

Remuneration & Nominations Committee Charter

April 2021

Pendal Group Limited
ABN 28 126 385 822

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Remuneration & Nominations Committee Charter

1. Purpose

- 1.1 The Pental Group Limited (**Pental** or **Company**) Remuneration & Nominations Committee (**Committee**) is a committee of the Board of Pental (**Board**).
- 1.2 The primary function of the Committee is to assist the Board in:
 - (a) providing oversight of the remuneration framework and policies for the Company and its direct and indirect subsidiaries (**Pental Group**) 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 and the boards of the members of Pental Group (**Group Boards**);
 - (d) providing oversight of Pental Group's key strategic human resources initiatives including any gender or other bias in remuneration structures;
 - (e) providing oversight of the plans for and allocation or issue of Shares or other securities to employees of the Pental Group, as part of remuneration arrangements; and
 - (f) making recommendations in relation to the above to the Group Boards to the extent relevant.
- 1.3 The Committee should understand Pental Group'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 and have sufficient independence and diversity to discharge its mandate effectively.
- 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 and receive information from 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, with the exception of an Executive Director at any meeting of the Committee when the remuneration of that Executive Director is being discussed
- 4.8. The Committee may request the Group CEO, any of the Group CEO's Direct Reports, any officer or other employee of the Pental Group, 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 or agreed to by a majority of members of the Committee is a valid resolution of the Committee and is effective when signed or agreed to by the last member of the Committee to form a majority. A resolution may be signed in multiple counterparts and may be signed or agreed to in any manner approved by a majority of members of the Committee. A copy of any written resolution or agreed 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. 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.
- 5.3. 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, subject to 2.4 above, 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) Review on an on-going basis and make recommendations to the Board and relevant Group Boards in relation to Pental Group's remuneration principles, structure and the strategic objectives for remuneration frameworks (**Remuneration Strategy**) taking into account relevant legal and regulatory requirements, including but not limited to, the Corporations Act, the Financial Conduct Authority's Remuneration Code (**Remuneration Code**) and the Markets in Financial Instruments Directive II (to the extent they apply to the UK Group and/or a company in the UK Group).
- (b) Recommend the Company's Remuneration Report for approval by the Board in its annual report and the Remuneration Policy Statement for approval by the Board of JOHCML in accordance with the requirements of the Remuneration Code.

8.2. Executive Remuneration Policies

- (a) Review and make recommendations to the Board and where required the relevant Group Board in relation to the framework and policies concerning remuneration arrangements (including but not limited to fixed remuneration including superannuation), any termination payments (which are to be agreed in advance and include provisions in respect of early termination) and equity offers under the Employee Equity Plans (**Executive Remuneration Policies**) for Key Management Personnel and Designated Persons.
- (b) Regularly review the ongoing appropriateness of the Executive Remuneration Policies having regard to remuneration trends and practices in the industry and other companies in the markets and places where Pental Group conducts business.

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 or the relevant Group 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, the Group CEO's Direct Reports and Designated Persons.
- (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. Fund Manager 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 Pandal Group's Boutique Variable Reward Scheme.
- (c) Make recommendations to the Board or relevant Group Board in relation to the approval of any new Fund Manager Remuneration Scheme or material changes to an existing Fund Manager Remuneration Scheme and approve awards under any Fund Manager Remuneration Scheme.

8.8. Designated Persons

- (a) Review and make recommendations to the relevant Group Board in relation to the remuneration arrangements for the Designated Persons.

8.9. Pental Group Employees

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

8.10. 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 Group Boards.

8.11. 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.

8.12. Strategic Initiatives

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

8.13. Board Composition and Nominations

- (a) Assess the collective skills required to effectively discharge the Board's duties having regard to Pental Group'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.

8.14. 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 and re-election 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.

8.15. 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.

8.16. 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.

8.17. Pental Subsidiaries

- (a) Consider and make recommendations to the Board (and to any relevant Group 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 and to the relevant Group Board as required.
- 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 and advise the relevant Group Board where applicable.
- 9.3. The Group Company Secretary will circulate copies of the minutes of the Committee's meetings to the Board.
- 9.4. The Committee is authorised to seek any information it requires from an employee of the Pental Group and to question an employee at a meeting of the Committee as and when required.

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 shall have access to sufficient resources and professional development which is relevant to the functions of the Committee.

11. Interpretation

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

Board means the Board of Directors of Pental 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;

Designated Persons means BIPRU Remuneration Code Staff (as defined in SYSC 19C of the Financial Conduct Authority Handbook) and UCITS Remuneration Code Staff (as defined in SYSC 19E of the Financial Conduct Authority Handbook);

Director means a director of the Company;

Employee Equity Plans means any employee equity plan which employees of Penda Group are eligible to participate in and includes:

- (a) the Pental 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 and as amended from time to time;

Fund Manager Remuneration Scheme means any of the remuneration arrangements in which fund managers in the UK Group may participate from time to time;

Group Board means any of the boards of the direct and indirect subsidiaries of Pental Group Limited;

JOHCML 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 direct and indirect subsidiaries;

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;

UK Group means JOHCML, JOHCM Funds (UK) Limited and JOHCM Funds (Ireland) Limited.

Approved by the Board of Pental Group Limited on 18 February 2021 to take effect 1 April 2021