

REMUNERATION POLICY

Collins Foods Limited (the **Company**)

1 Introduction and Purpose

1.1 This document sets out the policy of Collins Foods Limited (**CFL** or the **Company**) regarding remuneration of its Key Management Personnel, Executive and Non-Executive Directors outlining key remuneration principles and structures for information and guidance.

2 Remuneration principles

2.1 The Company's remuneration framework is based upon the following key principles:

- (a) a policy that enables CFL to attract and retain valued Directors and Executives who create value for shareholders;
- (b) motivating for Key Management Personnel, Executive and Non-Executive Directors to pursue long term growth and success of CFL, aligned with shareholder's interests;
- (c) demonstrating a clear relationship between performance and remuneration;
- (d) regard to prevailing market conditions;
- (e) reflective of short term and long term performance objectives appropriate to CFL's circumstances and goals;
- (f) transparency; and
- (g) fairness and acceptability to shareholders.

3 Key Management Personnel (KMP) and Executive Director (if applicable) Remuneration

Principles

3.1 The remuneration for KMP and Executive Director/s is to be structured to take into consideration the following factors:

- (a) CFL's remuneration principles;
- (b) the level and structure of remuneration paid to KMP and Executive Director/s of other publicly listed Australian companies of similar size;
- (c) the position and responsibilities of each KMP and Executive Director/s; and
- (d) appropriate benchmarks and targets to reward KMP and Executive Director/s for CFL and individual performance.

Structure

3.2 Remuneration packages of KMP and Executive Director/s may contain the following key remuneration framework components:

- (a) base salary, superannuation contributions and other benefits. Other benefits may include non-cash benefits such as employee health insurance costs paid by the Group and car and other allowances.
- (b) short term incentives (STI) in the form of rewards, bonuses or special payments (STI - variable); and
- (c) long term incentives (LTI) in the form of rewards, bonuses, special measures or share participation via employee share, option schemes or performance rights (LTI - variable).

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Fixed remuneration

- 3.3 Fixed remuneration is to be set having regard to the levels paid in comparable organisations at the time of recruitment to the position, recognising the need to maintain flexibility to take into account an individual's experience or specialist skills and market demand for particular roles.
- 3.4 A review of fixed remuneration is to be conducted on an annual basis using market surveys and analysis to ensure fixed remuneration levels are competitive with the market. Every three years a review by an independent external remuneration consultant will be commissioned by the Chair of the Remuneration and Nominations Committee.
- 3.5 Fixed remuneration levels will also be reviewed on promotion.
- 3.6 There will be no guaranteed fixed remuneration increases included in any KMP and Executive Director/s contract.
- 3.7 Fixed remuneration is to be provided on a Total Fixed Employment Cost Basis and may be delivered as a combination of cash and prescribed non-financial benefits at the executive's discretion.

Variable remuneration

- 3.8 In addition to fixed remuneration KMP and Executive Director/s may be entitled to performance based remuneration where a clear contribution to successful outcomes for CFL is demonstrated at both individual and company performance levels against predetermined performance indicators.
- 3.9 Performance based remuneration can comprise both short term and long term incentives.
 - (a) **Short term incentives:** Short term incentives plans will generally be annual and will be based on meeting predetermined Key Performance Indicators. The level of the incentive is to be set with reference to the accountabilities of the executive's role and their ability to impact Company performance.
 - (b) **Long term incentives:** Long term incentives may be provided to senior executives to reward creation of shareholder value and provide incentives to create further value.

Termination payments

- 3.10 Termination payments (including notice period), if any, for KMP and Executive Director/s, will be agreed by the Remuneration and Nomination Committee in advance of employment and will be stated in the relevant employment contracts.

4 Non-Executive Director remuneration principles

Principles

- 4.1 The remuneration for Non-Executive Directors is to be set, taking into consideration the following factors:
 - (a) CFL's remuneration principles;
 - (b) the level of fees paid to Board members of other publicly listed Australian companies of similar size;
 - (c) operational and regulatory complexity; and
 - (d) the responsibilities and workload requirements of each Board member.

Structure

- 4.2 Non-executive Directors' remuneration is to generally comprise the following components:
 - (a) Board and Committee Fees; and
 - (b) superannuation (compulsory contributions).
- 4.3 Board fees are to be structured by having regard to the responsibilities of each position within the Board. Board Committee fees are to be structured to recognise the differing responsibilities and workload associated with each Committee and the additional responsibilities of each Committee Chairman.

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- 4.4 Independent advice and benchmarking will be conducted by a board remuneration specialist every three years (or more as necessary), as commissioned by the Chair of the Remuneration and Nominations Committee. Non-executive Directors' fees and payments are to be reviewed annually by the Board and are not to exceed the then current annual aggregate limit (including superannuation contributions).
- 4.5 There is no guaranteed annual fixed increase for any Non-executive Directors.
- 4.6 Non-executive Directors are not provided any performance or incentive based remuneration.

5 Responsibility

- 5.1 The Remuneration and Nomination Committee is responsible, amongst other things, for assisting the Board to determine the appropriate remuneration for Directors and senior executives.

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