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NOMINATIONS AND REMUNERATION COMMITTEE CHARTER

Version: 6 December 2019

Role of Committee

The Committee is established by the Board to assist the Board by:

- providing objective oversight of and making recommendation to the Board in relation to Tyro's remuneration policy and frameworks and Tyro's diversity policy; and
- making recommendations to the Board to ensure that the Board and its committees are effective and add value and that Directors and senior management collectively have the full range of skills required for the effective and prudent operation of Tyro, and that each Director has skills that allow him/her to make an effective contribution to Board deliberations and processes.

Membership

Composition of Committee

The Committee will:

- be appointed and removed by the Board;
- be of sufficient size, independence and technical expertise to discharge its mandate effectively;
- consist of at least 3 non executive directors, the majority of whom must be independent;
- have an independent Chair who will be appointed and can be removed by the Board (if the Committee Chair is also the Chair to the Board, then a separate Committee Chair will be appointed by the Committee to chair any discussions by the Committee involving succession planning for the role of Chair to the Board); and
- appoint a Chair for any meeting of the Committee where the Chair of the Committee is absent.

Ceasing to be a member of the Committee

A person will cease to be a member of the Committee if:

- the person gives reasonable notice in writing to the Committee Chair of the person's resignation as a member of the Committee;
- the Committee Chair, with approval of the Board, gives the person notice in writing that the person is to cease to be a member of the Committee; or
- the person ceases to be a Director, in which case the person automatically ceases to be a member of the Committee.

Secretary

The Committee will have a secretary, which is to be the Company Secretary or such other person as nominated by the Board (**Committee Secretary**). The Committee Secretary will attend all Committee meetings.

Meetings & authority of Committee

Meetings

The Committee will meet often enough to undertake its role effectively. The Chair will call a meeting of the Committee if requested to do so by any member of the Committee or by the Chair of the Board. The quorum for any meeting will be 2 members.

The Chief People Officer is required to attend all Committee meetings in an advisory and reporting capacity unless their attendance would be inappropriate. The Committee may invite such other persons including Tyro employees, external service providers, external advisors or consultants to its meetings, as it deems necessary, whether on a permanent or ad hoc basis.

Unless otherwise prescribed in this Charter, the rules governing the meetings and resolutions (including written resolutions) of the Board shall apply to the Committee, with such changes as considered necessary. The proceedings of all meetings will be minuted and these will be included in the papers for the next Committee meeting.

Authority

The Committee has all of the power necessary to enable it to perform its functions.

The authority of the Committee is derived from:

- Tyro's Constitution;
- this Charter; and
- separate Board delegations, resolutions and approvals.

The Committee has the authority to conduct or direct any investigation required to fulfil its responsibilities. In doing so it has free and unfettered access to risk and financial control personnel and other parties (internal and external).

The Committee may obtain outside legal, compliance, risk management or other professional advice as it determines necessary to carry out its responsibilities and has the power to do so in a manner that ensures that the engagement, including the advice received is independent.

The Committee may form and delegate authority to individuals and to sub-committees made up of Committee members or others. Any sub-committee will have the full power of authority delegated to it and must report to the Committee in relation to matters arising in the exercise of that authority.

The Committee will be available to meet with APRA on request.

Duties and responsibilities

The duties and responsibilities of the Committee are further particularised in this section.

Remuneration Policy

The Committee will regularly review and make recommendations to the Board in relation to the Remuneration Policy and assess the Remuneration Policy's effectiveness and its compliance with laws, regulations and prudential standards.

Remuneration Review

The Committee will review and make recommendations to the Board:

- annually, on the remuneration of the CEO, the CEO's direct reports, any other accountable persons under the Banking Executive Accountability Regime (**BEAR**) (**Accountable Persons**), other persons whose activities in the Committee's opinion affect the financial soundness of Tyro, any person specified by APRA, and any other person the Board determines; and
- in relation to the process by which any pool of Directors fees approved by shareholders is allocated to Directors.

Employee benefits

The Committee will:

- regularly review, oversee and make recommendation to the Board in relation to the implementation, administration and operation of equity based incentive plans and other employee benefit programs;
- regularly review and make recommendations to the Board in relation to Tyro's recruitment, retention and termination policies;
- regularly review and make recommendations to the Board in relation to the Company's superannuation arrangements.

Succession Planning

The Committee will regularly review and make recommendation to the Board in relation to the succession plans for the Board, CEO and senior executives to ensure that the Directors and senior management of Tyro collectively have the full range of skills, experience and expertise needed for the effective and prudent operation of Tyro.

This does not preclude the Board from supplementing its skills and knowledge by engaging external experts and consultants.

Recruitment, Reappointment and Removal of Directors

The Committee will regularly review and make recommendations to the Board in relation to:

- the processes for recruiting a new Director;
- individuals who may be qualified to become Directors and Committee members, having regard to factors relevant to the Tyro Board and Committees;
- the implementation and regular review of an effective orientation and induction program for new Directors;
- the appointment and removal of Directors;
- whether or not Directors, whose term of office is expiring, should be proposed for re-election at the Company's next AGM.

Performance and Development

The Committee will regularly review and make recommendations to the Board in relation to:

- the necessary and desirable competencies of Directors;
- the collective skills of the Board to identify and gaps that should be addressed;
- continuing professional development plans for Directors to maintain the skills and knowledge needed to perform their role as Directors effectively;
- in conjunction with the Board, develop and implement procedures for the annual evaluation of the performance of the Board, each Committee and individual Directors, comparing their performance with the requirements of the Board Charter, this Charter, other relevant Board Committee Charters and the reasonable expectations of individual Directors;
- the proper process for identifying, assessing and enhancing competencies of the CEO, senior executives and all other Accountable Persons; and
- at least annually, the performance of the CEO, senior executives and other Accountable Persons.

Diversity

The Committee's responsibilities in regards to diversity include the following:

- developing measurable objectives to achieve gender diversity in the composition of the Board, senior executives and workforce generally in accordance with Tyro's **Diversity Policy**;
- monitoring, reviewing and reporting to the Board on the Company's performance in respect of gender diversity in accordance with the Company's **Diversity Policy**;
- reviewing Tyro's **Diversity Policy** at least annually to assess the effectiveness of the policy and make recommendations to the Board as to any strategies required to address Board diversity;
- reviewing and reporting to the Board at least annually on the relative proportion of women and men at all levels of the business; and
- regularly reviewing and making recommendations to the Board as to whether there is any gender or other inappropriate bias in remuneration for Directors, senior executives or other employees.

Reporting to the Board

The Chair will report and as appropriate make recommendations to the Board after each meeting of the Committee on matters dealt with by the Committee. The Committee will ensure that the Board is made aware of all matters it has considered which may significantly impact upon the Company in a timely manner.

The Chair will also refer and report to the Board Audit Committee and the Board Risk Committee any matter that the Committee determines is relevant for that Committee, in a timely manner.

Committee performance

Each year, the Chair of the Board will facilitate an assessment of the performance of the Committee and its Chair, comparing their performance with the requirements of the relevant Charter and the reasonable expectations of the Board regarding the Committee.

Other matters

Adoption and Amendment of Charter

This Charter was adopted by the Board on the date on the front cover of this Charter, and takes effect from that date and replaces any previous Charter. This Charter can only be amended with the approval of the Board. The Board will review and reassess this Charter periodically.

Schedule 1- Independence as defined by the ASX Corporate Governance Council in their Corporate Governance Principles and Recommendations (4th edition)

A director of a listed entity should only be characterised and described as an independent director if he or she is free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity as a whole rather than in the interests of an individual security holder or other party.

The ASX Corporate Governance Principles and Recommendations (4th edition) provide certain examples for assessing the independence of directors and outline relationships which may affect independent status. They provide that when determining the independent status of a director the board should consider whether the director:

- is, or has been, employed in an executive capacity by the entity or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the board;
- receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, the entity;
- is, or has been within the last three years, in a material business relationship (eg as a supplier, professional adviser, consultant or customer) with the entity or any of its child entities, or is an officer of, or otherwise associated with, someone with such a relationship;
- is, represents, or is or has been within the last three years an officer or employee of, or professional adviser to, a substantial holder;
- has close personal ties with any person who falls within any of the categories described above; or
- has been a director of the entity for such a period that their independence from management and substantial holders may have been compromised.

Where a director falls within one or more of these examples, the board should rule the director not to be independent unless it is clear that the interest, position or relationship in question is not material and will not interfere with the director's capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity as a whole rather than in the interests of an individual security holder or other party.