

Healius Limited
Incentives Clawback
Policy and Procedure

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1 POLICY

1.1 Purpose

This policy seeks to document Healius Limited's (the Company's) approach to recovering overpayments to executives of incentive remuneration. Such recoveries are referred to as clawbacks. They are not intended to be penalties. They are recoupments of payments that would not have arisen had correct information been available at the time of the payment.

1.2 Incentive Remuneration Subject to Clawback

The Company provides two types of incentive remuneration for executive roles being short term incentives (STI) and long term incentives (LTI). Payments under the STI Plan and vesting under the LTI Plan may relate to performance regarding a wide range of factors.

When payouts or vesting are related to performance, they are potentially subject to clawback whereas those not related to performance will not be subject to clawback. However, clawback may be made from monies and benefits to which an executive is or may become entitled to (regardless of actual performance relative to performance conditions, or other conditions that may apply to those monies) or benefits at the time of the clawback. Generally it is intended that Base Package would not be subject to clawback or used as a source of recovery funds.

1.3 When Does an Overpayment Arise

An overpayment of incentive remuneration arises when executives have received either STI awards or vesting of LTI grants due to materially incorrect performance information.

Materially incorrect performance information includes financial statements as well as any other information relating to the performance of the Company and/or a business unit and/or the individual.

An overpayment may be deemed to have arisen if it becomes apparent that actions taken to secure a benefit were, are, or will be detrimental to the best interests of the Company, as determined by the Board.

1.4 Recovery Limitations

Recoveries will be limited to overpayments that occurred in the current or prior 3 financial years, unless otherwise determined by the Board.

The amount or value of the overpayment, including over-vesting will be determined by the Board, having regard to the award calculations that would have applied had the correct information been

available, and/or the impact of actions taken that were deemed to have been detrimental and which contributed to the overpayment.

1.5 Recovery Priorities

The Board will determine the extent to which recovery of the overpayment will be pursued and how such recovery will be achieved.

Priority will be given to making recoveries from:

- a) Deferred STI awards, if any;
- b) Vested LTI grants that remain subject to dealing/disposal restrictions, if any;
- c) Imminent STI awards that are earned; and
- d) Imminent LTI vesting has been earned.

Further recovery action, if any, will be determined by the Board having regard to the amounts of overpayments remaining outstanding, the cost of recovery, the potential impact on current and former executives and the potential impact on the Company.

Reduction of future STI award opportunities or LTI grants will not be used to recover overpaid remuneration as such actions are more in the nature of penalties than recoveries.

1.6 Fraud

If an executive is found to have been involved in fraud against the Company, then such circumstances are not covered by this policy. They are a legal matter and the Company will act on the advice of its legal advisors to take all reasonable steps to recover damages to the extent permissible at law. Such activities may, of course, involve criminal sanctions.

2 PROCEDURE

2.1 Inclusion in Rules and Contracts

When new employment contracts are entered into and new or amended rules are prepared for incentive plans, the Company will ensure that this policy is acknowledged and that the power to enforce it is incorporated into the relevant contracts and rules.

2.2 Trigger to Action

If the Board becomes aware that incentives have been overpaid to executives, it shall consider the circumstances and the amounts of overpayments so as to form a view on whether recovery is warranted. If so it will decide upon the amount of recovery to be sought and the sources to be used for recovery.

The executive will then be informed in writing of:

- the circumstances that gave rise to over-payments;
- that clawbacks will be undertaken;
- the amount of the clawback in total for the individual executive; and
- the sources of the funds from which clawbacks will be undertaken.

Once the clawback has been completed the Company will notify the executives to that effect and advise that there is no further liability in relation to overpayments related to the relevant, specific, incorrect performance information.

2.3 Document Change History

Original adoption and effective date 1 January 2016.