



## REMUNERATION AND HUMAN CAPITAL COMMITTEE CHARTER

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### 1 Introduction

- 1.1 The Remuneration and Human Capital Committee (“the Committee”), which is constituted as a committee of the Board of Quantum Foods Holdings Limited (“the Company”) is responsible for the Group’s human capital.
- 1.2 The duties and responsibilities of the members of the Committee as set out in this Charter are in addition to those as Directors or Prescribed Officers, if applicable. The deliberations of the Committee do not reduce the individual and collective responsibilities of the members of the Board in regard to their fiduciary duties and responsibilities, and they must continue to exercise due care and judgement in accordance with their legal obligations.
- 1.3 This Charter is subject to the provisions of the Companies Act 2008, the Company’s Memorandum of Incorporation (“MOI”) and any other applicable law and regulatory provisions.

### 2 Purpose of the Charter

The purpose of this Charter is to set out the Committee’s role and responsibilities as well as the requirements for its composition and meetings.

### 3 Composition

- 3.1 The Committee will consist of not less than three directors appointed by the Board, all of whom will be non-executive directors and the majority of which will be independent.
- 3.2 The Board will appoint the Committee Chairperson and determine the period for which s/he will hold office. The Chairperson of the Board may be a member of the Committee but may not be the Chairperson of the Committee.
- 3.3 The Company Secretary of the will act as the Secretary of the Committee.

#### 4 **Role and responsibilities**

##### 4.1 *Management Succession*

The Committee must:

- 4.1.1 ensure that an effective management succession process exists;
- 4.1.2 regularly evaluate the long-term availability of management expertise;
- 4.1.3 take into consideration the recommendations made by the CEO relating to the succession planning for the positions of the EXCO, including the position of the Financial Director; and
- 4.1.4 ensure that the correct processes and procedures are in place to ensure the succession planning for the CEO.

##### 4.2 *Effectiveness of Management*

The Committee must assess in a group and individual context the effectiveness of senior management, and particularly that of EXCO (including the CEO and Financial Director), on an ongoing basis, but at least annually. The Committee may request input from directors, who are not members of the Committee.

##### 4.3 *General Management Appointments and Termination of Service*

Appointments and changes at EXCO level are initiated and finalised by the CEO in consultation with the Chairperson of the Board. The appointment of the CEO and other executive directors would only be recommended to the Board for final approval.

##### 4.4 *Matters regarding Remuneration*

- 4.4.1 Making recommendations regarding the Company's remuneration philosophy and principles (including the different types of schemes and incentives) to the Board for approval.

- 4.4.2 Thereafter and based on the approved remuneration philosophy and principles, the Committee will be responsible to:
- 4.4.2.1 determine, agree on and develop Company's general strategy and policy on executive and senior management's remuneration for the Group and ensure that this strategy is consistent with the Group's long-term interests;
  - 4.4.2.2 determine, agree on and develop guidelines for incentive schemes for the Group, including the setting of annual targets, monitoring those targets and to review the incentive schemes on a regular basis to assess whether there is a clear link between the schemes and the performance;
  - 4.4.2.3 determine, agree on and develop a share incentive scheme for the Group, including guidelines for annual allocations and review the structure of the share incentive schemes annually to ensure that their structure continues to contribute to shareholder value;
  - 4.4.2.4 determine, agree upon and develop appropriate retirement and pension scheme arrangements for employees of the Group. Review these arrangements on a regular basis to ensure that they support the Group's long-term interest and are still aligned with industry best practice;
  - 4.4.2.5 determine specific remuneration packages for executive directors and EXCO members of the Company, including but not limited to basic salary, any annual bonuses, performance-based incentives, other benefits as well as conditions of employment as set out in the contracts of employment;
  - 4.4.2.6 determine any criteria necessary to measure the performance of EXCO members and executive directors in discharging their functions and responsibilities, including the setting of appropriate performance drivers for both short-term and long-term incentives (whether paid in cash or in shares) and take responsibility for regular monitoring and testing of those performance drivers;
  - 4.4.2.7 manage the employment contracts of the executive directors and EXCO members so that their terms are compliant with good practice principles. The Committee ensures that performance assessment of executive directors are conducted for recommendation to the Board,
  - 4.4.2.8 make recommendations to the Board and ultimately to the AGM, regarding the remuneration for non-executive directors, including the Chairperson for the next year (the committee fees for the Committee members will be considered by the Board and the Committee is not required to make any recommendation in this regard.); and

- 4.4.2.9 provide feedback on the details of all remuneration schemes and incentives to the Board for notification.
- 4.4.3 The Committee will review the Group's remuneration strategy and policy as well as its implementation on an annual basis.
- 4.4.4 The Committee will aim to give the executive directors encouragement to enhance Company's performance and to ensure that they are fairly and competitively (but responsibly), rewarded for their individual contributions and performance. In setting policies and remuneration levels in this regard, the Committee will consider and review an appropriate comparator group.

#### 4.5 *Human Resource (HR) Risks*

The Committee will:

- 4.5.1 consider management's reports on compliance with the Company's code of ethics as well as with the values in the Company's vision statement;
- 4.5.2 provide recommendations on any potential conflict of interest or questionable situations of a material nature, or any other HR risk. This will include the establishment of guidelines for executive expenses debited against or claimed back from the company;
- 4.5.3 report all serious HR risk matters to the Company's Audit and Risk Committee and ensure that adequate management actions are taken to reduce such risks; and

#### 4.6 *Disclosure*

- 4.6.1 The Committee shall be responsible for the preparation of a remuneration report and implementation report (for inclusion in Company's annual report) which set out the Committee's role, its activities, the Group's remuneration policy and remuneration paid during the year in question as well as the measures that will be taken should either of the two reports be voted against by 25% or more of the voting rights exercised. These reports must comply with any applicable laws, regulations or governance codes applicable to the Group.

#### 4.7 *Annual General Meeting and Shareholders*

- 4.7.1.1 The Committee will ensure that the Chairperson (or in his/her absence, a member) of the Committee attends the Company's Annual General Meeting to answer questions concerning HR policies and practices within the Company, and on developments and/or implementation.

- 4.7.1.2 The Committee will ensure that the two non-binding advisory resolutions are tabled at each Annual General Meeting for approval by shareholders.
- 4.7.2 The Committee will be responsible for ensuring that remuneration paid to executive directors will be in accordance with the remuneration policy as set out to, and as voted on by the shareholders.

## 5 Meeting procedures

### 5.1 *Frequency*

- 5.1.1 The Committee must hold sufficient scheduled meetings to discharge all its duties as set out in this Charter, but subject to a minimum of 2 meetings per annum.
- 5.1.2 Meetings in addition to those scheduled may be held at the instance and request of one quarter of the total number of Committee members or at the instance of the Board.
- 5.1.3 The Chairperson of the Committee may meet with the Chief Executive Officer/Managing Director, head of human resources and/or the Company Secretary, prior to a Committee meeting to discuss important issues and agree on the agenda.

### 5.2 *Attendance*

- 5.2.1 The Chief Executive Officer, Chief Financial Officer, head of Human Resources and members of senior management, assurance providers and professional advisors may be in attendance at Committee meetings, but by invitation only and may not vote.
- 5.2.2 Committee members must attend all scheduled meetings of the Committee, including meetings called on an ad hoc basis for special matters, unless prior apology, with reasons, have been submitted to the Chairperson or the Company Secretary.
- 5.2.3 The Company Secretary is the secretary of the Committee.
- 5.2.4 In the event that the Chairperson is absent, the members present shall elect one of the members present to chair that meeting.

### 5.3 *Notices of meetings*

The Committee may determine the manner and form of providing notice of its meetings, subject to the provisions of the Company's MOI.

### 5.4 *Agenda and Minutes*

- 5.4.1 The detailed agenda together with reporting documentation must be circulated, at least one

week prior to each meeting, to the members of the Committees and other invitees.

5.4.2 Committee members must be fully prepared for Committee meetings to be able to provide appropriate and constructive input on matters for discussion.

5.4.3 The minutes must be taken and formally approved by the Committee at its next scheduled meeting.

## 5.5 *Quorum*

5.5.1 A representative quorum for a Committee meeting is the majority of members.

5.5.2 Individuals in attendance at Committee meetings by invitation may participate in discussions, but do not form part of the quorum for Committee meetings.

## 6 **Agenda and minutes**

6.1 The Committee must establish an annual work plan for each year to ensure that all relevant matters are covered by the agendas of the meetings planned for the year. The annual plan must ensure proper coverage of the matters laid out in these terms of reference: the more critical matters will need to be attended to each year while other matters may be dealt with on a rotation basis over a three-year period. The number, timing and length of meetings, and the agendas are to be determined in accordance with the annual plan.

6.2 A detailed agenda, together with supporting documentation, must be circulated, at least one week prior to each meeting to the members of the Committee and other invitees.

6.3 Committee members must be fully prepared for Committee meetings to be able to provide appropriate and constructive input on matters for discussion.

6.4 The minutes must be completed as soon as possible after the meeting and circulated to the Chairperson and members of the Committee for review thereof.

6.5 The minutes must be formally approved by the Committee at its next scheduled meeting.

## 7 **Evaluation**

A formal evaluation of the Committee must be performed every second year.

## 8 **Approval of the Charter**

This Charter was approved by the Board on 29 July 2014.

Reviewed: 12 November 2016

Reviewed: 8 August 2017