



SCOTT TECHNOLOGY LIMITED REMUNERATION POLICY

Overview and Philosophy

Our remuneration philosophy promotes the Company's shared performance culture with the aim of achieving sustained growth within the business, both in terms of corporate size and the quality of equipment and services provided to our customers. The philosophy also emphasises the fundamental value of all our employees and their role in attaining sustained growth through fair and balanced remuneration practice.

Key principles that shape our policy are:

- The critical success factor for the Company is its ability to attract, retain and motivate the talent required to achieve the operational and strategic objectives. Both short-term and long-term incentives are used to this end.
- Delivery specific short-term incentives are viewed as drivers of performance. Accordingly, a significant portion of the senior management team reward is determined by the achievement of realistic targets and their individual contribution to the growth and development of the Company.
- When warranted by exceptional circumstances or achievements, special bonus payments may be considered as additional rewards.
- Long-term incentives align the objectives of employees with shareholders for a sustained period.
- The periodic review of comparative market-based remuneration against similar peer group positions to ensure the attraction and retention of executive talent.
- Acknowledgement of the sector that the business operates in, and in association with this the need for remuneration to be transparent and easy to understand.

Governance

Board Responsibility

The Board carries ultimate responsibility for remuneration policy.

The Governance, Remuneration and Nominations Committee operates in accordance with the Board approved mandate.

The Board has absolute discretion to override short-term and long-term incentive scheme payments or seek refund if an individual has been found to breach the code of conduct.

Governance, Remuneration and Nominations Committee

This is a standing Committee of the Board of Directors and operates under the terms of reference agreed by the Board and reviewed on an annual basis.

External Advisors

The Committee utilises the service of independent advisers on an ad hoc basis. The Committee, in conjunction with the Board of Directors, will choose the advisor.

Non-Executive Director Remuneration

Non-Executive Director remuneration is reviewed annually by the Remuneration Committee having regard to all relevant factors, including market surveys for Australian and New Zealand publicly listed companies. Any proposed changes are recommended to the Board and are subject to shareholder approval.

Short Term Incentive Plan

This is designed to motivate and incentivise senior staff in the delivery of performance over a one year operating cycle.

The levels and appropriateness of these incentives and weightings are reviewed annually by the Remuneration Committee. The annual bonus is paid in cash following completion of the audited annual accounts for the previous financial year.

Performance over the financial year is measured against “stretch” performance targets.

Long Term Incentive Plan

This is designed to retain key employees and align interests with shareholders.

Scott has a long term bonus scheme for certain executives and senior employees of the Group.

On request from the Board of Directors the Committee will advise on any additional schemes.

Employee Share Purchase Scheme

This scheme operates periodically to encourage employees to participate in the ownership of the Company. Employees are provided a loan to purchase shares in Scott Technology Limited, with the loan repayable over a period of time.

Ownership and Review

Approver:	Scott Technology Board
Reviewer:	Remuneration and Nominations Committee
Ownership:	Chief Executive
Review:	Annual or as necessary
Last Review:	July 2018