



FORM



POLICY AND
PROCESS



STANDARDS



The Reject Shop Limited

People & Culture Committee Charter



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1 Introduction

The People and Culture Committee (“**Committee**”) is a committee of the board of directors (“**Board**”) of The Reject Shop Limited (“**Company**”) established under article 10.6 of the Company’s constitution.

This Charter sets out the purpose, responsibilities, authority and operation of the Committee.

Meetings and proceedings of the Committee will be governed by the provisions of the constitution relating to meetings and proceedings of the Board provided that they are applicable and not inconsistent with this Charter.

2 Purpose

The purpose of the Committee is to review and make recommendations to the Board in relation to people and remuneration related policies, frameworks and practices to align with the Company’s purpose, the Company’s strategic objectives, and contribute to the culture, values and behaviour necessary to achieve the purpose and strategic objectives.

3 Responsibilities

The key responsibilities of the Committee are to:

- review and make recommendations to the Board on actions and policies that the Committee considers necessary to instil, or reinforce, the desired values and culture of the Company;
- review and make recommendations to the Board in relation to the overall remuneration policy for the Company; and
- review and make recommendations to the Board in relation to the nomination, appointment and performance review process for non-executive directors.

3.1 Culture

The Committee will review and monitor strategies and actions being taken to instil, or reinforce, the desired culture of the Company to assist to achieve the Company’s purpose and the Company’s strategic objectives. In particular, the Committee will review and monitor the Company’s approach to diversity and inclusion and team member engagement.

3.2 Remuneration

The Committee will make recommendations to the Board in relation to:

- industry trends in remuneration policy and apply best practice principles, including having regard to ASX Corporate Governance Council’s *Corporate Governance Principles and Recommendations* 4th edition, when making recommendations regarding the remuneration of and superannuation arrangements for senior executives and non-executive directors;
- review market rates of remuneration for the positions of Chief Executive Officer, Chief Financial Officer, other senior executives and non-executive directors;
- the remuneration packages to be awarded to the Chief Executive Officer and Chief Financial Officer;
- equity-based remuneration plans for senior executives and other team members;
- superannuation arrangements for directors, senior executives and other team members;
- make recommendations to the Board regarding goals and performance objectives for senior executives;
- review, make recommendations to the Board and formulate policies and procedures regarding terms of appointment and cessation of senior executives including termination payments under such terms of appointment;
- the Company’s remuneration framework for directors, including the process by which any pool of directors’ fees approved by shareholders is allocated to directors;



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- review the compensation of non-executive directors annually;
- review and make recommendations to the Board regarding the remuneration framework for directors;
- review and approve the terms of share and option plans and other incentive schemes offered by the Company as part of its remuneration policies;
- ensure that the payment of equity based executive remuneration is made in accordance with any thresholds set by shareholders; and
- whether there is any gender or other inappropriate bias in remuneration for directors, senior executives or other team members.

3.3 Nomination

The Committee will make recommendations to the Board in relation to:

- processes for the nomination and selection of non-executive directors;
- skills, knowledge, experience, independence and diversity of the Board and, in light of this evaluation and having regard to the strategic direction of the Company, formalising a description of the skills and capabilities required for a particular appointment;
- performance criteria, and the process to review the contributions of non-executive directors and the Chief Executive Officer;
- succession planning for the Board and senior executive officers in particular the Chief Executive Officer;
- re-election of non-executive directors, retirements and terms of office;
- the independence of non-executive directors; and
- induction programs and continuing professional development for non-executive directors.

4 Delegation

Each member of the Committee is entitled to rely on information, or professional or expert advice, given or prepared by:

- an employee of the Company whom the member believes on reasonable grounds to be reliable and competent in relation to the matters concerned;
- a professional adviser or expert in relation to matters that the member believes on reasonable grounds to be within the person's professional or expert competence;
- another director or officer of the Company in relation to matters within the director's or officer's authority; or
- a committee of directors on which the member did not serve in relation to matters within the committee's authority.

5 Membership

The Committee will consist of at least three members. A majority of members of the Committee members must be non-executive and independent directors. The chairperson of the Committee must be a non-executive and independent director.

Each member of the Committee must be independent of the leadership team of the Company and free from any relationship that, in the business judgment of the Board, would interfere with the exercise of their independent judgment as a member of the Committee.

The Board will elect both the chairperson and the members of the Committee and review such membership at times considered appropriate.



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6 Meetings

The Committee will meet as frequently as required to perform its functions. The quorum for meetings of the Committee is two members of the Committee.

The chairperson of the Committee will determine, in consultation with Committee members, the agenda for each meeting of the Committee.

The Committee will keep minute books in which it records the proceedings and resolutions of its meetings. The minutes of a Committee meeting will be made available to any director of the Company, providing no conflict of interest arises.

Resolutions of the Committee may be made at a meeting of the Committee, or where it is impractical to convene a meeting, by circular resolution signed by at least 75% of Committee members.

7 Authority

The Committee may conduct or authorise investigations into any matter within its scope of responsibility or matters delegated by the Board. The Committee will have the authority necessary and appropriate to enable it to discharge its duties and responsibilities, including but not limited to:

- select, retain, and terminate external counsel or other experts as it deems appropriate;
- approve the fees and other retention terms of such counsel or other experts;
- seek the information and assistance it requires from employees of the Company or external parties; and
- meet with the Company's officers or external counsel as required, without seeking approval of the Board or leadership team.

The Committee may seek input from individuals on remuneration policies, however no individual should be directly involved in determining their own remuneration.

8 Availability of this Charter

This Charter will be made publicly available.

9 Reporting

The following material will be included in the corporate governance section of the Company's annual report:

- details of the Company's remuneration policies;
- details of the Company's nomination policies;
- the names of the members of the Committee and their attendance at Committee meetings; and
- the existence and terms of any schemes for retirement benefits (other than statutory superannuation) for non-executive directors.

10 Review

The Committee will review this Charter annually to keep it up to date and consistent with the Committee's purpose and responsibilities.

Amendments to the Charter, other than minor stylistic changes (eg. TRS branding or position titles), are to be approved by the Board.



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