

REMUNERATION COMMITTEE CHARTER

Standing Rules for Board Committees

The Standing Rules for Board Committees apply to the Committee and are incorporated into this Charter. Where there is a conflict between a provision of the Standing Rules for Board Committees and this Charter, then the provision set out in this Charter shall prevail to the extent of the conflict.

Purpose

The Committee is established by the Board. The purpose of the Committee is to:

- (a) review and recommend to the Board for approval, policies for remuneration programs appropriate for the Company;
- (b) review and make recommendations to the Board in respect of the administration of the Company's remuneration programs;
- (c) review and make recommendations to the Board in respect of the remuneration of senior executive officers and non-executive directors of the Company; and
- (d) prepare for approval by the Board, any report on executive remuneration that may be:
 - (i) required by any ASX Listing Rule, legislation, regulatory body, or other regulatory requirement; or
 - (ii) proposed for inclusion in the Company's annual report,

and to report regularly to the Board on each of the above matters.

Powers of the Committee

The Committee has the ability to direct any special investigations deemed necessary and to consult independent experts where considered necessary to carry out its duties. Costs of such consultations are borne by the Company.

Responsibilities of the Committee

The main responsibilities of the Committee include:

- (a) In consultation with senior management, review and recommend to the Board for approval, the general approach of the Company to remuneration, and oversee the development and implementation of remuneration programs, including the remuneration framework for directors.
- (b) Review and recommend to the Board for approval:
 - (i) corporate goals and objectives relevant to the remuneration of executive directors;
 - (ii) evaluate the performance of executive directors in light of those goals and objectives; and
 - (iii) recommend to the Board the executive directors' remuneration level based on this evaluation.
- (c) In determining the long-term incentive component of executive directors' remuneration, the Committee shall consider, among other factors, the performance of the Company and relative shareholder return, the value of similar incentive awards to executive officers at comparable companies, the awards given to the executive directors in past years, and any other factors that the Committee determines as appropriate.

- (d) Review and recommend to the Board for approval, remuneration programs, including any equity based plans, applicable to senior executives.
- (e) Review and make recommendations to the Board in relation to superannuation arrangements for directors, senior executives and other employees.
- (f) Approve any statement on the remuneration policy of the Company and executive remuneration disclosures that may be:
 - (i) required by any ASX listing rule, legislation, regulatory body, or other regulatory requirement; or
 - (ii) proposed for inclusion in the annual report of the Company;
- (g) Review the remuneration of non-executive directors annually.

In undertaking its responsibilities, the Committee will ensure compliance with the ASX Listing Rules and other applicable regulatory requirements and due consideration is given to current guidelines, recommendations and other market standards, to help encourage and promote the Company's values.

Meetings

The Committee will meet at least two times annually, and more frequently if it deems necessary.

Representatives of management may be invited to attend part or all of any meeting of the Committee. The Committee may request certain parties to withdraw from any part of the meeting. No employee, including any executive director, should attend any meeting where his or her performance or remuneration is discussed, unless specifically invited by the Committee. The Committee must be cognisant of any potential conflict of interest if involving an executive director in setting the remuneration for other executives that may indirectly affect their own.

Delegation to sub-committee

The Committee may, in its discretion, delegate any of its duties and responsibilities to a sub-committee of the Committee.

Charter Review

This Charter will be reviewed regularly and may be amended by the Company from time to time as necessary.

Definitions

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

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

Board means the board of directors of the Company.

Charter means this charter of the Committee.

Committee means the Remuneration Committee, a sub-committee of the Board.

Company means Harvey Norman Holdings Limited ACN 003 237 545.

Policy Owner	HNHL Remuneration Committee
Document Control	Version 1.0 2020