



ALEXIUM INTERNATIONAL GROUP LIMITED

ABN: 91 064 820 408

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## NOMINATION AND REMUNERATION COMMITTEE CHARTER

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### 1 Role

This Charter governs the composition, membership, roles and responsibilities of the Nomination and Remuneration Committee (**Committee**) of Alexium International Group Limited (**Company**).

The operation of the Committee is also governed, where applicable, by the Constitution of the Company.

### 2 Composition

The board of directors of the Company (**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 at least three Directors, the majority being independent Non-Executive Directors.
- b. The Committee will be chaired by an independent Director who will be appointed by the Board.
- c. The Board may appoint such additional Non-Executive Directors to the Committee or remove and replace members of the Committee by resolution.

### 3 Purpose

The primary purpose of the Committee is to support and advise the Board in fulfilling its responsibilities to shareholders by:

- a. reviewing the composition of the Board including the appointment and re-election of Directors;
- b. ensuring that effective induction and education procedures exist for new Board appointees and key executives;
- c. ensuring that appropriate procedures exist to assess and review the performance of the chairperson (**Chair**), Non-Executive Directors, senior executives in Board Committees and the Board as a whole;
- d. identifying nominees for directorships and other key executive appointments;
- e. reviewing and approving the executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for shareholders;

- f. ensuring that the executive remuneration policy demonstrates a clear relationship between key executive performance and remuneration;
- g. recommending to the Board the remuneration of executives and Directors, including appropriate superannuation arrangements;
- h. fairly and responsibly rewarding executives having regard to the performance of the Group, the performance of the executive and the prevailing remuneration expectations in the market;
- i. reviewing the Company's recruitment, retention and termination policies and procedures for senior management and ensuring there are plans in place to manage the succession of the Chief Executive Officer and other senior executives;
- j. reviewing and approving the remuneration of direct reports to the Chief Executive Officer/Managing Director, and as appropriate other senior executives; and
- k. reviewing and approving any equity based plans and other incentive schemes.

#### 4 Duties and Responsibilities

##### 4.1 Board Composition, Competencies & Diversity

Reviewing and making recommendations in relation to Board composition, competencies and diversity by:

- a. Periodically assessing the skill set required to discharge competently the Board's duties, having regard to the strategic direction of the Company and assessing the skills currently represented on the Board.
- b. Regularly reviewing and making recommendations to the Board regarding the structure, size and composition (including the mix of skills, knowledge and experience) of the Board and the effectiveness of the Board as a whole.
- c. Developing strategies to address Board diversity.

##### 4.2 Board Succession Plans, Director Induction Programs & Continuing Development

Developing and reviewing Board succession plans, director induction programs and continuing development by:

- a. Giving full consideration to the succession plans of the Board, with the aim of maintaining an appropriate mix of skills, experience, expertise and diversity over time.
- b. Identifying existing directors who are due for re-election by rotation at Annual General Meetings, in accordance with the Constitution of the Company and the ASX Listing Rules.
- c. Developing director induction programs that are undertaken by each new Director and reviewing the effectiveness of the program.
- d. Reviewing and making recommendations in relation to continuing director education programs including briefings on developments in accounting standards.
- e. Making publicly available the Committee's Charter, explaining its role and the authority delegated to it by the Board.

#### 4.3 Performance Evaluation

Ensuring that there is a robust and effective process for evaluating the performance of the Board, the Committees of the Board and individual directors by:

- a. Scheduling at least annually, performance reviews of the individual Directors and formal performance reviews of the Board and its Committees.
- b. Reviewing the time commitment required by non-executive Directors and whether these time commitments are being met.
- c. In relation to any re-appointment of a non-executive director, reviewing the performance of the non-executive Director during their term of office.

#### 4.4 Board Appointments, Re-elections & Terminations

Reviewing and making recommendations in relation to Board appointments, re-elections and terminations by:

- a. Preparing a description of the role and capabilities required for a particular appointment.
- b. Identifying suitable candidates to fill Board vacancies as and when they arise and nominating candidates for the approval of the Board.
- c. Ensuring that, on appointment, all Directors receive a formal letter of appointment, setting out the time commitment and responsibility envisaged in the appointment, including any responsibilities with respect to Board Committees.
- d. Reviewing disclosures, including a statement in the Annual Report detailing the Committee's activities and the process used for appointments.

#### 4.5 Executive Remuneration Policy

- a. Review and approve the Group's recruitment, retention and termination policies and procedures for senior executives to enable the Company to attract and retain executives who can create value for shareholders.
- b. Review the on-going appropriateness and relevance of the executive remuneration policy and other executive benefit programs.
- c. Ensure that remuneration policies fairly and responsibly reward executives having regard to the performance of the Company, the performance of the executive and prevailing remuneration expectations in the market.

#### 4.6 Directors and Senior Management

- a. Consider and make recommendations to the Board on the remuneration for each executive Director (including base pay, incentive payments, equity awards, retirement rights, service contracts) and Non-Executive Directors, having regard to the executive remuneration policy.
- b. Review and approve the proposed remuneration (including incentive awards, equity awards and service contracts) for the direct reports of the Chief Executive Officer/Managing Director. As part of this review the Committee will oversee an annual performance evaluation of the senior executive team. This evaluation is based on specific criteria, including the business performance of the Company and its subsidiaries, whether strategic objectives are being achieved and the development of management and personnel.
- c. Approve changes to the remuneration or contract terms of executive Directors and direct reports to the Chief Executive Officer/Managing Director.
- d. Approve termination payments to executive Directors or direct reports to the Chief Executive Officer/Managing Director. Termination payments to other departing executives should be reported to the Committee at its next meeting.

#### 4.7 Executive Incentive Plans (including Equity Based Plans)

- a. Review and approve the design of any executive incentive plans (Plans).
- b. Review and approve any Plans that may be introduced in the light of legislative, regulatory and market developments.
- c. For each Plan, determine each year whether awards will be made under that Plan.
- d. Review and approve total proposed awards under each Plan.
- e. In addition to considering awards to executive Directors and direct reports to the Chief Executive Officer/Managing Director, review and approve proposed awards under each Plan on an individual basis for executives as required under the rules governing each Plan or as determined by the Committee.
- f. Review, approve and keep under review performance hurdles for each Plan.
- g. Review, manage and disclose the policy (if any) under which participants to a Plan may be permitted (at the discretion of the Company) to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the Plan.

#### 4.8 Other

- a. The Committee shall perform other duties and activities that it or the Board considers appropriate.
- b. A Non-Executive Director should inform the Chair of the Board and the Chair of the Committee before accepting any new appointment as a director of another listed entity, any other material directorship or any other position with a significant time commitment attached.

## 5 Meetings

- a. The Committee will meet at least once per year and additionally as circumstances may require.
- b. Meetings are called by the Secretary as directed by the Board or at the request of the Chair of the Committee.
- c. A quorum shall comprise any two members of the Committee. In the absence of the Committee Chair or appointed delegate, the members shall elect one of their members as Chair.
- d. Where deemed appropriate by the Chair of the Committee, meetings and subsequent approvals may be held or concluded by way of a circular written resolution or a conference call.
- e. Decisions will be based on a majority of votes with the Chair having the casting vote.
- f. The Committee may invite any executive management team members or other individuals, including external third parties, to attend meetings of the Committee, as they consider appropriate.

## 6 Secretary

- a. The Company Secretary or a nominee of the Company Secretary shall be the Secretary of the Committee and shall attend meetings of the Committee as required.
- b. The Secretary will be responsible for keeping the minutes of meeting of the Committee and circulating them to Committee members and to the other members of the Board.
- c. The Secretary shall distribute supporting papers for each meeting of the Committee as far in advance as possible.

## 7 Reliance on Information or Professional or Expert Advice

Each member of the Committee is entitled to seek and to rely on information, or professional or expert advice, to the extent permitted by law, given or prepared by:

- a. an employee of the Group whom the member believes on reasonable grounds to be reliable and competent in relation to the matters concerned;
- b. an independent professional adviser or expert in relation to matters that the member believes on reasonable grounds to be within the person's professional or expert competence; or
- c. another Director or officer of the Group in relation to matters within the Director's or officer's authority.

## 8 Access to Advice

- a. Members of the Committee have rights of access to the books and records of the Company to enable them to discharge their duties as Committee members, except where the Board determines that such access would be adverse to the Company's interests.
- b. The Committee may consult independent experts to assist it in carrying out its duties and responsibilities. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.

## 9 Review of Charter

- a. The Board will conduct an annual review of the Committee, including its composition, to ensure that the Committee has carried out its functions in an effective manner, and will update the Charter as required or as a result of new laws or regulations.
- b. The Charter shall be made available to members on request, to senior management, to the external auditor and to other parties as deemed appropriate and will be posted to the Company's website.

## 10 Reporting

- a. The Committee must report to the Board formally at the next Board meeting following from the last Committee meeting on matters relevant to the Committee's role and responsibilities.
- b. The Committee must brief the Board promptly on all urgent and significant matters.
- c. The Company must disclose the policies and practices regarding the remuneration of Non-Executive Directors, executive Directors and other senior executives in the annual report and as otherwise required by law.