

Healius Limited

Nomination and Remuneration Committee Charter

1. Definitions and Interpretation

1.1 Definitions

In this Charter, unless the contrary intention appears:

"Annual Review Date" means the occasion of the first meeting of the Board held after each annual general meeting (required under s250N(2) of the CA) of the Company.

"at any time" means at any time and from time to time.

"the Board" means the board of directors of the Company.

"the Committee" means the Nomination and Remuneration Committee established by resolution of the Board, and whose Charter this is.

"the Company" means Healius Limited (ACN 064 530 516).

"the Company Group" means the Company and any entity controlled by the Company (as defined in Accounting Standard "AASB 127: Consolidated and Separate Financial Statements").

"Director" means a member of the Board.

"Guidance" means any "Guidance", "Guideline", "Commentary" or "Suggestion" in relation to a "Recommendation" issued by the ASX Corporate Governance Council.

"Principle" means one of the 8 numbered "Principles" of corporate governance issued by the ASX Corporate Governance Council.

"Recommendation" means a numbered "Recommendation" issued by the ASX Corporate Governance Council.

1.2 Assessing when a Director is "independent"

For the purpose of this Charter:

- (a) The Board may at any time determine that a Director is "independent" by reference to the relationships, derived from the Guidance on Recommendation 2.1, as set out in para (c) below.
- (b) The Board may at any time determine that a Director is "independent" even

though that Director meets the description of one or more of the relationships set out in para (c) below. The Board may do so if it considers that the Director is independent in character and judgment, despite not meeting one or more of the relationships set out in para (c) below.

- (c) When determining whether or not a Director is "independent" the Board should consider whether the Director:
- (i) is a non-executive Director (that is, is not a member of management); and
 - (ii) is not a substantial shareholder (that is, a person who has a "substantial holding" as defined in section 9 of CA) of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company; and
 - (iii) within the last 3 years has not been employed in an executive capacity by the Company or another entity in the Company Group; and
 - (iv) within the last 3 years has not been a principal of a material professional adviser or a material consultant to the Company or another entity in the Company Group, or an employee of such an adviser or consultant and materially associated with the service provided; and
 - (v) is not a material supplier to, or material customer of, the Company or another entity in the Company Group, or an officer of, or otherwise associated directly or indirectly with, such a supplier or customer; and
 - (vi) has no material contractual relationship with the Company, or another entity in the Company Group, other than as a Director of the Company.

1.3 Interpretation

In this Charter:

- (a) italicised notes are not part of this Charter and the Charter may be published at any time with or without any one or more of those notes, and either uniformly or on a selective basis;
- (b) references to the Corporations Act 2001 (Cth) ("**CA**") include any regulation made under that legislation and are construed as references to any statutory modification or re-enactment for the time being in force;
- (c) references to ASX Limited's Listing Rules ("**LR**"), Clauses of the Constitution of the Company ("**cl.**"), or Recommendations of the ASX Corporate Governance Council ("**Recommendations**") are construed as references to those for the time being in force.

2. Authority

2.1 Source of authority

The Committee is a committee of the Board [*cl.* 22. 1]. The Committee is appointed and authorised by the Board to assist the Board in fulfilling its statutory and

fiduciary responsibilities [*Recommendations 2.4 and 8.1*]. The authority of the Committee is sourced from:

- (a) this Charter; and
- (b) separate resolutions passed by the Board at any time; and
- (c) relevant Clauses of the Constitution of the Company.

2.2 Responsibilities – nomination – Principle 2

The Committee is responsible for making recommendations to the Board about:

- (a) the necessary and desirable competencies of Directors [*Guidance on Recommendation 2.4*]; and
- (b) review of Board succession plans [*Guidance on Recommendation 2.4*]; and
- (c) the development of a process for the evaluation of the performance of the Board, its committees, and Directors [*Guidance on Recommendation 2.4*]; and
- (d) the appointment and re-election of Directors [*Guidance on Recommendation 2.4*].

[*Guidance on Recommendation 2.4 discusses such matters.*]

2.3 Responsibilities – remuneration – Principle 8

The Committee is responsible for making recommendations to the Board about:

- (a) the Company's remuneration, recruitment, retention and termination policies and procedures for senior executives [*Guidance on Recommendation 8.1*]; and
- (b) senior executives' remuneration and incentives [*Guidance on Recommendation 8.1*]; and
- (c) superannuation arrangements [*Guidance on Recommendation 8.1*]; and
- (d) the remuneration framework for Directors [*Guidance on Recommendation 8.1*]; and
- (e) remuneration by gender [*Guidance on Recommendation 8.1*].

[*Guidance on Recommendation 8.1 discusses such matters.*]

[*LR 12.8 requires that if an entity was included in the S&P/ASX 300 Index at the beginning of its financial year then:*

- (a) *It is the responsibility of the remuneration committee "to advise the entity on matters pertaining to the remuneration of its key management personnel".*

- (b) *For this purpose "key management personnel" are "those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity" - see Accounting Standard "AASB 124: Related Party Disclosures".]*

2.4 Direct access to Company Group employees

The Committee has the authority to seek at any time any information the Committee considers may be relevant to its functions from any officer or employee of the Company Group [*Guidance on Recommendations 2.4 and 8.1*]. Such officers or employees must be instructed by the board of the entity employing them to cooperate fully in the provision of such information.

2.5 Investigation

The Committee has the authority to at any time conduct or direct any investigation it considers necessary to fulfil its responsibilities.

2.6 Retain advisers

The Committee has the authority to at any time retain, at the expense of the Company, such legal, accounting or other advisers, consultants or experts, as the Committee considers appropriate to assist it in meeting its responsibilities [*Guidance on Recommendations 2.4 and 8.1*].

2.7 Recommendation

The Committee may at any time make recommendations to the Board as it sees fit.

2.8 Sub-committee

The Committee may at any time form and delegate authority to sub-committees, comprised of one or more members of the Committee as it considers necessary or appropriate. Each sub-committee has the full power and authority of the Committee, subject to the terms of its delegated authority [*cl. 22.2 and 22.5*].

3. Members of the Committee

3.1 Composition requirements

Membership of the Committee is governed by the following requirements:

- (a) each member of the Committee is appointed by the Board;
- (b) the Committee must comprise at least 3 Directors [*Recommendation 8.2, and Guidance on Recommendation 2.4*];
- (c) if the Company is included in the S&P/ASX 300 Index at the beginning of the Company's financial year, then all members of the Committee must be non-executive Directors [*LR 12.8 for a remuneration committee*];

- (d) a majority of the members of the Committee must be independent, with the determination as to whether a Director is "independent" being made by the Board under **Clause 1.2** above [*Recommendation 8.2, and Guidance on Recommendation 2.4*];
- (e) the chair of the Committee must be an independent Director [*Recommendation 8.2, and Guidance on Recommendation 2.4*].

3.2 Annual review

Each member of the Committee, including its chair, continues as a member of the Committee on an ongoing basis, subject only to a cessation under **Clause 3.3**. On each Annual Review Date the Board must review the composition of the Committee.

3.3 Cessation

The Board may at any time remove any individual from the Committee and need not give a reason for doing so [*cl. 22.5(a)*]. If a member of the Committee ceases for any reason to be a Director, that individual automatically ceases to be a member of the Committee.

3.4 Fees

The services of a member of the Committee are beyond the ordinary duties of a Director. Accordingly, under Clause 16.6 of the Constitution of the Company, Committee members are entitled to receive remuneration as determined from time to time by the Board.

4. Chair

4.1 Appointment

The chair of the Committee must be appointed by the Board and must be an independent Director [*Recommendation 8.2, and Guidance on Recommendation 2.4*] [*see Clause 3.1(e) above*]. On each Annual Review Date the Board must review the composition of the Committee, including the chair [*see Clause 3.2 above*].

4.2 Acting chair

If the chair of the Committee is absent from a meeting of the Committee and no acting chair has been appointed, the members of the Committee present at the meeting must choose one of the members of the Committee present, whether independent or not, to chair that particular meeting.

5. Secretary

5.1 Appointment

The Committee must appoint an employee from the Company Group as secretary of the Committee.

5.2 Minutes

The secretary of the Committee must ensure that minutes are taken of meetings of the Committee. If the secretary is asked to withdraw for all or any part of any meeting the chair must ensure that minutes are taken in respect of that part of the meeting [see *Clause 8.1 below re circulation of minutes*].

6. Meetings

6.1 Meetings other than in person

The Committee may meet for the dispatch of business, adjourn and otherwise regulate their meetings as they see fit. The Committee may conduct meetings by telephone or other form of technology without a member being in the physical presence of another member or other members providing the members have a reasonable opportunity to communicate by some means with each other [*same as cl. 17.1*].

6.2 Frequency

The Committee must meet often enough to undertake its role effectively.

6.3 Additional meetings

The chair of the Committee must call a meeting of the Committee if so requested:

- (a) by any member of the Committee; or
- (b) by the chair of the Board.

6.4 Quorum

A quorum for a meeting of the Committee is 2 members. However, if only one member is present because the 2 other members are absent by reason of **Clause 6.5** below, then the member who is present (without the material personal interest) may act in relation to the matter requiring such absence as if that member present were the full Committee.

6.5 Conflict of interest of a member of the Committee

A member of the Committee who has a material personal interest in a matter that is being considered at a meeting of the Committee must not:

- (a) be present while the matter is being considered at the meeting; or
- (b) vote on the matter.

[section 195(1) CA, Guidance on Recommendation 8.2].

6.6 Participation, despite conflict, in certain circumstances

Despite **Clause 6.5**, a Director may be present and vote if the matter being considered is a recommendation to the Board on:

- (a) the remuneration framework for non-executive Directors, or
- (b) the apportionment of remuneration for non-executive Directors; or
- (c) the payment of expenses incurred, or to be incurred, by a Director in connection with the business of the Company or the Company Group; or
- (d) the indemnification of a Director by the Company against any liability incurred by that individual in that capacity; or
- (e) a contract insuring a Director (whether with other officers of the Company Group or not) against a liability incurred by that Director as a Director of the Company.

7. Attendance at Meetings

7.1 Invitees

Individuals who are not members of the Committee, whether Directors, other members of management of the Company Group, or parties external to the Company Group, may be invited to attend any meeting of the Committee.

7.2 Attendees may have to withdraw

An individual who is not a member of the Committee may be asked by the Committee to withdraw for all or any part of any meeting of the Committee.

8. Reporting by the Committee

8.1 Circulation of minutes

Minutes of each meeting of the Committee must be approved and signed by either the chair of that meeting or the chair of the Committee and then provided to the Board at the next meeting of the Board.

8.2 Reports to the Board

The Committee, through its chair, must report to the Board at the earliest possible Board meeting after each meeting of the Committee. Such report should include any matters that, in the opinion of the Committee, should be brought to the attention of the Board, and any recommendations requiring the approval of the Board.

8.3 Supply of information to the Board and senior management

In relation to its responsibilities under **Clause 2.3** above, the Committee must ensure that each of the Board and senior management is provided with sufficient information to promote informed decision-making [*Guidance on Recommendation 8.1*].

8.4 Review of Charter

The Committee may at any time review the adequacy of this Charter and recommend to the Board any changes to the Charter that the Committee considers are desirable.

8.5 Annual performance appraisal

An evaluation of the performance of the Committee and the extent to which the Committee has met the requirements of this Charter will be conducted through the Board's annual performance appraisal process.

Charter History

5 August 2011	Nomination and Remuneration Committee established by the Board
5 August 2011	Charter approved by the Board
25 January 2019	Company name updated