

DURATEC LIMITED ACN 141 614 075 (COMPANY)

1. INTRODUCTION

The Board of directors (**Board**) of Duratec Limited (**Duratec** or the **Company**) has established a Remuneration & Nomination Committee (**Committee**).

This Charter sets out the specific responsibilities delegated by the Board to the Committee and the Committee's objectives, authority, responsibilities, composition and operation.

2. COMMITTEE MEMBERSHIP

2.1 MEMBERSHIP

The Committee will consist of at least three members. Members will be appointed by the Board, where possible, from amongst the non-executive directors, a majority of who, where possible, will also be independent.

2.2 CHAIR

The Committee will appoint a non-executive director to be the Chair of the Committee (**RNC Chair**). To the extent possible, the Chair will be an independent director, with a preference for a director who is not chair of the Board.

2.3 SECRETARY

The Company Secretary will be the Secretary of the Committee (**Secretary**).

2.4 OTHER ATTENDEES

All non-executive directors have a standing invitation to attend Committee meetings and have access to Committee papers, subject to conflicts. Other non-committee members, including members of management, may attend all or part of a meeting of the Committee at the invitation of the RNC Chair.

2.5 QUORUM

A quorum will be two members.

2.6 MEETINGS

Committee meetings will be held not less than once a year so as to enable the Committee to undertake its role effectively.

2.7 AUTHORITY

The Committee is authorised by the Board to investigate any activity within its charter.

The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

The Committee is required to make recommendations to the Board on all matters within the Committee's charter.

UNCONTROLLED WHEN PRINTED

2.8 REPORTING PROCEDURES

The Committee will keep minutes of its meetings. The Secretary shall circulate the minutes of the meetings of the Committee to all members of the Committee for comment and approval before being signed by the RNC Chair and circulated to the Board with the Board papers for the next Board meeting. The minutes are to be tabled at the Board meeting following the Committee meeting along with any recommendations of the Committee.

3. ROLES AND RESPONSIBILITIES

3.1 REMUNERATION

The responsibilities of the Committee in respect of remuneration are as follows:

- a. review and recommend to the Board employment and remuneration arrangements for the Managing Director, including contract terms, annual remuneration and participation in the Company's incentive plans;
- b. review and recommend to the Board employment and remuneration arrangements or proposed increases for other members of the senior executive team, including contract terms, annual remuneration and participation in the Company's incentive plans;
- c. conduct regular reviews of, and monitor the implementation of, the Company's remuneration policy and framework to confirm it:
 - i. aligns remunerations levels to the market and to ensure that senior executives are being rewarded commensurate with their responsibilities;
 - ii. supports the Company's strategic objectives and long-term financial soundness; and
 - iii. is aligned with the Company's risk management framework and risk envelope,
- d. approve major changes and developments in the Company's policies and procedures related to remuneration, recruitment, retention, termination and performance assessment;
- e. approve major changes and developments in the remuneration policies, superannuation arrangements, personnel practices and industrial relations strategies for the Company;
- f. recommend to the Board major changes and developments in relation to the Company's employee equity incentive plans (including equity plans);
- g. oversee the operation of the Company's employee incentive plans in place from time to time and recommend to the Board whether offers are to be made under any of the Company's employee incentive plans (including equity plans) in respect of a financial year;
- h. review and recommend to the Board the terms of any incentive offers made to the Managing Director and other members of the senior executive team (including short term and long term awards), including any applicable performance targets and the relevant award opportunities;
- i. assess and make recommendations to the Board on incentive award outcomes for the Managing Director and other members of the senior executive team based on performance against the applicable performance targets and any other factors that the Committee determines to be relevant (including whether the Board should consider exercising any discretion);
- j. review and recommend to the Board the aggregate value of award opportunities and the aggregate value of award outcomes being made based on performance for all employees;
- k. look to ensure that risk behaviours and outcomes and any other relevant factors are reflected in the executive remuneration outcomes;

- l. review and recommend to the Board the remuneration arrangements for the Chair and the non-executive directors of the Board, including fees, travel, Board Committee fees and other benefits;
- m. approving the appointment of remuneration consultants for the purposes of the *Corporations Act 2001* (Cth);
- n. 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;
- o. review and facilitate shareholder and other stakeholder engagement in relation to the Company's remuneration policies and practices; and
- p. review and recommend to the Board for approval any proposed consultancy arrangements with a director, senior executive or a related party of a director or senior executive.

3.2 NOMINATION

The responsibilities of the Committee in respect of nomination are as follows:

- a. assist the Board to develop and regularly review its board skills matrix setting out the mix of skills, expertise, experience, geographical and gender diversity that the Board currently has or is looking to achieve in its membership;
- b. review and recommend to the Board the size and composition of the Board, including review of Board succession plans and the succession of the Chair, having regard to the Board skills matrix, nominations received pursuant to ASX Listing Rule 3.13.1 and the objective that the Board comprise directors with a broad range of skills, expertise and experience from a broad range of backgrounds, including gender;
- c. review and recommend to the Board the criteria for nomination as a director and the membership of the Board more generally, including:
 - i. making recommendations for the re-election of Directors, subject to the principle that a Committee member must not be involved in making recommendations to the Board in respect of themselves; and
 - ii. assisting the Board to identify qualified individuals for nomination to the Board, in accordance with the policy outlined in Section **Error! Reference source not found.**,
- d. review succession plans for the Managing Director and other members of the senior executive team and identify and recommend to the Board candidates for the position of Managing Director and other members of the senior executive team where required, following background checks on these candidates being undertaken;
- e. assist the Board in relation to the performance evaluation of the Board, its Committees and individual directors;
- f. monitor that processes are in place to support director induction and ongoing education and regularly review the effectiveness of these processes, including review and implementation of the Company's *Induction Program*;
- g. overseeing the regular assessment of, and making recommendations to the Board as to, the independence of each director and associated disclosures;
- h. in accordance with the *Company's Diversity Policy*, develop and recommend to the Board measurable objectives that are appropriate for the Company for achieving gender diversity in the composition of the Board, senior executives and workforce generally, and, on an annual basis, assess the Company's progress in achieving those objectives and recommend any changes to the Board; and

- i. annually review and report to the Board on the relative proportions of women and men on the Board, in senior executive positions, and across the whole workforce.

4. DIRECTOR APPOINTMENT AND RE-ELECTION

4.1 POLICY FOR DIRECTOR SELECTION

The Committee shall review the Company's *Policy and Procedure for Selection and (Re)Appointment of Directors and Appointing Senior Executives* and carry out its role in the process as outlined in that policy and as set out in this Section **Error! Reference source not found..**

Factors to be considered when reviewing a potential candidate for Board appointment include without limitation:

- a. the skills, experience, expertise and personal qualities that will best complement Board effectiveness and promote Board diversity having regard to:
 - i. the Board skills matrix;
 - ii. diversity targets and objectives; and
 - iii. the existing composition of the Board,
- b. the capability of the candidate to devote the necessary time and commitment to the role (this involves a consideration of matters such as other Board or executive appointments); and
- c. potential conflicts of interest, and independence.

4.2 PROCEDURE FOR DIRECTOR SELECTION

The Committee should prepare and consider a description of the role and capabilities required for a particular appointment in light of the balance of skills, knowledge, experience, independence and diversity on the Board.

Detailed background information in relation to a potential candidate should be provided to all directors.

The identification of potential director candidates may be assisted by the use of external search organisations as appropriate.

Appropriate checks should be undertaken in relation to all potential candidates. This process may be assisted by the use of external organisation as appropriate.

An offer of a Board appointment must be made by the Chair only after having consulted all directors, with any recommendations from the Committee having been circulated to all directors.

All new Board appointments should be confirmed by letter in the standard format as approved by the Board or the Committee from time to time.

4.3 RE-ELECTION OF DIRECTORS

Each year, the Committee will review each of the directors who are seeking re-election in light of their independence, the result of any performance review, the Company's succession plans and any other factor considered relevant to the director's contribution to the Board. On the basis of its review, the Committee will make a recommendation to the Board regarding whether to support the director's re-election.

5. NON-EXECUTIVE REMUNERATION

In considering the levels of remuneration for non-executive directors, the Committee is to consider the guidelines set out in Box 8.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**):

- a. **Composition:** Non-executive directors should be remunerated by way of cash fees, superannuation contributions and non-cash benefits in lieu of fees (such as salary sacrifice into superannuation or equity);
- b. **Fixed Remuneration:** levels of fixed remuneration for non-executive directors should reflect the time commitment and responsibilities of the role;
- c. **Performance Based Remuneration:** Non-executive directors should not receive performance based remuneration as it may lead to bias in their decision-making and compromise their objectivity;
- d. **Equity Based Remuneration:** it is generally acceptable for non-executive directors to receive securities as part of their remuneration to align their interests with the interests of other holders. However, non-executive directors generally should not receive options with performance hurdles attached or performance rights as part of their remuneration as it may lead to bias in their decision-making and compromise their objectivity.
- e. **Termination Payments:** Non-executive directors should not be provided with retirement benefits other than superannuation.

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.

There are no minimum shareholding requirements for non-executive directors.

6. EXECUTIVE REMUNERATION

In setting the remuneration for executives, the Committee is to consider the guidelines set out in Box 8.2 of the Recommendations:

- a. **Composition:** remuneration packages for executives should include an appropriate balance of fixed remuneration and performance based remuneration;
- b. **Fixed Remuneration:** should be reasonable and fair, taking into account the entity's obligations at law and labour market conditions and should be relative to the scale of the Company's business. It should reflect core performance requirements and expectations;
- c. **Performance Based Remuneration:** should be clearly linked to clearly specified performance targets. These targets should be aligned to the Company's short, medium and longer term performance objectives and should be consistent with the Company's purpose, strategic goals and *Core Values*. Discretion should be retained where appropriate to prevent performance based remuneration rewarding conduct that is contrary to the Company's values or risk appetite;
- d. **Equity Based Remuneration:** well-designed equity based remuneration, including options or performance rights, can be an effective form of remuneration, especially when linked to hurdles that are aligned to the Company's short, medium and longer term performance objectives. Care needs to be taken not to lead to short termism or the taking of undue risks; and
- e. **Termination Payments:** termination payments, if any, should be agreed in advance and the agreement should clearly address what will happen in the case of early termination. There should be no payment for removal for misconduct.

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

7. RIGHTS OF ACCESS AND AUTHORITY

The Committee has unrestricted access to information it considers relevant to its responsibilities. The Committee has rights of access to management and external third parties, and rights to seek explanations and additional information from both management and external third parties. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.

8. REVIEW OF CHARTER

The Board will periodically 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.

9. REVIEW AND APPROVAL

Approved by the Board 30 January 2026.