

## Nomination and Remuneration Committee Charter

Adopted by the Board June 2015

### Introduction

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The Nomination and Remuneration Charter has been adopted by the Board to assist it in fulfilling its duties.

### 1. Role and Objectives

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The role of the Nomination and Remuneration Committee relates to the appointment and remuneration of non-executive directors, the Chairman, CEO (or equivalent), CFO (or equivalent), COO, Company Secretary and other senior executives of Memphasys Limited.

The Committee is responsible for **recommending remuneration practices and policies**.

The objectives of the Committee in relation to these roles include:

- (a) to review and assess the necessary and desirable competencies of the non-executive members of the Board, so as to ensure a board of effective composition, size, diversity, expertise and commitment to adequately discharge its responsibilities and duties;
- (b) to develop succession plans for the Board and to oversee development by management of succession planning for senior executives;
- (c) to review remuneration practices and policies, so as to ensure that the Company's remuneration structures are equitable and aligned with the long term interests of the Company and its stakeholders.
- (d) to review the appointment and remuneration of the Chairman, CEO (or equivalent), CFO (or equivalent), COO, Company Secretary and other senior executives of Memphasys Limited.

### 2. Membership and Structure of the Committee

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The Committee members are appointed, removed and/or replaced by the Board. The term of an appointment is to be determined by the Board.

Unless otherwise determined by the Board, the Committee comprises a minimum of three directors.

It is intended that ultimately a majority of the Committee at any time will be independent directors such that they are independent of management and free of any conflicts, business or other relationship that could materially interfere with – or could reasonably be perceived to interfere with – the exercise of their unfettered and independent judgement.

If available, the Chairman should be an independent director and not the Chairman of the Board. If there is no available independent Director to act as Chairman, then a Non-Executive Director should be appointed.

The Board will appoint the Chairman of the Committee.

Other non-executive directors who are not Committee members may attend meetings of the Committee should they wish. The external auditors and other officers of the Company may attend meetings of the Committee by invitation. The Chairman, CFO (or equivalent) and external auditors shall be given notice of all meetings and may be invited to attend.

The Board will review the membership and charter of the Committee annually, in accordance with clause 5.

The Committee has the authority, within the scope of its responsibilities, to seek any information it requires from an employee or external party.

The Committee will have direct access to Company's senior management. The Committee Chairman will have the authority to directly seek independent, professional or other advisers as required for the Committee to carry out its responsibilities.

### 3. Administrative matters

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It is intended that the Committee will meet at least two times each year, or as often as the Committee members deem necessary in order to fulfil their role and objectives set out in this Charter.

Except as set out in this Charter, the Committee is subject to the Board's general policy for engaging or seeking advice from financial and legal advisers.

The Company Secretary will attend all Committee meetings as minute secretary. All minutes of the Committee will be entered into a minute book maintained for that purpose and will be open at all times for inspection by any director.

### 4. Responsibilities and functions

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The Committee will be responsible for determining and reviewing:

- (a) the total level of remuneration of non-executive directors and for individual fees for non-executive directors and the Chairman, including any additional fees payable for membership of Board committees;

- (b) the total remuneration package for the Chairman, CEO (or equivalent), CFO (or equivalent), COO, Company Secretary and other senior executives, including short term and long term incentives; and
- (c) management succession planning in regard to the Chairman, CEO (or equivalent), CFO (or equivalent), COO, Company Secretary and other senior executives.

For the avoidance of doubt, the Committee will separately consider the remuneration packages of non-executive directors, executive directors and senior executives.

The Committee will be responsible for:

- (a) reviewing and approving management recommendations on remuneration practices and policies, and the remuneration of employees generally;
- (b) reviewing the performance targets for senior management;
- (c) reviewing management succession planning for the Company in general;
- (d) reviewing the appointments and terminations to senior management positions;
- (e) reviewing the obligations of Memphasys Limited on matters such as superannuation and other employment benefits and entitlements;
- (f) reviewing the appointment of non-executive directors, including attending to the following matters:
  - (i) periodically assessing the appropriate mix of skills, experience and expertise required on the Board and assessing the extent to which the required skills are represented on the Board;
  - (ii) establishing processes for the identification of suitable candidates for appointment to the Board, including, establishing criteria for Board membership, engaging appropriate search firms to assist in identifying potential candidates, and
  - (iii) where appropriate, nominating appropriate candidates for non-executive directorship;
- (g) monitoring the length of service of current Board members, considering succession planning issues and identifying the likely order of retirement by rotation of non-executive directors;
- (h) establishing processes for the review of the performance of individual non-executive directors, the Board as a whole and the operation of Board committees;
- (i) designing induction and ongoing training and education programs for the Board to ensure that non-executive directors are provided with adequate information regarding the operations of the business, the industry and their legal responsibilities and duties; and

- (j) monitoring board members and senior executives to ensure no transactions in associated products are entered into which limit the economic risk of participating in unvested entitlements under any equity-based remuneration schemes.

### 5. Review

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The Board will, at least once per year, review the Nomination and Remuneration Charter to determine its adequacy for current circumstances. Where necessary the Board may by resolution alter the terms of the Nomination and Remuneration Charter.

### 6. Access and Advisers

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The Directors will have direct access to Company's senior management through the CEO. The Directors will have the authority to directly seek independent, professional or other advisers as required for the Committee to carry out its responsibilities under this Nomination and Remuneration Charter.

### 7. Experts

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If the Committee engages expert advisers through the Chairman of the Board on matters pertaining to the remuneration of directors and key management personnel, those advisers are to provide advice directly to the Committee, independent of management. If the Committee, on behalf of the Board, enters into an arrangement or commissions advisers on matters relating to remuneration, these arrangements will be disclosed in the Corporate Governance section of the Company's Annual Report.

### 8. Publication

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A copy of this Charter is available at [www.memphasys.com](http://www.memphasys.com)