

Remuneration and Nomination Committee Charter

Alcidion Group Limited
ACN 143 142 410

BOARD APPROVED

V1.0 24 October 2019

1 Introduction

- 1.1 The Remuneration and Nomination Committee (**Committee**) is a committee of the Board of Directors (**Board**) of Alcidion Group Limited (**Company**).
- 1.2 The Board established the Committee under the Company's Constitution.
- 1.3 This Charter sets out the scope of the Committee's responsibilities in relation to the Company and its controlled entities (**Group**).

2 Objectives

- 2.1 The main objectives of the Committee are to assist the Board in fulfilling its obligations to:
 - (a) enable the Company to attract and retain Executive and Non-Executive Directors who will create sustainable value for shareholders and other stakeholders;
 - (b) have a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties;
 - (c) fairly and responsibly reward Executives and Non-Executive Directors having regard to the performance of the Group, the performance of the executive and the external compensation environment; and
 - (d) comply with all relevant legislation and regulations including the ASX Listing Rules and Corporations Act.

3 Committee Membership

3.1 Structure

The Board will strive to adhere to the following composition requirements for the Committee where at all possible. However, the Board acknowledges that the composition of the Board may not allow adherence to the following composition requirements from time to time.

- (a) The Committee shall comprise a majority of Non-Executive independent Directors.
- (b) The Committee shall comprise at a minimum three members.
- (c) The Committee will be chaired by an Independent Director who will be appointed by the Board.
- (d) The Board may appoint such additional Non-Executive Directors to the Committee or remove and replace members of the Committee by resolution.

3.2 Expertise

At least one member of the Committee must have an understanding of remuneration policies and practices.

3.3 Company Secretary

The Company Secretary must attend all Committee meetings and will act as Secretary to the Committee, unless otherwise determined by the Committee.

4 **Proceedings**

4.1 The Committee will meet as often as it considers necessary but at a minimum twice per annum. Any member may call a meeting of the Committee.

4.2 The quorum for a Committee meeting is two Committee members.

4.3 The Committee may invite anyone it considers appropriate to attend Committee meetings.

4.4 Committee meetings may be held by any technological means allowing its members to participate in discussions even if all of them are not physically present in the same place.

4.5 The dates, times and venues of each meeting of the Committee will be notified by the Secretary to all members of the Committee as far in advance as possible.

4.6 Supporting papers for each meeting of the Committee will be distributed by the Secretary to all members of the Committee as far in advance as possible to the meeting.

4.7 Proceedings of the Committee will be governed by the provisions of the Constitution, in so far as they may be applicable.

5 **Chair**

5.1 In the absence of the Chair, the remaining members will elect one of their number as Chair of the meeting.

5.2 The Chair of the Committee has a casting vote.

6 **Minutes**

6.1 The Secretary will be responsible for keeping the minutes of its meetings and circulating them to the Chair of the Committee for review, the other Committee members, the other members of the Board and other Committee meeting attendees as appropriate.

6.2 Minutes of meetings of the Committee, will be distributed to members as soon as practicable following the meeting and tabled for approval at the next Committee and presented at the next Board meeting.

6.3 Minutes, agenda and supporting papers are available to Directors upon request to the Secretary, except if a conflict of interest exists.

7 **Authority**

7.1 Access

The Committee has unrestricted access to senior management, all employees and all Company records and to financial and legal advisers.

7.2 Independent Advice

The Committee or any member of the Committee is authorised to obtain (at the cost of the Company) outside legal or other independent professional advice, and to secure the attendance of such advisers if it is considered necessary for the proper performance of the Committee's functions under this Charter. The member should first contact the Chair of the Committee (or in the absence of the Chair, the Secretary) for approval prior to proceeding with procuring that professional advice.

8 Duties and Responsibilities - Nomination

8.1 Without limiting its role, the specific duties and responsibilities of the Committee include the following:

- (a) Review and recommend to the Board the size and composition of the Board, including review of Board succession plans and the succession of the Chair and Chief Executive Officer, having regard to the objective that the Board comprise directors with a broad range of skills, expertise and experience from a broad and diverse range of backgrounds.
- (b) Review and recommend to the Board the criteria for Board membership, including the necessary and desirable competencies of Board members; and the time expected to be devoted by Non-Executive Directors in relation to the Company's affairs.
- (c) Review and recommend to the Board membership of the Board, including:
 - making recommendations for the re-election of Directors, subject to the principle that a Committee member must not be involved in making recommendations to the Board in respect of themselves; and
 - assisting the Board as required to identify individuals who are qualified to become Board members (including in respect of Executive Directors).
- (d) Assist the Board in relation to the performance evaluation of the Board, its Committees and individual Directors, and in developing and implementing plans for identifying, assessing and enhancing director competencies.
- (e) Review the Board Charter on a periodic basis and recommend any amendments for Board consideration.
- (f) Ensure that an effective induction process is in place and regularly review its effectiveness.

9 Duties and Responsibilities - Remuneration

9.1 Without limiting its role, the specific duties and responsibilities of the Committee include the following:

- (a) Review and recommend arrangements for Executive Directors (including the Managing Director/Chief Executive Officer), including contract terms, annual remuneration and participation in the Company's short- and long-term incentive plans.

- (b) Review major changes and developments in the Company's remuneration, recruitment, retention and termination policies and procedures for senior management.
- (c) Review major changes and developments in the remuneration policies, superannuation arrangements, personnel practices and industrial relations strategies for the Group.
- (d) Review and recommend to the Board short term incentive strategy, performance targets and bonus payments.
- (e) Review and recommend to the Board major changes and developments to the Company's employee equity incentive plans.
- (f) In respect of the Company's employee equity incentive plans in place from time to time:
 - review and recommend the performance hurdles applicable to the executive directors, the executives reporting to the MD/CEO and senior management;
 - review and recommend the proposed terms of, and authorise the making of, offers to eligible employees of the Company, including determining the eligibility criteria applying in respect of an offer, in respect of a financial year;
 - review and recommend, within the parameters of the plans, amendments to the terms of existing plans;
 - administer the operation of the plans, including but not limited to determining disputes and resolving questions of fact or interpretation concerning the various plans.
- (g) Review and recommend to the Board the remuneration report prepared in accordance with the Corporations Act 2001 (Cth) for inclusion in the annual directors' report.
- (h) Review and facilitate shareholder and other stakeholder engagement in relation to the Company's remuneration policies and practices.

10 Non-Executive Directors' Remuneration

- 10.1 Shareholders approve the maximum aggregate remuneration for Non-Executive Directors.
- 10.2 The allocation of aggregate remuneration for Non-Executive Directors (whether it be for the entire maximum amount or for a lesser amount) will be determined and approved by the Board. When appropriate, any Director or Directors with an immediate conflict of interest will excuse themselves on discussion regarding their own remuneration. The Board may request that the Committee, management or external advisers provide any information required to assist the Board in making its decision.
- 10.3 Non-Executive Directors are not permitted to be provided with retirement benefits other than statutory superannuation.

11 Reporting to the Board

- 11.1 The Chair of the Committee (or a person nominated by the Chair of the Committee for that purpose) must report to the Board at its next meeting regarding all material matters relevant to the Committee's duties and responsibilities.

12 Review of this Charter

- 12.1 The Nomination and Remuneration Committee Charter is reviewed annually by the Committee or as often as it considers necessary to ensure it remains consistent with the Committee's authority, objectives and responsibilities with the Board approving the amended Charter.

13 Approved and adopted

- 13.1 This Charter was approved and adopted by the Board on **INSERT** 2019.