

**JAPARA HEALTHCARE LIMITED**

**ACN 168 631 052**

# **Remuneration and Nomination Committee Charter**

**7 December 2018**

# Remuneration and Nomination Committee Charter

## 1 Membership of the Committee

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The Committee must consist of:

- only non-executive directors;
- a minimum of 3 members;
- a majority of independent directors; and
- an independent director as chair.

The Board may appoint such additional directors to the Committee or remove and replace members of the Committee by resolution. Members may withdraw from membership by written notification to the Board.

Non-committee members, including members of management, may attend all or part of a meeting of the Committee at the invitation of the Committee chair.

The Company Secretary shall attend all Committee meetings as minute secretary.

## 2 Administrative matters

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### 2.1 Approach

The Committee shall have regard to mitigating risk and striking an appropriate balance between the Group's various stakeholders when performing its role and discharging its responsibilities.

### 2.2 Meetings

The Committee will meet as often as the Committee members deem necessary in order to effectively fulfil their role. However, it is intended that the Committee will normally meet tri-annually.

### 2.3 Quorum

The quorum is at least 2 members.

### 2.4 Convening and notice of meeting

Any member may, and the Company Secretary must upon request from any member, convene a meeting of the Committee. Notice will be given to every member of the Committee of every meeting of the Committee at the member's advised address for service of notice (or such other pre-notified interim address where relevant), but there is no minimum notice period and acknowledgement of receipt of notice by all members is not required before the meeting may be validly held.

### 2.5 Chair

In the absence of the Committee chair, the Committee members must elect one of their number as chair for that meeting. The chair has a casting vote.

## **2.6 Access to resources and independent advisers**

The Committee is to have access to adequate internal and external resources. The Committee may seek the advice of the Company's internal and external auditors, lawyers or other independent advisers (including external consultants and specialists) as to any matter pertaining to the powers, role or responsibilities of the Committee, as the Committee may require.

## **2.7 Minutes**

Minutes of meetings of the Committee must be kept by the Company Secretary and, after review by the Committee chair, be circulated to the Board and formally approved at the following Committee meeting. All minutes of the Committee must be entered into a minute book maintained for that purpose and will be open at all times for inspection by any Director.

## **2.8 Reporting**

The Committee chair will provide a brief oral report on any findings or material matters arising out of the Committee meeting, or requiring Board attention or approval at the next Board meeting. All Directors will be permitted, within the Board meeting, to request information of the Committee Chair or members of the Committee.

# **3 Role and responsibilities - nomination**

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The responsibilities of the Committee are as follows:

- (a) Review and recommend to the Board the size and composition of the Board, including review of Board succession plans and the succession of the Chairman and CEO, having regard to the objective that the Board comprise directors with a broad range of skills, expertise and experience from a diverse range of backgrounds, including gender.
- (b) Review and recommend to the Board the criteria for Board membership, including:
  - the necessary and desirable competencies of Board members; and
  - the time expected to be devoted by non-executive directors in relation to the Company's affairs.
- (c) Review and recommend to the Board membership of the Board, including:
  - making recommendations for the re-election of Directors, subject to the principle that a Committee member must not be involved in making recommendations to the Board in respect of themselves; and
  - assisting the Board as required to identify individuals who are qualified to become Board members (including in respect of executive directors), in accordance with the policy outlined in section 4.
- (d) Assist the Board as required in relation to the performance evaluation of the Board, its committees and individual Directors, and in developing and implementing plans for identifying, assessing and enhancing director competencies.
- (e) Review and make recommendations in relation to any corporate governance issues as requested by the Board from time to time.
- (f) Ensure that an effective Director induction process is in place and regularly review its effectiveness.

- (g) On an annual basis,
- review the Company's Diversity Policy including its objective;
  - review the effectiveness of the Company's Diversity Policy by assessing the progress towards the achievement of the measurable objectives and any initiatives aimed at achieving the objectives;
  - review the division of responsibilities and accountability for developing and implementing diversity initiatives across the organisation; and
  - report to the Board on the outcome of its reviews including:
    - the relative proportion of women and men in the workforce at all levels of the organisation; and
    - any recommendations for changes to the measurable objectives, initiatives or the way in which they are developed and implemented.

## 4 Policy, procedure and disclosure of the selection and appointment of new directors

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### 4.1 Policy

Factors to be considered when reviewing a potential candidate for Board appointment include without limitation:

- the skills, experience, expertise and personal qualities that will best complement Board effectiveness;
- the existing composition of the Board, having regard to the factors outlined in the Company's Diversity Policy and the objective of achieving a Board comprising directors from a diverse range of backgrounds;
- the capability of the candidate to devote the necessary time and commitment to the role (this involves a consideration of matters such as other Board or executive appointments); and
- potential conflicts of interest, and independence.

### 4.2 Procedure

- (a) Detailed background information in relation to a potential candidate should be provided to all Directors.
- (b) The identification of potential director candidates may be assisted by the use of external search organisations as appropriate.
- (c) An offer of a Board appointment must be made by the Chairman only after having consulted all Directors, with any recommendations from the Committee having been circulated to all Directors.
- (d) All new Board appointments should be confirmed by letter in the standard format as approved by the Board or the Committee from time to time.

### 4.3 Disclosure

Each year, the Committee will prepare a report for the Board outlining the following details of the Board selection process with a view to including either the report or a summary of the report in the annual Corporate Governance Statement:

- the process by which candidates are identified and selected, including whether external search organisations are used;

- the steps taken to ensure that a diverse range of candidates are considered; and
- the factors taken into account in the selection process, including whether a board skills matrix is used to identify any 'gaps' in the skills and experience of the directors on the Board.

## 5 Role and responsibilities - remuneration

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The responsibilities of the Committee are as follows:

- (a) Review and recommend to the Board arrangements for the executive directors (including the CEO) and senior executives reporting to the CEO, including contract terms, remuneration and participation in the Company's performance incentive plan.
- (b) Review major changes and developments in the Company's remuneration, recruitment, retention and termination policies and procedures for senior management.
- (c) Review major changes and developments in the remuneration policies, superannuation arrangements, personnel practices and industrial relations strategies for the Company
- (d) Review the Company's Remuneration Policy and recommend any amendments for Board consideration;
- (e) Review the senior management performance assessment processes and results as they reflect the capability of management to realise the business strategy.
- (f) Review and recommend to the Board incentive strategy, performance targets and bonus payments for senior executives.
- (g) Review and recommend to the Board major changes and developments to the Company's employee equity incentive plans.
- (h) Recommend to the Board whether offers are to be made under any or all of the Company's employee equity incentive plans in respect of a financial year.
- (i) Monitor relevant areas of risk including periodic review of staff compliance breaches (including consequences) and make any associated recommendations to the Board.
- (j) In respect of the Company's employee equity incentive plans in place from time to time:
  - review and determine for Board approval the performance hurdles applicable to executive directors and senior executives reporting to the CEO;
  - review and recommend to the Board the proposed terms of, and the making of offers to eligible employees of the Company, including determining the eligibility criteria applying in respect of offers, in respect of a financial year;
  - review and recommend to the Board, within the parameters of the plans, amendments to the terms of existing plans;
  - review and recommend to the Board the terms of any trust deed applying in relation to the plans and of any amendment to and execution of any such trust deed; and
  - administer the operation of the plans, including but not limited to determining disputes and resolving questions of fact or interpretation concerning the various plans.

- (k) Review and make recommendations to the Board on remuneration by gender and recommend strategies or changes to address any pay gap.
- (l) Review and recommend to the Board the remuneration arrangements for the non-executive Directors, including fees, travel and other benefits.
- (m) Approving the appointment of remuneration consultants for the purposes of the *Corporations Act 2001* (Cth).
- (n) Be satisfied that the Board and management have available to them sufficient information from numerous sources for informed decision-making regarding remuneration.
- (o) Review and recommend to the Board the remuneration report prepared in accordance with the *Corporations Act 2001* (Cth) for inclusion in the annual directors' report.
- (p) Review and facilitate shareholder and other stakeholder engagement in relation to the Company's remuneration policies and practices.

## 6 Remuneration guidelines

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- (a) In discharging its responsibilities, the Committee must have regard to the following objectives:
  - to ensure the Company's remuneration structures are fair and reasonable and seek to strike a balance between improved performance outcomes, regulatory compliance, shareholder aspirations and consumer and community expectations;
  - to attract and retain skilled executives;
  - to ensure any termination benefits are justified and appropriate.
- (b) In the discharge of the Committee's responsibilities, no executive should be directly involved in setting their own remuneration.
- (c) The Committee must at all times have regard to, and notify the Board as appropriate of, all legal and regulatory requirements, including any shareholder approvals which are necessary to obtain.
- (d) The Committee chair or if they are not available, a Committee member should attend the Annual General Meeting and make themselves available to answer any questions about the Committee's activities and the Company's remuneration arrangements.

## 7 Review

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The Committee will, at least once in each year, review its membership and Charter to determine their adequacy for current circumstances. The Committee may make recommendations to the Board in relation to its membership, role, responsibilities or otherwise.