



HARVEST TECHNOLOGY GROUP LIMITED
CORPORATE GOVERNANCE POLICY

SUB COMMITTEE CHARTERS
POLICY

REVISION AND STATUS HISTORY

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1 AUDIT AND RISK COMMITTEE CHARTER

1.1 COMPOSITION

The full Board carries out the functions that would ordinarily be carried out by an Audit and Risk Committee.

The Board will monitor on an on-going basis whether formation of a separate sub-committee is required or otherwise in the best interests of the Company, and will form a separate sub-committee as applicable.

References to the Audit & Risk Committee in this Charter shall be read to mean the Board convening in its capacity as the Audit & Risk Committee under this Charter.

1.2 ROLE

The role of the Audit & Risk Committee is to:

- (a) Review and monitor the integrity of the financial reports and statements of the Company;
- (b) Review and oversee the Company's risk management framework and internal controls;
- (c) Monitor and review the effectiveness of the Company's internal audit function to the extent there is one;
- (d) Monitor and review the external audit function including matters concerning appointment and remuneration, independence and non-audit services; and
- (e) Perform such other functions as assigned by law, the Company's constitution, or the Board if applicable.

1.3 OPERATIONS

- The Audit & Risk Committee will meet as often as it considers necessary and at least half yearly.
- Minutes of all meetings of the Audit & Risk Committee are to be kept.
- Audit & Risk Committee meetings will be governed by the same rules, as set out in the Company constitution as they apply to the meetings of the Board.
- Relevant members of management and the external auditor may be invited to attend meetings.
- The Audit & Risk Committee shall meet with the external auditor without management present, as required.

1.4 AUTHORITY AND RESOURCES

The Company is to provide the Audit & Risk Committee with sufficient resources to undertake its duties, including provision of educational information on accounting policies and other financial topics relevant to the Company, and such other relevant materials requested by the Audit & Risk Committee.

The Audit & Risk Committee:

- a) Will have the power to conduct or authorise investigations into any matters within the Audit & Risk Committee's scope of responsibilities.
- b) May seek any information or advice it considers necessary to fulfill its responsibilities.

- c) May have access to management and external auditors (without management being present) to seek explanations and information; and
- d) will have the authority, as it deems necessary or appropriate, to retain independent legal, accounting or other external advisers relevant to performing its duties under this Charter.

1.5 RESPONSIBILITIES OF THE AUDIT & RISK COMMITTEE

The Audit & Risk Committee will perform the functions listed below:

1.5.1 FINANCIAL REPORTING

- a) Review half-year and annual financial statements as to whether they provide a true and fair view of the financial position and performance of the entity.
- b) Consider management's selection of accounting policies and principles.
- c) Consider the external audit of the financial statements and the related external Auditor's Report.
- d) Ensure that:
 - (i) The Managing Director or Chief Executive Officer (or equivalent) and Chief Financial Officer (or equivalent) are able to make the declarations in relation to the Company's financial reports required by s 295A of the *Corporations Act 2001* (Cth) and the *ASX Corporate Governance Principles and Recommendations* (4th edition); and
 - (ii) These declarations are made and given to the Board by the time required.

1.5.2 EXTERNAL AUDIT

- a) Establish and review the criteria for the selection, appointment and rotation of the external auditor.
- b) Appoint and replace the external auditor and approve the terms on which the external auditor is engaged.
- c) Establish/review permissible services that the external auditor may perform for the Company and pre-approve all audit/non-audit services.
- d) Confirm the independence of the external auditor, including reviewing the external auditor's non-audit services and related fees.
- e) Ensure that the external auditor is required to attend the AGM of the Company and is available to answer questions relevant to the audit from shareholders.
- f) Discuss the Company's choice of accounting policies and methods, and any recommended changes.
- g) Discuss any significant findings and recommendations of the external auditor and management's response to them.
- h) Discuss any difficulties or disputes with management encountered during the course of the audit including any restrictions or access to required information.

1.5.3 RISK MANAGEMENT AND INTERNAL CONTROL

- a) Monitor and assess the risk exposure of the Company for regulatory, systems and information technology, business and operational, economic, environmental and social sustainability risks through effective risk management strategies.
- b) Oversee the design of a risk management framework.

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- c) Conduct a comprehensive review and make recommendations to the Board on any incident involving fraud or other break down of the Company's internal controls.
- d) Review the adequacy of the Company's insurance programs.

1.5.4 INTERNAL COMMUNICATIONS AND REPORTING

- a) Provide an annual report that includes the Audit & Risk Committee's review and discussion of matters with management, the external auditor and internal auditor.
- b) Regularly update the Board about Audit & Risk Committee activities and make appropriate recommendations.
- c) Ensure the Board is fully aware of matters which may significantly impact upon the financial conditions or affairs of the business.

1.5.5 REVIEW

This Audit & Risk Committee Charter shall be reviewed by the Audit & Risk Committee at least annually and updated as required.

2 NOMINATION COMMITTEE CHARTER

2.1 COMPOSITION

The full Board carries out the functions that would ordinarily be carried out by a Nomination Committee.

The Board will monitor on an on-going basis whether formation of a separate sub-committee is required or otherwise in the best interests of the Company, and will form a separate sub-committee as applicable.

References to the Nomination Committee in this Charter shall be read to mean the Board convening in its capacity as the Nomination Committee under this Charter.

2.2 ROLE

The role of the Nomination Committee is to ensure that the Company has a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties and bring transparency, focus and independent judgment to decisions regarding the composition of the Board.

2.3 OPERATIONS

The Nomination Committee will meet as often as it considers necessary and at least half yearly.

Minutes of all meetings of the Nomination Committee are to be kept.

Nomination Committee meetings will be governed by the same rules as set out in the Company constitution as they apply to the meetings of the Board.

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2.4 RESPONSIBILITIES

The responsibilities of the Nomination Committee are:

- a) Identifying, and recommending to the Board, nominees for membership of the Board and Board succession planning generally;
- b) Reviewing the board skills matrix established by the Board Charter (if there is one), and regularly assessing that the board skills matrix is satisfied by the current Board membership;
- c) Reviewing whether the Directors as a group have the skills, knowledge and familiarity with the entity and its operating environment required to fulfill their role on the Board and, where any gaps are identified, consider what training or development could be undertaken to fill those gaps;
- d) Ensuring that the Company:
 - I. Undertakes appropriate checks before appointing a person, or putting forward to its shareholders a candidate for election, as a Director, including checks as to a candidate's character, expertise, education, criminal record and bankruptcy history;
 - II. Provides its shareholders with all material information relevant to a decision about whether or not to re-elect a Director taking into account the matters listed in Recommendation 1.2 of the *ASX Corporate Governance Principles and Recommendations* (4th edition);
 - III. Has a program for inducting new Directors and provides appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively;
 - IV. Has a process for periodically evaluating the performance of the Board, its Committees (if any) and individual Directors and for addressing any issues emerging from that review;
 - V. Has plans in place to manage the succession of the Managing Director (or equivalent) and other senior executives on the Executive Team, and the Board; and
 - VI. Has a written agreement with each Director and Executive Team setting out the terms of their appointment taking into account the matters set out in Recommendation 1.3 of the *ASX Corporate Governance Principles and Recommendations* (4th edition).

2.5 AUTHORITY AND RESOURCES

The Nomination Committee:

- a) May seek any information or advice it considers necessary to fulfil its responsibilities;
- b) May have access to management to seek explanations and information; and
- c) Will have the authority, as it deems necessary or appropriate, to retain independent legal, accounting or other external advisers relevant to performing its duties under this Charter.

2.6 REVIEW

This Nomination Committee Charter shall be reviewed by the Nomination Committee at least annually, and updated as required.

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3 REMUNERATION COMMITTEE CHARTER

3.1 COMPOSITION

The full Board carries out the functions that would ordinarily be carried out by a Remuneration Committee.

The Board will monitor on an on-going basis whether formation of a separate sub-committee is required or otherwise in the best interests of the Company, and will form a separate sub-committee as applicable.

References to the Remuneration Committee in this Charter shall be read to mean the Board convening in its capacity as the Remuneration Committee under this Charter.

3.2 ROLE

The function of the Remuneration Committee is to review and make appropriate recommendations on:

- a) Remuneration packages of executive Directors, non-executive Directors and members of the Executive Team;
- b) The process for periodically evaluating the performance of its members of the Executive Team; and
- c) Employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

3.3 OPERATIONS

The Remuneration Committee will meet as often as it considers necessary and at least half yearly.

Where the Remuneration Committee includes an executive director, that director will not be involved in decisions that relate to their own remuneration.

Minutes of all meetings of the Remuneration Committee are to be kept. The minutes and a report of actions taken or recommended are to be given at each subsequent meeting of the full Board.

Committee meetings will be governed by the same rules as set out in the Company's constitution, as they apply to meetings of the Board.

3.4 RESPONSIBILITIES

- a) Executive Remuneration and Incentive Policies

The Committee is to make decisions with respect to appropriate remuneration and incentive policies for executive Directors and members of the Executive Team which:

- (i) Will motivate executive Directors and members of the Executive Team to pursue long term growth and success of the Company within an appropriate control framework;
- (ii) Demonstrate a clear correlation between key performance and remuneration;
- (iii) Will align the interests of executive Directors and members of the Executive Team with the long-term interests of the Company's shareholders; and

- (iv) May apply clawback provisions authorising the Company to recover, reduce or cancel performance based remuneration in the event of serious misconduct by executive Directors or members of the Executive Team, or material misstatement in the Company's financial statements.

b) Executive Remuneration Packages

The Committee is to ensure that:

- (i) Executive remuneration packages involve a balance between fixed and incentive pay, reflecting short and long term performance objectives appropriate to the Company's circumstances and objectives;
- (ii) A proportion of executives' remuneration is structured in a manner designed to link reward to corporate and individual performances; and
- (iii) Recommendations are made to the Board with respect to the quantum of bonuses to be paid to executives.

To the extent that the Company adopts a different remuneration structure for its non-executive Directors, the Committee shall document its reasons for the purpose of disclosure to stakeholders.

c) Non-Executive Directors

The Committee is to ensure that:

- (i) Fees paid to non-executive Directors are within the aggregate amount approved by shareholders and make recommendations to the Board with respect to the need for increases to this aggregate amount at the Company's AGM;
- (ii) Non-executive Directors are remunerated by way of fees (in the form of cash and/or superannuation benefits);
- (iii) Non-executive Directors are not provided with retirement benefits other than statutory superannuation entitlements; and
- (iv) Non-executive Directors are not entitled to participate in equity-based remuneration schemes designed for executives without due consideration and appropriate disclosure to the Company's shareholders.

To the extent that the Company adopts a different remuneration structure for its non-executive Directors, the Committee shall document its reasons for the purpose of disclosure to stakeholders.

d) Incentive Plans and Benefits Programs

The Committee is to:

- (i) Review and make recommendations concerning long-term incentive compensation plans, including the use of share options and other equity-based plans. Except as otherwise delegated by the Board, the Committee will act on behalf of the Board to administer equity-based and employee benefit plans, and as such will discharge any responsibilities under those plans including making and authorising grants, in accordance with the terms of those plans;
- (ii) Ensure that incentive plans are designed around appropriate and realistic performance targets that measure relative performance and provide rewards when they are achieved;
- (iii) Continually review and if necessary, improve any existing benefit programs established for employees; and
- (iv) Ensure that participants in equity-based plans are not permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of any unvested entitlements under any equity-based remuneration scheme currently in operation or which is to be offered in the future.

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e) Remuneration Report

The Remuneration Committee reviews and recommends to the Board for approval the Remuneration Report contained within the Annual Report. The Committee provides oversight and management is responsible for ensuring that disclosure meets the requirements of the Corporations Act, the ASX Listing Rules and the ASX *Corporate Governance Principles and Recommendations* (4th edition).

3.5 AUTHORITY AND RESOURCES

The Remuneration Committee:

- a) May seek any information or advice it considers necessary to fulfil its responsibilities;
- b) May have access to management to seek explanations and information; and
- c) Will have the authority, as it deems necessary or appropriate, to retain independent legal, accounting or other external advisers relevant to performing its duties under this Charter.

Where the Company engages a remuneration consultant, the Remuneration Committee will have regard to the Corporations Act requirements in making such an appointment.

3.6 REVIEW

This Remuneration Committee Charter shall be reviewed by the Remuneration Committee at least annually and updated as required.