

# Clinuvel Pharmaceuticals Limited

## Remuneration and Nomination Committee Charter

The Board of Clinuvel Pharmaceuticals Limited (**the Company**) has established a Remuneration and Nomination Committee (the **Committee**). The purpose for which the Committee was established and the powers of the Committee are set out in this document. It is noted that best corporate governance practice requires the terms of reference of the Committee to be made publicly available by the Company on its website.

### 1 Role and Objectives

The role of the Committee is to assist and advise the Board on matters relating to the appointment and remuneration of the executive directors, non-executive directors, Chief Executive Officer and other senior executives and employees of the Company.

The objectives of the Committee include:

- conducting a formal review of the Board's performance in accordance with clause 8 of the Corporate Governance Protocol;
- to oversee the selection and appointment practices for executive directors, non-executive directors and senior executives of the Company;
- to assist the Board in determining appropriate remuneration policies for executives, consultants and non-executive directors;
- to develop procedures for assessing performance of executive directors, non-executive directors, senior executives and managers and undertaking such assessment; and
- acting on the results of performance evaluation by recognising the strengths and addressing the weaknesses of the Board, and where appropriate, proposing new members be appointed or seeking the resignation of directors

### 2 Membership of the Committee

Unless otherwise determined by the Board, the Committee comprises all the directors of the Board. Although the Board acknowledges that best corporate governance practice prescribes the Committee should be comprised of a majority of independent directors, the Board refers to the issues surrounding the current composition of the Board which does not permit this. Instead the Board expects each member of the Committee to bring an independent view and judgment to the Committee's proceedings.

The Committee should comprise at least 3 members. The Board will appoint the Chair of the Committee. The Chair should not chair the meeting where the Committee is dealing with the appointment of a successor to the chairmanship.

The Board may appoint such additional members to the Committee or remove and replace members of the Committee by resolution.

Where not appointed as a member, the Chair of the Board may attend meetings of the committee at his or her discretion, in an ex-officio capacity. Members of management may also attend meetings of the Committee at the invitation of the Chair. No director may

participate in deliberations or decisions of the Committee where he or she has a personal interest, including where decisions are being made about that director's remuneration.

### **3 Administrative matters**

Any member may and the Chairman must on request from a member, convene a meeting of the Committee. Notice must be given to every committee member of every committee meeting but there is no minimum notice period and acknowledgment of receipt by all members is not required before the meeting may be validly held.

The Committee will meet as often as the Committee members deem necessary in order to fulfil their role. However, it is intended that the Committee will meet at least 2 times each year.

A quorum consists of at least 3 members.

The committee may obtain information from and consult with the Chief Executive Officer or the Human Resources Manager, as it considers appropriate.

The Committee may have access to financial, legal or other independent advisers, in accordance with the Board's general policy. The Committee may obtain information from and consult with such members of management as it considers appropriate.

All minutes of the Committee will be entered into a minute book maintained for that purpose and will be open at all times for inspection by any director.

### **4 Reporting**

The Committee Chair will prepare a report of the actions of the Committee to be included in the Board papers for the Board meeting next following a meeting of the Committee. The report will include provision of meeting agendas, papers and minutes of the Committee.

Where the composition of the Committee comprises less than the full board, the Chair will, if requested, provide a brief oral report as to any material matters arising out of the Committee meeting. All directors may, within the Board meeting, request information of members of the Committee.

### **5 Responsibilities and functions**

The role of the Committee is to assist and advise the Board on matters relating to the appointment and remuneration of the non-executive directors, and other senior executives and employees of the Company.

The following are intended to form part of the normal procedures for the Committee's responsibilities:

- reviewing and making recommendations to the Board on:
  - the total level of remuneration of non-executive directors and for individual fees for non-executive directors and the Chair, including any additional fees payable for membership of Board committees;
  - the total remuneration package for the Chief Executive Officer, including short term and long term incentives for the Chief Executive Officer,

having regard to:

- employment market conditions and consultation with specialist remuneration consultants with experience in the healthcare and biotechnology industries; and
- the requirements (from time to time) of corporate governance best practice in Australia and under the UK Combined Code on Corporate Governance.
- reviewing and approving recommendations from the Chief Executive Officer on total levels of remuneration for senior executives reporting to the Chief Executive Officer, including their participation in short and long term incentive schemes;
- reviewing the performance targets for senior executives reporting to the Chief Executive Officer;
- reviewing human resources and remuneration policies and practices for the Company as brought forward by the Chief Executive Officer and where appropriate, recommend for adoption by the Board;
- reviewing management succession planning for the Company in general, but specifically in regard to the Chief Executive Officer and senior executives reporting to the Chief Executive Officer;
- reviewing the appointments and terminations to senior executive positions reporting to the Chief Executive Officer;
- reviewing the Group's obligations on matters such as superannuation and other employment benefits and entitlements.
- reviewing and making recommendations to the Board regarding the appointment of non-executive directors, including attending to the following matters:
  - periodically assessing the appropriate mix of skills, experience and expertise required on the Board and assessing the extent to which the required skills are represented on the Board;
  - establishing processes for the identification of suitable candidates for appointment to the Board, including:
    - establishing criteria for Board membership;
    - engaging appropriate search firms to assist in identifying potential candidates (noting that where remuneration consultants are appointed a statement should be made available as to whether they have any other connection with the Company) ; and
    - where appropriate, nominating appropriate candidates for non-executive directorship;
  - monitoring the length of service of current Board members, considering succession planning issues and identifying the likely order of retirement by rotation of non-executive directors; and
  - establishing processes for the review of the performance of individual non-executive directors, the Board as a whole and the operation of Board committees.
  - facilitating induction and ongoing training and education programs for the Board to ensure that non executive directors are provided with adequate

information regarding the operations of the business, the industry and their legal responsibilities and duties.

## **6 Review**

The Board will, at least once per year, review the membership and charter of the Committee to determine its adequacy for current circumstances. Where necessary the Board, upon the recommendation of the Committee, may by resolution, alter the responsibilities, functions or membership of the Committee. The Committee may also recommend to the Board the formal adoption of the revised charter for future operations of the Committee.