

# CLINUVEL PHARMACEUTICALS LIMITED

## Remuneration Committee Charter

The Board of CLINUVEL PHARMACEUTICALS LIMITED (**the Company**) has established a Remuneration 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 remuneration of the executive directors, non-executive directors, Chief Executive Officer (CEO) and other senior executives and employees of the Company.

The objectives of the Committee include:

- to oversee the selection and appointment practices for senior executives of the Company having regard to the Company's policies on workplace diversity;
- 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

### 2 Membership of the Committee

The Committee comprises 3 members, being 2 independent non-executive directors and the CEO as a third, non-voting member.

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 Chair 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 2 members.

The committee may obtain information from and consult with the CEO or the Chief Financial Officer (CFO), as it considers appropriate. The Company Secretary is responsible for coordinating the completion and despatch of Committee papers where deemed 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 by the Company Secretary 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. If a Committee meeting is held immediately prior to a Board meeting, the minutes to the Committee meeting will be included in the Board papers for the Board meeting subsequent to the immediate Board meeting.

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 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 CEO, including short term and long term incentives for the CEO,
 having regard to:
  - global 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.
- reviewing and approving recommendations from the CEO on total levels of remuneration for senior executives reporting to the CEO, including their participation in short and long term incentive schemes;
- reviewing the performance targets for senior executives reporting to the CEO;

- reviewing human resources and remuneration policies and practices for the Company as brought forward by the CEO and where appropriate, recommend for adoption by the Board based on expertise, experience, merit and performance, and not gender, race ethnicity, age, physical ability or cultural factors;
- reviewing management succession planning for the Company in general, but specifically in regard to the CEO and senior executives reporting to the CEO;
- reviewing the appointments and terminations to senior executive positions reporting to the CEO;
- reviewing the Group’s obligations on matters such as superannuation and other employment benefits and entitlements.
- reviewing and reporting to the Board annually the relative proportion of men and women in the workforce at all levels;

## **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.