

# GMS – Remuneration Policy



Remuneration of skill knowledge, talent, merit and excellence through performance objectives and remuneration standards

Version 2.1 | November 2022

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### 3 PURPOSE OF THE REMUNERATION POLICY

The aims of this policy are as far as is reasonably practicable to:

- (a) provide reasonable remuneration to employees for the services they provide to the Grange;
- (b) attract and retain employees with the skills required to effectively manage the operations and growth of the business;
- (c) motivate employees to perform in the best interests of the Grange and its stakeholders;
- (d) provide an appropriate level of transparency and meet all ASX and ASIC requirements;
- (e) ensure a level of equity and consistency across Grange; and
- (f) operate with the law, industrial instruments and other Grange policies and procedures.


### 4 COVERAGE

This policy covers and applies to employees and directors in relation to the performance of work for with Grange.

### 5 REQUIREMENTS

- (a) Persons covered by this policy are required to:
  - (i) comply with this policy as lawful and reasonable directions;
  - (ii) comply with any applicable law;
  - (iii) not directly or indirectly engage in or aid, abet or encourage behaviour in breach of this policy/ law; and
  - (iv) meet their duty of care obligations and be accountable for their own safety and the safety of others at the workplace.
- (b) Managers/supervisors are required to:
  - (i) promote this policy within their area of responsibility; and

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- (ii) take reasonable steps to ensure that any potential breaches of this policy are identified, taken seriously and acted upon appropriately.

## 6 EMPLOYEE REMUNERATION PRINCIPLES

### 6.1 Structure

- (a) Grange seeks to reasonably align its remuneration with that of comparable organisations for roles at all levels of the business.
- (b) Remuneration comprises both total fixed remuneration and at Grange's discretion performance-based remuneration.

### 6.2 Total Fixed Remuneration


- (a) Total fixed remuneration of employees is to be at a sufficient level to provide full and appropriate compensation where performance is adequate but not superior.
- (b) Total fixed remuneration is to be set at Grange's discretion and having regard to the:
  - (i) levels paid in comparable organisations at the time of recruitment to the position,
  - (ii) need to maintain flexibility to take into account an individual's experience or specialist skills; and
  - (iii) market demand for particular roles.
- (c) In addition to total fixed remuneration, certain employees may be entitled to performance-based remuneration at Grange's discretion which will be paid to reward superior (as opposed to satisfactory) performance.

A review of fixed remuneration for non EA-covered employees is to be conducted on an annual basis using market surveys and/or analysis supported by information gathered from independent consulting organisations or sources

### 6.3 Performance-Based Remuneration

- (a) Performance-based remuneration will initially be calculated against

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predetermined and challenging targets, but the outcomes of the formula calculation will be capped as a percentage of the employee's total fixed remuneration.

- (b) The proportion of an employee's total remuneration that is performance-based will increase with the seniority of the role and with the individual's ability to impact the performance of Grange.
- (c) Performance-based elements of total remuneration may comprise both short term incentives and long-term incentives that align Grange's medium and long term goals and objectives.
- (d) Performance-based remuneration may be made in the form of cash payments, equity or other payments as appropriate to Grange's circumstances at the time.

#### 6.4 Long Term Incentives

- (a) Grange believes that the most significant value that can be created for shareholders will occur by way of senior staff delivering on the strategic outcomes and goals approved by the Board.
- (b) Long term incentive plans may be provided in Grange's discretion to nominated staff to reward creation of shareholder value and provide incentives to create further value.
- (c) Long term incentives will generally be made by way of non-cash awards.
- (d) Any long term incentives are subject to the performance rights / option plan that applies at the time.


#### 6.5 Termination Payments

Termination payments, if any, for key management personnel are agreed in advance between the CEO and the individual and approved by the Board pursuant to contractual obligations and any statutory requirements in place at the time of effect.

#### 6.6 Hedging of Performance-Based Remuneration Contracts

In accordance with the *Corporations Act*, key management personnel are not permitted to hedge any unvested components of their performance-based remuneration.

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## 6.7 Clawback of Performance-Based Remuneration Contracts

Performance-based remuneration of key management personnel may be reviewed by Grange in discretion for any breach of their employment obligations (under statute, contract or otherwise) including but not limited to such events as:

- (a) acts of fraud
- (b) dishonesty; or
- (c) material misstatements in financial statements.

which lead to the vesting of an award which would not have otherwise vested.

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## 7 NON-EXECUTIVE DIRECTOR REMUNERATION PRINCIPLES

- (a) The overall level of annual non-executive Director fees is approved by shareholders in accordance with the requirements of the Grange Constitution and the *Corporations Act*.
- (b) The Board decides on actual fees to be received by individual directors within the quantum approved by shareholders.
- (c) In setting the fees, the Board will have regard to:
  - (i) market rates;
  - (ii) director skill and experience,
  - (iii) workloads; and
  - (iv) any other material circumstance which Grange considers to be reasonable.
- (d) Non-executive Directors are usually remunerated by way of fees.
- (e) Directors, in certain circumstances at Grange's discretion, may be offered equity rights. Any equity rights offers are subject to shareholder approval on a case by case basis. Equity participation will only be proposed where the Board believes it is in the best interests of Grange, in particular where such inclusion may reduce the amount of cash remuneration otherwise required to be paid to attract the appropriate calibre of Directors.

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## 8 REMUNERATION CONSULTANTS

The Board may engage independent consultants where appropriate to advise on remuneration matters which will be disclosed as required under any statutory obligation.

## 9 POLICY REVIEW AND APPLICATION

The Board will review this Policy and its application across Grange in accordance with the Board Charter.

## 10 VARIATION

This policy may be reasonably varied, terminated or replaced by Grange in its sole discretion from time to time.

## 11 REFERENCE/ASSOCIATED DOCUMENTS

Document Number	Document Title or Information Source	Location

## 12 DOCUMENT CONTROL

Version	Date	Description	Author	Approved
1	12/01/2009	Document created	M Crawford	
1.2	29/02/2016	Document updated	A Walsh	
1.3	29/06/2020	Format update	A Smith	
2.0	24/11/2020	Policy review and reformat	A Smith	
2.1	8/11/2022	Policy review		



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