



Senior Executive Remuneration Policy

Bapcor Limited ABN 80 153 199 912

Adopted by the Board on 22 August 2017

Senior Executive Remuneration Policy

1. Introduction

This policy outlines the approach of the Board of Bapcor Limited (Bapcor) to setting remuneration for Senior Executive roles to:

- ensure Bapcor is able to attract, retain and motivate the high calibre of Senior Executive required to meet its objectives;
- set remuneration that is fair, transparent and market competitive;
- align remuneration with the achievement of Bapcor's strategic and business objectives and the creation of shareholder value;
- be acceptable to the majority of shareholders; and
- observe high ethical standards, good corporate governance and comply with relevant laws and regulations.

2. Application

This policy applies to Senior Executive roles including:

- The Chief Executive Officer/ Managing Director;
- Those roles classified as executive key management personnel (KMP) under the Corporations Act; and
- Direct Reports to the Managing Director who are part of the team primarily accountable for delivering Bapcor's performance.

This policy may also be applied to other roles or individuals from time to time, as nominated by the Board.

3. Approach to determining Remuneration

Remuneration for Senior Executive roles will be set with regard to the following three factors:

- the market;
- the requirements, function and impact of the role; and
- the person/ incumbent.

The Board will engage external independent advisers to obtain market benchmarking and may also utilise external independent advisers for remuneration advice.

4. Elements of Remuneration

Senior Executive remuneration will be composed of the following elements:

- **Fixed Annual Remuneration (FAR)** which includes base salary, allowances, superannuation/ pension, salary sacrifice arrangements, other benefits and fringe benefits tax on benefits;
- **Short-term incentive (STI)** being variable at-risk remuneration related to Bapcor and/ or business unit and/ or individual performance measured over a financial year which may include a deferred component; and
- **Long-term incentive (LTI)** being variable at-risk remuneration based on Bapcor's performance over a measurement period of at least three years.

The total of these three elements will constitute the Total Remuneration Package (TRP).



All elements of Senior Executive remuneration are inclusive of company superannuation/ pension contributions in accordance with local legislation.

5. Market positioning of Fixed Remuneration

Remuneration policy mid-points used to set Senior Executive Fixed Annual Remuneration will be based on external market practices, the scope of the role and internal role classification relativities. Fixed Annual Remuneration will be based on relevant market practices in companies having characteristics similar to those of Bapcor such as listing on the ASX, size and complexity, industry sector and geographic spread.

Bapcor's mid-point policy for Fixed Remuneration will be set by relevant market practices. A range will apply to each role to allow scope for the recognition of individual factors, such as:

- competence and performance in fulfilling the role;
- experience and expertise; and
- qualifications.

Peer benchmarking of roles will be undertaken at least every three years or when a role changes substantially.

6. Frequency of review

Senior Executive remuneration will be reviewed by the Board and considered for adjustment to reflect market practice as well as Bapcor and individual performance on an annual basis.

8. Version Control

Version	Amendment/s	Date created	Author
1.0	Establish policy	22 August 2017	NRC