the contribution of the Directors towards the Company's medium and long term performance objectives;
- other benefits - superannuation payments.

## **ECONOMIC RISK MANAGEMENT FOR EQUITY PARTICIPATION SCHEMES**

If a participant in an equity based remuneration scheme established by the Company enters into any transactions (whether through the use of derivatives or otherwise) which is designed to limit the economic risk of participating in the equity based remuneration scheme:

- the participant must disclose details of the transaction to the Company Secretary;
- the Company Secretary will disclose to the Board all details of any such economic risk management transactions; and
- the Board will consider:
  - whether the participant is a key management personnel and if so whether there has been a breach of any law;
  - whether the equity based remuneration scheme should be amended; or
  - whether future the participation of the senior executives in the equity based remuneration scheme should be amended in any way.

## **ADOPTION OF POLICY AND BOARD REVIEW**

This Policy was last reviewed and amended by the Board on 30 November 2023 and takes effect from that date and replaces any previous update in this regard. This Policy can only be amended with the approval of the Board.

The Remuneration Committee must review and reassess this Policy periodically. Any amendments to this Policy must be approved by the Board. The Company Secretary will communicate any amendments to management and the Chief Executive Officer shall communicate these to other employees as appropriate.

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