

STANDING RULES FOR BOARD COMMITTEES

1. Purpose and application of these rules

- 1.1. These Rules shall apply to, and be deemed incorporated into the Charter of:
 - (a) the Audit and Risk Committee;
 - (b) the Remuneration Committee; and
 - (c) the Nomination Committee,(each a **Board Committee**) except as expressly varied by the Charter of that Board Committee or by the Board.
- 1.2. The Rules are the rules of order adopted by the Board of the Company to govern the procedures of each Board Committee.

2. Committee Membership

- 2.1 Each Board Committee will exclusively comprise of Directors.
- 2.2 The Audit and Risk Committee must exclusively comprise not less than three non-executive Directors, a majority of whom must satisfy the criteria for independence as determined by the Board Charter. The chairman of the Audit and Risk Committee must not be the Chairman.
- 2.3 Subject to the specific provisions relating to the composition of the Audit and Risk Committee each Board Committee will comprise a minimum of three directors which may include the chairman of the Board.
- 2.4 The quorum for any Board Committee meeting shall be any two members of that Board Committee.
- 2.5 Members of each Board Committee will be appointed by the Board, and shall serve at the discretion of the Board and for such term or terms as the Board may determine. The Board shall appoint one member of each Board Committee as the chairperson of that Board Committee.
- 2.6 Any Director may attend (but not vote at) a meeting of a Board Committee of which that director is not a member.

3. Meetings

- 3.1 Each Board Committee will prepare and submit to the Board for information and notation, an agenda of the items to be considered during the next financial year. Each annual agenda shall be prepared so as to ensure that each Board Committee can fulfil the duties and responsibilities of that Board Committee.
- 3.2 A meeting of a Board Committee may be held and resolutions passed by means of conference call or similar communications equipment or any other technology or process by means of which Board meetings may be held and resolutions passed under the relevant provisions of the Constitution of the Company and statute.
- 3.3 Papers relevant to a meeting of a Board Committee should be distributed to members prior to the relevant meeting in sufficient time to enable members to read the papers and properly prepare for the meeting. Meeting papers should be made available to the Board, for information.

- 3.4 Draft minutes of each meeting of a Board Committee should be prepared by the Company Secretary or other person engaged by that Board Committee for that purpose, promptly following the meeting for approval by the chairman of the Board Committee. The draft minutes should be tabled at the next meeting of the Board Committee for review, and the final minutes included in the papers for the next following Board meeting.
- 3.5 The chairman of each Board Committee shall update the Board regularly about matters relevant to the role, responsibilities and activities of that Board Committee, and matters considered, discussed and resolved at meetings of that Board Committee.

4. Performance Evaluation and Charters

- 4.1 Each Board Committee will annually evaluate and report to the Board regarding that Board Committee's performance, including reference to such specific issues or matters as may be determined by the Board from time to time.
- 4.2 Each Board Committee shall review the Charter of that Board Committee annually and recommend any proposed changes to the Board for consideration.

5. Access, Information and Investigations

- 5.1 Each Board Committee may, within the scope of the responsibilities of that Board Committee, have unrestricted access to Directors, Executives, Employees (including contractors and consultants) and information that Board Committee considers relevant to carrying out the responsibilities of that Board Committee. Each Board Committee may require the attendance of any Director, Executive or Employee, or request the attendance of any external party, at meetings as determined by that Board Committee.
- 5.2 Each Board Committee has the power to direct any special investigations deemed necessary and to engage and consult independent counsel, advisers or experts where considered necessary to carry out the responsibilities of that Board Committee. Costs of such investigations, engagements and consultations are to be borne by the Company.
- 5.3 Each member of a Board Committee is entitled to rely on information and advice provided by Directors, Executives and Employees of the Company, on matters within the responsibility of those Directors, Executives and Employees, and on external professionals within their areas of expertise, and may assume the accuracy of information provided by such persons.
- 5.4 Each Board Committee may refer in writing to another Board Committee, any matter that has come to the attention of that Board Committee that is of relevance to that other Board Committee.

Definitions

Where used in this document, the following terms or expressions shall have the following meanings:

Act means the *Corporations Act 2001 (Cth)*.

ASX means ASX Limited ACN 008 624 691 or the exchanges operated by it.

Board means the board of directors of the Company.

Chairman means the chairman of the Board.

Chief Executive Officer means the chief executive officer of the Company.

Chief Financial Officer means the chief financial officer of the Company.

Committee means a committee or sub-committee of the Board.

Company includes Harvey Norman Holdings Limited ACN 003 237 545 and each controlled entity of the Company.

Company Secretary means the secretary of the Company.

Director means each director, executive and non-executive of the Company.

Employee includes each Director, Executive, employee of, or contractor to the Company.

Executive means each person who holds a position which makes that person an "*officer*" of the Company, as that term is defined in the Act.

Policy Owner	Board of Directors
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