



Policy Name:	Compensation Policy
Attention:	All LSH Group Australia Employees
Version:	1.3
Last Reviewed:	1 st April 2026
Effective From:	1 st April 2026
Approved By:	GCEO / Corporate Review / MD

Compensation/Bonus/Disbursement & Approval Policy

1. Purpose

This policy outlines the principles, governance, and procedures for remuneration, including salary reviews, incentive payments, bonuses, and approvals for employees of LSH Group Australia ("the Company").

This policy is designed to ensure:

- Compliance with applicable legislation, including the *Fair Work Act 2009 (Cth)* and applicable Awards or Enterprise Agreements.
- Fair, equitable, and transparent remuneration practices.
- Alignment of remuneration with organisational performance and market competitiveness.

The Company reserves the right to amend this policy with reasonable notice, subject to legislative, Award, or Enterprise Agreement requirements.

2. Scope

This policy applies to all employees (full-time, part-time, and eligible fixed-term employees) of the Company.

Where an employee is covered by an industrial instrument (Award or Enterprise Agreement), that instrument will prevail to the extent of any inconsistency.

3. Governance & Compliance

3.1 Legislative Compliance

All remuneration practices must comply with:

- The *Fair Work Act 2009 (Cth)*.
- Applicable modern awards and enterprise agreements.
- Equal remuneration and anti-discrimination laws.
- Superannuation Guarantee obligations.
- Taxation obligations, including PAYG withholding.

3.2 Approval Authority

Any deviation from this policy requires formal approval from:

- Managing Director
- Financial Controller
- Human Resources



3.3 Record Keeping

All remuneration decisions must be:

- Documented
- Supported by a business rationale.
- Retained in accordance with statutory record-keeping obligations.

4. Remuneration Philosophy

The Company adopts a pay-for-performance approach, with the following principles:

- Reward performance, contribution, and achievement of business outcomes.
- Maintain internal equity and external competitiveness.
- Support attraction and retention of high-performing employees.
- Align remuneration outcomes with Company financial performance and affordability.
- Promote fairness, consistency, and transparency.

5. Remuneration Structure

Total remuneration may include:

5.1 Base Salary

- Fixed annual salary aligned to role, skills, and market benchmarks.
- Paid in accordance with employment contracts and statutory requirements.

5.2 Salary Review (Merit Increase)

- Based on:
 - Individual performance
 - Market positioning
 - Internal equity
 - Budget availability

5.3 Incentive Payments

- Includes discretionary bonuses and performance-based commissions.
- Linked to achievement of individual, team, and/or Company KPIs.

6. Salary Review Framework

6.1 Review Cycle

- Annual salary reviews are typically conducted effective 1 January.
- Salary increases are not guaranteed.

6.2 Determination Criteria

Salary adjustments are based on:

- Performance outcomes.
- Skills, experience, and contribution.
- Market benchmarking.



- Internal relativities.
- Business performance and affordability.

6.3 Eligibility

Employees are eligible if they:

- Have completed probation.
- Are actively employed at the time of review.
- Pro-rata increases may apply for employees with less than 12 months' service.

6.4 Budget Control

All increases must:

- Be within approved salary review budgets.
- Be approved through delegated financial authority.

7. Annual Discretionary Bonus

7.1 Nature of Bonus

- Bonuses are discretionary and not guaranteed.
- Do not form part of contractual remuneration unless explicitly stated.

7.2 Eligibility

Eligible employees:

- Must be active employees at the time of payment.
- Must have satisfied performance and Company criteria.

7.3 Exclusions

The following are generally excluded:

- Employees covered by commission-based incentive schemes.
- Temporary or casual employees.

7.4 Payment Conditions

- Typically paid annually (e.g., March).
- Employees must be actively employed on the payment date unless otherwise required by law.

7.5 Termination Treatment

Unless otherwise required by law, Award, or Agreement:

- No bonus is payable where employment ceases prior to payment date.
- Any exception must be formally approved.

8. Commission / Performance Bonus

8.1 Eligibility

Applies to roles with formal incentive structures, including (but not limited to):



- Sales and aftersales roles.
- Operational and performance-driven roles.

8.2 Structure

- Defined KPIs set by management and approved by leadership.
- Payments linked directly to measurable outcomes.

8.3 Payment Timing

- Paid monthly or as specified in the applicable plan.
- Dealer Principal payments may be paid in arrears.

8.4 Termination Provisions

- Employees may receive pro-rata payments for completed performance periods.
- Specific rules may apply for sales roles (e.g., delivery-based commissions).

All payments must comply with:

- Contractual obligations.
- Applicable industrial instruments.

9. Out-of-Cycle Remuneration Reviews

9.1 General Rule

Out-of-cycle reviews are exceptional and not guaranteed.

9.2 Requirements

A formal submission must include:

- Business justification
- Market benchmarking evidence
- Budget confirmation

9.3 Approval Process

Requires endorsement from:

- HR
- Financial Controller
- Managing Director

10. Equity, Fairness & Non-Discrimination

The Company is committed to:

- Equal pay for work of equal or comparable value.
- Non-discriminatory remuneration practices.
- Compliance with workplace equality legislation.

11. Award Compliance Requirements

11.1 Minimum Pay Rates



- Employees must be paid **at or above the minimum classification rate** under the applicable Award.
- Annual salary increases must not result in pay falling below updated Award rates.

11.2 Classification

- All roles must be:
- - Correctly classified under the relevant Award.
 - Periodically reviewed to ensure alignment with duties performed.

11.3 Overtime & Penalties

The Company must comply with Award provisions relating to:

- Overtime rates
- Weekend and public holiday penalties
- Shift loadings
- Meal allowances and breaks

Important:

- Bonuses or salary increases **cannot be used to offset Award entitlements** unless under a compliant annualised salary arrangement.

11.4 Record Keeping

The Company must maintain:

- Accurate time and wage records.
- Pay slips compliant with legislation

12. Policy Status

This Policy does not form part of any employee's contract of employment. It is a lawful and reasonable direction of the Company with which compliance is required. Any statement in this Policy about what the Company will or will not do does not create a legally binding obligation on the Company.

This Policy may be amended from time to time to reflect changes in legislation, regulatory requirements or organisational needs