

BPS TECHNOLOGY LIMITED (Company)

REMUNERATION AND NOMINATION COMMITTEE CHARTER

1. Purpose

The Remuneration and Nomination Committee is established by the Board of the Company (**Board**). The purpose of the Remuneration and Nomination Committee is to assist the Board by:

- (a) providing advice in relation to remuneration packages of senior executives, non-executive Directors and executive Directors, equity-based incentive plans and other employee benefit programs;
- (b) reviewing the Company's recruitment, retention and termination policies; (c) reviewing the Company's superannuation arrangements;
- (d) reviewing succession plans of senior executives and executive Directors;
- (e) recommending individuals for nomination as members of the Board and its committees;
- (f) ensuring the performance of senior executives and members of the Board are reviewed at least annually;
- (g) considering those aspects of the Company's remuneration policies and packages, including equity-based incentives, which should be subject to shareholder approval;
- (h) monitoring the size and composition of the Board; and
- (i) reviewing the Company's diversity policy and its effectiveness.

The Remuneration and Nomination Committee Charter (**Charter**) governs the operations of the Remuneration and Nomination Committee. It sets out the Remuneration and Nomination Committee's role and responsibilities, composition, structure and membership requirements.

2. Membership

The Remuneration and Nomination Committee will have a minimum of three members. At any time the composition of the Board permits, the Remuneration and Nomination Committee shall also consist of only non-executive Directors, and a majority of independent Directors.

The Remuneration and Nomination Committee will be chaired by an independent chairman appointed by the Board from time to time.

3. Meetings

The Remuneration and Nomination Committee will meet as often as necessary, but must meet at least twice a year.

The chairman of the Remuneration and Nomination Committee must call a meeting of the Remuneration and Nomination Committee if so requested by any Remuneration and Nomination Committee member, the Managing Director or the Company Secretary.

The Remuneration and Nomination Committee may invite other persons, such as internal specialists or external advisers, to attend meetings if considered appropriate by the chairman of the Remuneration and Nomination Committee.

The quorum necessary for a meeting of the Remuneration and Nomination Committee shall be

two members.

4. **Secretary**

The Company Secretary will act as the Secretary of the Remuneration and Nomination Committee and will attend all Remuneration and Nomination Committee meetings.

5. **Reporting**

The chairman of the Remuneration and Nomination Committee must report the findings and recommendations of the Remuneration and Nomination Committee at the next Board meeting following each meeting of the Remuneration and Nomination Committee.

The minutes of all Remuneration and Nomination Committee meetings will be circulated to members of the Board by the Company Secretary.

The Remuneration and Nomination Committee must review and recommend to the Board for approval:

- (a) the details to be published in the Company's annual report or any other statutory report or document with respect to the activities and responsibilities of the Remuneration and Nomination Committee; and
- (b) any statement on the Company's remuneration policy and executive compensation disclosures that may be required by law or other regulatory requirements (including any such statement to be included in the Company's annual report).

6. **Responsibilities**

In addition to any other matters which may be delegated to the Remuneration and Nomination Committee by the Board (including special investigations), the Remuneration and Nomination Committee is responsible for:

Remuneration of senior executives and executive Directors

- Regularly reviewing and making recommendations to the Board with respect to an appropriate remuneration policy including retirement benefits and termination payments (if any) for senior executives and executive Directors, ensuring that such a policy:
 - (i) enables the Company to attract and retain valued employees;
 - (ii) motivates senior executives and executive Directors to pursue the long term growth and success of the Company;
 - (iii) demonstrates a clear relationship between performance and remuneration; and
 - (iv) has regard to prevailing market conditions.
- Regularly reviewing and making recommendations to the Board regarding the remuneration packages of senior executives and executive Directors, including (as appropriate) fixed, performance-based and equity-based remuneration, reflecting short and long term performance objectives appropriate to the Company's circumstances and goals.
- Making recommendations to the Board with respect to the quantum of short term incentives (if any) to be paid to senior executives.

Remuneration of non-executive Directors

- Making recommendations as to the structure of remuneration for non-executive Directors.

- Ensuring that fees paid to non-executive Directors are within the aggregate amount approved by shareholders and making recommendations to the Board with respect to the need for increases to this aggregate amount at the Company's annual general meeting.

Remuneration by gender

- Review of and recommendation to the Board in relation to remuneration by gender.

Diversity

- Consider diversity related matters for both the Board and organisation, including if thought applicable, setting measurable objectives for achieving gender diversity, reviewing progress against objectives set and formulating a Diversity Policy.
- Reviewing and reporting to the Board on the Diversity Policy.

Employee benefits and other policies

- Making recommendations to the Board with respect to the implementation and operation of equity-based incentive plans and other employee benefit programs.
- Regularly reviewing the Company's recruitment, retention and termination policies.

Superannuation

- Regularly reviewing and providing advice to the Board in relation to the Company's superannuation arrangements.

Succession Plans - Senior executives and executive Directors

- Reviewing succession plans of senior executives and executive Directors on a regular basis to maintain an appropriate balance of skills, experience, expertise and diversity in the management of the Company and providing advice to the Board accordingly.

Succession Plans - Board

- Reviewing Board succession plans on a regular basis to maintain an appropriate balance of skills, experience, expertise and diversity on the Board and providing advice to the Board accordingly.

Composition of the Board

- Regularly reviewing the size and composition of the Board and making recommendations to the Board with regard to any appropriate changes.
- Developing and implementing a policy and procedures for the selection and appointment of Directors.
- Identifying individuals who may be qualified to become Directors, having regard to such factors judgement, skill, diversity and experience.
- Ensuring an effective induction program is available to new Directors to ensure they understand their responsibilities and the business activities of the Company.

Board Committees

- Identifying Directors qualified to fill vacancies on Board Committees and making recommendations to the Board accordingly, having regard to such factors as the Remuneration and Nomination Committee considers appropriate, including the terms of reference of the particular Board Committee the Director's experience, the interplay of

the Director's experience with the experience of other Board Committee members and the Guidelines.

Performance - Senior executives and executive Directors

- Developing and implementing a plan for identifying, assessing and enhancing competencies of senior executives and executive Directors.
- Ensuring that the performance of each senior executive and executive Director is evaluated at least annually.

Performance - Board

- Developing and implementing a plan for identifying, assessing and enhancing Director competencies.
- Evaluating the performance of the Board and each Director including an assessment of whether each Director has devoted sufficient time to their duties.
- Ensuring the Board has access to continuing education to update and enhance their skills and knowledge.

Shareholder approval

- Considering those aspects of the Company's remuneration policies and packages, including equity-based incentives, which should be subject to shareholder approval and making recommendations to the Board accordingly.

The Remuneration and Nomination Committee shall have no executive powers with regard to its findings and recommendations.

7. Other

The Remuneration and Nomination Committee is authorised to engage, at the Company's expense, outside legal or other professional advice or assistance on any matters within its terms of reference. The Committee must observe the requirement under Part 2D.8 of the Corporations Act when appointing remuneration consultants.

The Remuneration and Nomination Committee is authorised to seek any information it requires from any officer or employee of the Company and such officers or employees shall be instructed by the Board to respond to such enquiries.

The Remuneration and Nomination Committee may, in its discretion, delegate all or some of its responsibilities to a sub-committee.

8. Review of Charter

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