

## People and Remuneration Committee Charter

### Introduction

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

The People and Remuneration Committee (**Committee**) has been established to assist the Board in fulfilling its responsibilities in respect of:

- a) ensuring that the Company has the appropriate ethical standards and corporate governance policies and practices in place in order to protect and enhance shareholder returns.
- b) ensuring, so far as possible, that policies are properly embedded within the Company's operations and that all who work for and with the Company embrace these policies and standards as a normal and necessary element of managing the Company to maximise value for shareholders.
- c) establishing appropriate remuneration levels and policies including incentive policies for directors and senior executives; and
- d) identifying and selecting appropriate individuals for nomination as members of the Board.

### 1. Role and Objectives

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The role of the Committee is to assist and advise the Board of directors to fulfil its responsibilities to shareholders of the Company on matters relating to:

- a) matters relating to the composition, structure and operation of the Board.
- b) matters relating to senior executive selection and performance.
- c) the compensation, bonuses incentives and remuneration issues of the chief executive officer and senior executives (as defined by the Board).
- d) policies relating to remuneration, incentives, superannuation, evaluation and termination, affecting all staff.
- e) remuneration of the directors of the Board and chairman of the Board
- f) Other matters as required.

The objectives of the Committee is to ensure the Company :

- a) has a strong governance framework of charters and policies to attract, retain and drive high performance in directors, executives and all employees to create shareholder value whilst observing those policies and practices.
- b) promotes and supports a healthy and safe working culture, and a diverse

and harmonious workplace culture.

- c) fairly and responsibly rewards executives and other employees having regard to the performance of the Company, the performance of the executive or employee and the general and specific remuneration environment; and
- d) complies with the relevant listing rules, legal and regulatory requirements.

The Committee is not a policy making body but assists the Board by implementing Board policy and issuing recommendations which require Board approval.

## 1.1 Remuneration practices and policies

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.

## 1.2 Culture

In discharging their responsibilities, the Committee members have a duty to act in the best interests of the company, irrespective of personal, professional, commercial or other interests, loyalties or affiliations, and to prioritise the company's interest in consideration of candidates for Board membership.

- a) Review policies to ensure gender diversity and monitoring the achievement of the Gender Diversity Policy and promote and support a diverse workplace and harmonious workplace culture.

- b) Ensure that the company remuneration and incentive policies, practices and performance indicators are aligned to the Board's vision, values and overall business objectives and are appropriately designed to:
  - (a) Motivate the company staff and chief executive officer to pursue the long-term growth and success of the company, and
  - (b) Establish a fair and responsible reward scheme for executives and other employees having regard to the performance of the Company, the performance of the executive or employee and the general and specific remuneration environment.
- c) Review and approve the Annual Remuneration Report and make recommendations to the Board for inclusion of the Remuneration Report in Memphasys' Annual Financial Report.
- d) Ensure a strong governance framework of charters and policies to attract, retain and drive high performance in directors, executives and all employees to create shareholder value whilst observing those policies and practices; and
- e) Ensure compliance with the relevant listing rules, legal and regulatory requirements with respect to all remuneration reporting matters.

## 2. Membership and Structure of the Committee

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The Committee members are appointed, removed and/or replaced by the Board. The Board will appoint the Chairman of the Committee.

The Committee shall comprise the following membership structure:

- a) at least 3 members;
- b) a majority of independent non-executive director members; and
- c) an independent Chairperson appointed by the Board. If there is no available independent Director to act as Chairman, then a Non-Executive Director should be appointed.

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 *periodically as required\**, 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 to fulfil their role and the 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 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, *periodically as required\**, review the People and Remuneration Charter to determine its adequacy for current circumstances. Where necessary the Board may by resolution alter the terms of the People 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. Members of the Committee will have the authority to directly seek independent, professional or other advisers as required for the Committee to carry out its responsibilities under this People and Remuneration Charter.

### 7. Experts

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If the Committee engages expert advisers 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 Company's annual Corporate Governance Statement.

### 8. Publication

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

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