



Remuneration Committee Charter

Adairs Limited (Company)
ACN 147 375 451

Adopted by the Board on 5 September 2018

Committee charter

1 Membership of the Committee

The Committee should consist of:

- only Non-executive Directors;
- a minimum of 3 members;
- a majority of independent Directors; and
- an independent Director as Chair.

The Board may appoint additional Directors to the Committee or remove and replace members of the Committee by resolution. Members may withdraw from membership by written notification to the Board.

Non-committee members, including members of management, may attend all or part of a meeting of the Committee at the invitation of the Committee Chair.

The Company Secretary, or his or her delegate, must attend all Committee meetings as minute secretary.

The Committee may ask all members of management (including the Company Secretary) to leave the meeting to facilitate discussions of the Committee

2 Role and responsibilities

The responsibilities of the Committee are as follows:

- (a) Review and advise the Board annually on the arrangements for the Chief Executive Officer (**CEO**) and senior executives, including contract terms, remuneration and superannuation.
- (b) Review management recommendations and advise the Board on employee equity incentive plans, including performance linked compensation packages for senior executives and employee share plans.
- (c) Oversee the administration of the Company's employee equity incentive plans, including but not limited to determining disputes and resolving questions of fact or interpretation concerning the various plans.
- (d) Review the senior executive performance assessment processes and results as they reflect the capability of management to realise the business strategy.
- (e) Review CEO and senior executive succession plans and make recommendations to the Board.
- (f) Review and make recommendations to the Board on remuneration by gender and recommend strategies or changes to address any pay bias.
- (g) Review and recommend to the Board the remuneration arrangements for the Chairman of the Board and the Non-executive Directors of the Board, including fees, travel and other benefits.

- (h) Approve the appointment of remuneration consultants (if any) for the purposes of the *Corporations Act 2001* (Cth).
- (i) Review and recommend to the Board the remuneration report prepared in accordance with the *Corporations Act 2001* (Cth) for inclusion in the annual Directors' Report.

3 Remuneration policy

- (a) In discharging its responsibilities, the Committee must have regard to the following policy objectives:
 - to ensure the Company's remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders and having regard to relevant Company policies;
 - to attract and retain skilled executives;
 - to structure short and long term incentives that are challenging and linked to the creation of sustainable shareholder returns; and
 - to ensure any termination benefits are justified and appropriate.
- (b) In the discharge of the Committee's responsibilities, no executive should be directly involved in determining their own remuneration.
- (c) The Committee must at all times have regard to, and notify the Board as appropriate of, all legal and regulatory requirements, including any shareholder approvals which are necessary to obtain.
- (d) The Committee Chair or if they are not available, a Committee member should attend the Annual General Meeting and make themselves available to answer any questions from shareholders about the Committee's activities or, if appropriate, the Company's remuneration arrangements.

4 Review

The Board will, at least once in each year, review the membership and charter of the Committee to determine its adequacy for current circumstances and the Committee may make recommendations to the Board in relation to the Committee's membership, responsibilities, functions or otherwise.

The Committee will also annually revisit its objectives and duties and review the effectiveness of its performance.

Attachment 1

Administrative matters and procedures

Meetings

The Committee will meet as often as the Committee members deem necessary in order to fulfil their role. However, it is intended that the Committee will normally meet at least once a year.

Quorum

The quorum is at least 2 members.

Convening and notice of meeting

Any member may, and the Company Secretary must upon request from any member, convene a meeting of the Committee. Notice of every meeting of the Committee will be given to each member of the Committee. There is no minimum notice period and acknowledgement of receipt of notice by all members is not required before the meeting may be validly held.

Rights of access and authority

The Committee is to have access to adequate internal and external resources. The Committee may seek the advice of the Company's auditors, solicitors or such other independent advisers, consultants or specialists as to any matter pertaining to the powers or duties of the Committee or the responsibilities of the Committee, as the Committee may require.

Minutes

Minutes of meetings of the Committee must be kept by the Company Secretary (or his or her delegate) and, after approval by the Committee Chair, be presented at the next Board meeting. All minutes of the Committee must be entered into a minute book maintained for that purpose and be open at all times for inspection by any Director.

Reporting

It is intended that a report of the actions of the Committee and a copy of the minutes of the Committee meeting or both will be included in the Board papers for the Board meeting next following a meeting of the Committee.

The Committee Chair will, if requested, provide a brief oral report as to any material matters arising out of the Committee meeting. All Directors may, within the Board meeting, request information of members of the Committee.