



September 2020

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**Remuneration & People Committee Charter**

**Nanosonics Limited**

**ABN 11 095 076 896**

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## **1. PURPOSE**

The Remuneration & People Committee is appointed by the Board to assist the Board to discharge its responsibilities by:

- Supporting the development of people strategies, practices and culture to drive the Company's business objectives;
- Supporting and advising the Board on the Company's people policies and practices and its remuneration strategy, policy and structure, as well as monitoring their implementation;
- Recommending to the Board a system of performance appraisal for senior executives and the Company as a whole; and
- Recommending to the Board the disclosures on remuneration aspects of the Company's statutory reporting including the Remuneration Report.

## **2. AUTHORITY**

The Board authorises the Committee to:

- Seek any advice and input reasonably required to fulfil its responsibilities including obtaining any information it needs from any employee of the Company; and
- Set the terms of reference and appoint such remuneration or people related consultants or advisors as the Committee considers necessary at the cost of the Company. The consultants or advisors so appointed report directly to the Committee.

## **3. COMPOSITION**

The Committee will be composed of at least 3 members and will be chaired by an independent director.

The Company Secretary will act as the Secretary of the Committee unless otherwise determined by the Committee.

## **4. MEETINGS**

The quorum required for a meeting of the Committee will be 2 members.

The Committee will meet at least twice each year and at such other times as any member of the Committee shall require.

An agenda and meeting papers and appropriate briefing material will be prepared and circulated in advance to each member of the Committee.

All directors are invited to attend the meetings of the Committee. Other persons may attend a meeting of the Committee by invitation only.

The Company Secretary will take minutes of the Committee meetings. Minutes of the Committee meetings will be circulated to all members of the Committee and to the Board at its next meeting.

Other procedural matters regarding meetings of the Committee will be governed by the constitution of the Company, as applicable.

## 5. RESPONSIBILITIES

The responsibilities of the Committee are:

### General

- Keep apprised of the latest developments, policies and trends regarding remuneration issues which affect the markets in which the Company operates;
- Provide advice to the Board on remuneration issues and policies. In advising the Board on remuneration issues and policies, the Committee will have regard to the overriding goal of ensuring that directors and senior executives of the Company are motivated to pursue the long-term growth and success of the Company within an appropriate control framework and that there is a clear relationship between performance and remuneration;
- Identify and retain advisors and consultants in relation to remuneration issues as the Committee considers necessary; and
- Advise the Board on superannuation arrangements for the Company's employees.

### Remuneration of non-executive directors

- Make recommendations to the Board regarding policies for the remuneration of non-executive directors of the Company;
- Advise the Board on the total quantum of remuneration to be paid to all non-executive directors and assisting the Board in communicating the basis for remuneration of directors to shareholders; and
- Advise the Board on the allocation of the non-executive directors' total quantum of remuneration between the non-executive directors (including the Chairman).

### Remuneration of senior executives

- Make any recommendation to the Board with respect to the remuneration of the CEO & President and other senior executives;
- Recommend to the Board the total remuneration package of each KMP executive, including where appropriate, non-cash components, bonuses, incentive schemes and shares or share options taking into account any financial and non-financial risks identified by the Audit & Risk Committee;
- Review the assessment of senior executives' performance and results; and
- Make recommendations to the Board regarding the Company's recruitment, retention and termination policies and procedures for senior executives.

### Incentive schemes for senior executives and other employees

- Make recommendations to the Board in respect of equity based remuneration plans for senior executives and other employees, including the structure and targets for those schemes and any allocations made under them; and
- Request the Board to seek shareholder approval of such policies where appropriate.

### People

- Make recommendations to the Board on people policies and practices to ensure that they support the Company's Values, are fit for purpose, performance-oriented, and enable the Company to attract, develop, retain and motivate employees;
- Oversee the Company's people programs that support the development of a culture of innovation and achievement embedding the Company's purpose, Values and behaviours;
- Make recommendations to the Board on the Company's future talent and succession pipeline and people development processes to ensure growth and sustainability;

- Make recommendations to the Board on executive leadership team appointments, development and succession planning; and
- Make recommendations to the Board on corporate governance processes generally relating to people, including the outcome of activity related to driving the Company culture.

### **Reporting**

- Report regularly to the Board all matters relevant to the Committee's responsibilities as set out in this charter and make appropriate recommendations.

### **Evaluate performance**

- The performance and achievements of the Committee is to be assessed annually by the chair of the Committee.

### **Review of Remuneration & People Committee Charter**

- Review the Remuneration & People Committee charter annually and discuss proposed changes with the Board.