

Remuneration Committee Charter

ImpediMed Limited (ACN 089 705 144) (**ImpediMed** or **Company**)

Adopted by the Board on 13 May 2020

1. Introduction

The purpose of this Remuneration Committee Charter is to specify the authority delegated to the Remuneration Committee (**Committee**) by the Board and to set out the role, responsibilities, membership and operation of the Committee.

The Committee is a committee of the Board and is authorised by the Board to assist it in fulfilling its statutory, fiduciary and regulatory responsibilities. It has the authority and power to exercise the role and responsibilities set out in this charter and granted to it under any separate matters granted to it by the Board from time to time.

2. Role of the Committee

2.1 Remuneration

The Committee assists and advises the Board on remuneration policies and practices for the Board, the Chief Executive Officer (**CEO**), the Company Secretary, senior executives and other persons whose activities, individually or collectively affect the financial soundness of the Company.

The policies and practices are designed to:

- (a) enable the Company to attract, retain and motivate directors, executives and employees who will create value for shareholders within the Company's values and risk appetite, by providing remuneration packages that are equitable and externally competitive;
- (b) be fair and appropriate having regard to the performance of the Company and the relevant director, executive or employee; and
- (c) comply with relevant legal requirements.

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3. Remuneration Responsibilities

3.1 General

- (a) The Committee is responsible for developing, reviewing and making recommendations to the Board on:
- (i) **(directors' fees)** the ongoing appropriateness and relevance of the remuneration framework for the Chairman and the non-executive directors, including the process by which any pool of directors' fees approved by shareholders is allocated to directors;
 - (ii) **(director minimum shareholding)** periodically review the policy and practices regarding the minimum shareholding for directors and ensure the detail of the policy is disclosed in the remuneration report.
 - (iii) **(remuneration policies)** the Company's policy on remuneration for the CEO and senior executives, any changes to the policy and the implementation of the policy;
 - (iv) **(senior executives)** the total remuneration packages for the CEO and senior executives (including base pay, incentive payments, equity based awards, superannuation and other retirement rights, employment contracts), any changes to remuneration packages and recommending proposed awards after performance evaluation procedures;
 - (v) **(policies)** the Company's recruitment, retention and termination policies for the CEO and senior executives and any changes to those policies;
 - (vi) **(incentive schemes)** incentive schemes, if appropriate, for the CEO and senior executives;
 - (vii) **(equity based)** equity based remuneration plans, if appropriate for the CEO, senior executives and other employees;
 - (viii) **(superannuation)** superannuation arrangements for directors, senior executives and other employees; and
 - (ix) **(gender bias)** whether there is any gender or other inappropriate bias in remuneration for directors, senior executives or other employees.
- (b) The Committee is also responsible for monitoring and providing input to the Board regarding:

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- (i) **(updates)** legislative, regulatory or market developments likely to have a significant impact on the Company and legislative compliance in employment issues;
- (ii) **(Company trends)** the remuneration trends across the Company, including
 - (A) the trends in base pay for senior management relative to that of all ImpediMed employees; and
 - (B) remuneration by gender; and
- (iii) **(benefits)** major changes to employee benefits structures in the Company.

3.2 Incentive Schemes and Equity Based Remuneration

For any incentive schemes or equity based plans which are adopted, the Committee is responsible for:

- (a) **(reviewing)** reviewing their terms (including any eligibility criteria and performance hurdles);
- (b) **(administration)** overseeing their administration (including compliance with applicable rules that restrict participants from hedging the economic risk of their security holdings) and disclosing its policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme;
- (c) **(shareholder approval)** considering whether shareholder approval is required or desirable for the schemes or plans and for any changes to them; and
- (d) **(payments and awards)** ensuring that payments and awards of equity are made in accordance with their terms and any shareholder approval.

4. Structure of remuneration

In fulfilling these responsibilities, the Committee will ensure that:

- (a) **(alignment)** the remuneration structure for senior executives and the organisation as a whole is aligned to the Company's purpose, values, risk appetite and strategic objectives;
- (b) **(distinguishing structures)** a clear distinction is maintained between the structure of non-executive directors' remuneration and that of executive directors and senior executives;
- (c) **(linking rewards)** a proportion of executive directors' and senior

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executives' remuneration is structured in a manner designed to link rewards to corporate and individual performance (reflecting short and long-term performance objectives appropriate to the Company's circumstances and goals);

- (d) **(remuneration consultant)** any engagement of a remuneration consultant is approved by the Board or the Committee and the remuneration consultant must report its recommendation directly to either or both of the members of the Board (other than an executive director) or members of this Committee;
- (e) **(no influence)** the Committee and the Board are satisfied with the arrangements put in place to ensure that any remuneration recommendation made by the remuneration consultant is made free from undue influence from any member of the key management personnel to whom the recommendation relates; and
- (f) **(providing information)** the Committee will provide the Board with information sufficient to ensure that the Board makes an informed decision in relation to the Committee's recommendations.

5. Reporting and Disclosure

The Committee will liaise with the Board in relation to the Company's remuneration-related reporting in the financial statements and remuneration report required by the *Corporations Act 2001* (Cth).

The Committee will approve an annual remuneration report containing information on the Company's remuneration policies and practices of non-executive directors and the remuneration of executive directors and other senior executives, and make recommendations to the Board for the inclusion of the remuneration report in the Company's annual report.

The Committee will ensure that all applicable governance, accounting and legal requirements regarding disclosure of remuneration, in all forms, are complied with.

The Committee chairman will attend ImpediMed's annual general meetings prepared to respond to any shareholder questions on remuneration matters and the Committee's activities.

6. Membership

6.1 Composition and Size

The Committee shall consist of at least three members, a majority of whom are independent, non-executive directors. The Board reserves the right to appoint external advisors to this Committee.

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Each member must be free from any interest, business or other relationship which, in the opinion of the Board, could, or could reasonable be perceived to, materially interfere with the exercise of his or her independent judgment as a member of the Committee.

The term of service of Committee members will be reviewed by the Board at least annually with a view to rotating members periodically, but without losing the continuity of experience and knowledge gained by the members of the Committee.

If a member of the Committee retires, is removed or resigns from the Board, that member ceases to be a member of the Committee. The Board will appoint the successor.

6.2 Chairman

The Chairman of the Committee shall be an independent non-executive director. The Chairman of the Committee will be appointed by the Board. If, for a particular Committee meeting the Committee Chairman is not present within 10 minutes of the nominated starting time of the meeting, the Committee may elect a chairman for that meeting.

6.3 Company Secretary

The Company Secretary of the Board shall be the Company Secretary of the Committee.

7. Committee Meetings and Process

7.1 Meetings

The Committee will meet as frequently as required to perform its functions, but not less than twice per year. The chairman must call a meeting of the Committee if requested by any member of the Committee, the external auditor or the Chairman of the Board.

The annual report for a relevant financial year will disclose the number of times the Committee met throughout the year and the individual attendance of each member of the Committee at those meetings.

7.2 Quorum

Two members of the Committee constitute a quorum for meetings of the Committee.

7.3 Attendance by Management and Advisers

The Committee Chairman may invite the CEO, other senior executives, directors who are not members of the Committee and external advisers to attend meetings of the Committee.

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7.4 Conflicts

No member of the Committee will participate in the determination of their own remuneration or the specific remuneration policies that are applicable to them, with the exception of the Company's remuneration framework for directors, including the process by which any pool of directors' fees approve by shareholders is allocated to directors.

7.5 Notice, Agenda and Papers

Unless otherwise agreed or considered necessary by the Chairman, notice of each meeting confirming the venue, date and time together with an agenda of items to be discussed and supporting papers, will be circulated by the Company Secretary to each Committee member and any other individual invited to attend, not less than three business days before the meeting. Copies of the Agenda and supporting papers are also to be circulated to all board members.

7.6 Minutes

The Company Secretary will keep minutes to record the proceedings and resolutions the Committee meetings.

The Chairman of the Committee, or delegate, will report to the Board after each Committee meeting.

The Committee must refer any matter of significant importance to the Board for its consideration and attention.

7.7 Access to Information and Advisers

The Committee has direct and unlimited access to all resources necessary to discharge its duties and responsibilities. This may include requesting management or engaging external remuneration consultants, to provide information to the Committee.

The Committee also has the authority to conduct or direct any investigation required to fulfill its responsibilities.

8. Committee's Performance Evaluation

The performance of the Committee will be reviewed on an annual basis, or earlier if circumstances dictate. The performance evaluation will have regard to the extent to which it has met its responsibilities in terms of this charter.



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9. Review and Publication of Charter

The Committee will review this charter on an annual basis to keep it up to date and consistent with the Committee's authority, objectives and responsibilities, and it can be amended by resolution of the Board.

This charter will be available on the Company's website and the key features will be published in the Corporate Governance Statement.