



## Remuneration and Nomination Committee Charter

### Objectives

The Remuneration and Nomination Committee Charter (the "Charter") is to specify the authority delegated to the Nomination and Remuneration Committee (the "Committee") by the board of Directors (the "Board") of Imagination Biosystems Limited ("Imagination") and to set out the duties and responsibilities, membership and operation of the Committee.

### Duties and Responsibilities

The duties and responsibilities of the Committee are to review, recommend and report to the Board on Nomination, Remuneration and Performance Appraisal policies and practices.

#### 1. Nomination

##### 1.1 Role

The Committee assists and advises the Board on:

- (a) Board succession planning;
- (b) succession planning for the Chief Executive Officer (CEO);
- (c) the process for recruiting a new Director, including evaluating the balance of skills, knowledge, experience, independence and diversity on the Board and accordingly prepare a role description and capabilities required for a particular appointment; and
- (d) the appointment and re-election of Directors.

with the objective of having a Board with a composition that possesses requisite knowledge of the industry in which it operates, represents a variety of perspectives and skills, acts in the best interests of Imagination, and brings transparency, focus and independent judgement to decisions regarding the composition of the Board and appointment of the CEO.

##### 1.2 Responsibilities

The responsibilities of the Committee in relation to nomination are to:

- (a) assist the Board to develop a Board skills matrix and appointment process setting out the mix of skills and diversity on the Board;
- (b) review and recommend to the Board the size and composition of the Board, including review of succession plans for the Board, Chairperson and CEO;
- (c) review and recommend to the Board the criteria for nomination of Directors and the Board membership;
- (d) assist the Board in assessing the independence of each Non-Executive Director;
- (e) review the Board Charter at least every two years and recommend any amendments for Board consideration;
- (f) ensure that an effective Director induction process is in place, and
- (g) on an annual basis, review the effectiveness of the Diversity Policy.

### **1.3 Appointment of new Directors**

- (a) The Committee will assess a potential candidate for Board appointment on the basis of:
- (i) those skills, experience, expertise and personal qualities that will help the Board deliver on Imagions's corporate strategy;
  - (ii) the current composition, diversity and skills matrix within the current Board;
  - (iii) the capability of the candidate to devote the necessary time and commitment to the role; and
  - (iv) potential conflicts of interest and independence.
- (b) the Committee will provide background information in relation to a potential candidate to all Directors, including checks as to a candidate's character, expertise, education, criminal record and bankruptcy history;
- (c) an offer of a Board appointment will be made only after the Committee has consulted all Directors.

### **1.4 Performance Appraisal**

Each year, the Committee will review:

- (a) the development and implementation of a process for evaluating the performance of the Chairperson, Board and the CEO;
- (b) whether the directors as a group have the skills, knowledge and familiarity with the Company, and its operating environment required to fulfil their role on the Board and on Board committees effectively and, where any gaps are identified, consider what training, development or new Director appointment could be undertaken to fill those gaps;
- (c) in respect of each of the Directors who are seeking re-election, make a recommendation to the Board regarding whether to support the Director's re-election;
- (d) Members of the Committee must not participate in any review or assessment of their own performance; and
- (e) consider options for the continuing professional development programs for Directors.

## **2. Remuneration**

### **2.1. Role**

The Committee also assists and advises the Board on remuneration policies and practices for the Board, Chairperson and CEO. The policies and practices are designed to:

- (a) enable Imagion to attract, retain and motivate skilled Directors, CEO and executives by providing remuneration packages that are equitable and externally competitive;
- (b) foster human talent and motivate employees to pursue the growth and success of Imagion in alignment with its values; and
- (c) equitably and responsibly reward employees, having regard to individual performance and the performance of the Imagion and the long-term interests of its shareholders.

## **2.2 Responsibilities**

The responsibilities of the Committee in relation to remuneration are to:

- (a) review and recommend arrangements for Directors, Chairperson and CEO, including contract terms, annual remuneration and participation in the Company's short and long-term incentive plans;
- (b) The CEO will structure remuneration arrangements for Executives and may consult with the Committee to ensure concordance with the Responsibilities of the Committee under this Charter;
- (c) review Imagion's remuneration packages, recruitment, retention and termination policies and procedures for the CEO;
- (d) review and assess whether there is any gender or other inappropriate bias with respect of the remuneration of directors, Executives or other employees;
- (e) review and recommend to the Board the remuneration report prepared in accordance with the Corporations Act for inclusion in the annual directors' report;
- (f) monitor and provide input to the Board regarding: (i) legislative, regulatory or market developments likely to have a significant impact on Imagion and legislative compliance in employment issues; and

## **2.3 Incentive Schemes and Equity-based remuneration practices**

With regard to Imagion's employee incentive scheme, the Committee's responsibilities are to:

- (a) review and recommend to the Board any changes or developments to Imagion's employee incentive plans;
- (b) review and approve short and long-term incentive strategy, performance targets and bonus payments; and
- (c) review and determine applicable performance hurdles, that are challenging and linked to the creation of sustainable shareholder returns.

## **3. Reporting and Disclosure**

- (a) The Committee must keep the Board informed of its activities through the minutes of all its meetings and must formally advise the Chairperson of any matters or recommendations requiring attention by the Board; and
- (b) approve an annual remuneration report containing information on Imagion's remuneration policy, practices, attendance at and frequency of Committee meetings and make recommendations to the Board for the inclusion of the remuneration report in Imagion's annual report.

## **4. Authority**

- (a) The Committee is a committee of the Board established in accordance with Imagion's constitution. It is a review Committee and makes recommendations to the Board for consideration. It has the power and authority to exercise the duties and responsibilities as set out in this Charter; and

- (b) The Committee is authorised by the Board to obtain external specialist or other professional advice to the extent that it is necessary for the Committee to discharge its duties and responsibilities.

## **5. Membership**

- (a) The Committee is appointed by the Board and must be comprised of at least three members, all must be Non-Executive Directors, the majority must be independent, and it must be chaired by an independent director who is not Chair of the Board;
- (b) Non-Executive Directors may attend all or part of a meeting of the Committee at the invitation of the Committee Chair;
- (c) The Company Secretary is the secretary of the Committee and is to attend all Committee meetings; and
- (d) The Board may appoint additional Non-Executive Directors to the Committee or remove and replace members of the Committee by ordinary resolution of the Board. Members of the Committee may resign from the Committee by written notification to the Board.

## **6. Meetings**

- (a) The Committee meets as required but a minimum of two times per year. All Directors receive Committee papers and have a standing invitation to attend Committee meetings.
- (b) A quorum requires at least the Committee Chair and one other Committee member. However, if the Committee Chair is unavailable, a quorum may be formed by any two Committee members with the Committee Chair consent.

## **7. Review of this Policy**

The Board will review this Charter at least every two years to determine its adequacy for current circumstances. This Charter was approved by the Board on 17 February 2022.