



ALEXIUM INTERNATIONAL GROUP LIMITED  
ABN: 91 064 820 408

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## REMUNERATION POLICY

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The Board and the Remuneration Committee recognise that Alexium International Group Limited (the **Company**) operates in a global environment. To prosper, the Company must be able to attract, motivate and retain Non-Executive Directors and executives of high quality that possess the requisite skills, expertise and experience.

This policy applies to Alexium International Group Limited and its subsidiary companies (collectively referred to as the **Group**).

The key principles that underpin the Company's remuneration policy are:

- a. That rewards reflect the competitive global market in which the Company operates.
- b. That key performance indicators apply to delivering results across the Company and to a significant portion of the total reward.
- c. That rewards to executives be linked to the creation of value to shareholders.
- d. That executives be rewarded for both financial and non-financial performance.
- e. That remuneration arrangements ensure equity between executives and facilitate the deployment of human resources.

Alexium's reward structure combines base salary and short-term and long-term incentive plans including equity-based schemes. The cost and value of components of the remuneration package are considered as a whole and are designed to ensure an appropriate balance between fixed and variable performance-related components, linked to short-term and long-term objectives and to reflect market competitiveness. Details of the policy applied in each component are outlined below.

### 1. BASE SALARY

Base salaries are quantified by reference to the scope and nature of an individual's role, performance and experience.

The Nomination and Remuneration Committee actively seeks market data to benchmark salary levels.

Consideration is given to competitive global remuneration levels.

Salary levels are reviewed on a minimum annual basis and adjusted according to employee performance and market levels.

### 2. INCENTIVE PLANS

#### Share Appreciation Rights Plan (SAR Plan)

The Company's Share Appreciation Rights Plan (**SAR Plan**) was established in 2021 where eligible participants are issued with Share Appreciation Rights (SARs) under the SAR Plan. The current SAR Plan replaces the Company's Performance Rights Plan approved at the 2019 Annual General Meeting.

The objectives of the SAR Plan are to:

- a. attract, motivate and provide incentives to reward key employees.
- b. recognise the abilities, efforts and contributions of employees to the performance and success of the Company.
- c. provide employees with opportunities to acquire or increase their ownership interest in the Company.

The Board, acting in its absolute discretion, may:

- a. offer SARs to any eligible participant from time to time as determined by the Board and in exercising that discretion, may have regard to some or all of the following:
  - (i) the eligible participant's length of service with the Group;
  - (ii) the contribution made by the eligible participant to the Group;
  - (iii) the potential contribution of the eligible participant to the Group; or
  - (iv) any other matter the Board considers relevant; and
- b. impose conditions, including performance-related conditions, on the participant.

#### **Employee Securities Incentive Plan (ESIP)**

The Company has also implemented an Employee Securities Incentive Plan (**ESIP**), which runs alongside the existing SAR Plan. The objective of the ESIP is to attract, motivate and retain key employees and is considered that the future issue of securities under the ESIP will provide the selected employees with the opportunity to participate in the future growth of the Company.

Other incentive plans including partly-paid shares, share purchase loans or other schemes may be utilised to provide longer-term incentives and rewards to executives and directors. Shareholder approval will be obtained in each case as required by law. Participants in equity-based remuneration schemes of Alexium are not permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic consequence of participating in the scheme.

Executives are paid according to market conditions and their own knowledge, skills and experience relative to the market.

In view of the significant contribution of the Non-executive Directors and advancing the interest in the Company by international networking, equity-based incentives (i.e. options, SARs, etc.) may be issued to new Non-executive Directors upon joining the Board. It is not considered that this will significantly affect their independence.

Eligible participants must apply for permission from the Board before entering into transactions which limit the economic risk of participating in an equity-based remuneration arrangement. The Board shall consider whether such transactions are appropriate based on the nature of the transaction and whether they are consistent with the purpose for which the incentive was initially provided.

The Board will continue to review trends in executive remuneration and may change the equity component of incentives to a different form such as other share rights, should the Board consider this appropriate, subject to shareholder approval as may be required.

In implementing the Remuneration Policy, the Board and Remuneration Committee may have regard to the guidelines set out in Schedule "A"

### **3. REVIEW OF THE POLICY**

This policy will be reviewed periodically and updated as required to ensure it continues to operate effectively.

This policy may be amended or replaced from time to time.

### **4. AVAILABILITY OF PUBLIC MATERIALS**

A copy of the Policy will be made publicly available on the Company's website in the corporate governance section at:

<https://www.alexiuminternational.com/investor-relations/>

Approved by the Board of Directors on 16 October 2024.

**SCHEDULE "A"**

Suggested guidelines for:	
Executive Remuneration	Non-Executive Director Remuneration
<p><b>Composition:</b> remuneration packages for executive directors and other senior executives should include an appropriate balance of fixed remuneration and performance-based remuneration.</p>	<p><b>Composition:</b> non-executive directors should be remunerated by way of cash fees, superannuation contributions and non-cash benefits in lieu of fees (such as salary sacrifice into superannuation or equity).</p>
<p><b>Fixed remuneration:</b> should be reasonable and fair, taking into account the entity's obligations at law and labour market conditions, and should be relative to the scale of the entity's business. It should reflect core performance requirements and expectations.</p>	<p><b>Fixed remuneration:</b> levels of fixed remuneration for non-executive directors should reflect the time commitment and responsibilities of the role</p>
<p><b>Performance-based remuneration:</b> should be linked to clearly specified performance targets. These targets should be aligned to the entity's short, medium and longer term performance objectives and should be consistent with its circumstances, purpose, strategic goals, values and risk appetite. Discretion should be retained, where appropriate, to prevent performance-based remuneration rewarding conduct that is contrary to the entity's values or risk appetite.</p>	<p><b>Performance-based remuneration:</b> non-executive directors should not receive performance-based remuneration as it may lead to bias in their decision-making and compromise their objectivity</p>
<p><b>Equity-based remuneration:</b> well-designed equity-based remuneration, including options or share appreciation rights, can be an effective form of remuneration, especially when linked to hurdles that are aligned to the entity's short, medium and longer-term performance objectives. Care needs to be taken in the design of equity-based remuneration schemes, however, to ensure that they do not lead to "short-termism" on the part of senior executives or the taking of undue risks.</p>	<p><b>Equity-based remuneration:</b> it is generally acceptable for non-executive directors to receive securities as part of their remuneration to align their interests with the interests of other security holders. However, non-executive directors generally should not receive options with performance hurdles attached or performance rights as part of their remuneration as it may lead to bias in their decision-making and compromise their objectivity.</p>
<p><b>Termination payments:</b> termination payments, if any, for senior executives should be agreed in advance and the agreement should clearly address what will happen in the case of early termination. There should be no payment for removal for misconduct.</p>	<p><b>Termination payments:</b> non-executive directors should not be provided with termination payments or retirement benefits (other than superannuation or equivalent).</p>