



**PharmX Technologies Limited**  
**ABN 25 000 091 305**

**Remuneration and Nomination  
Committee Charter**

**Disclosure – Performance  
Evaluation**

# Remuneration and Nomination Committee Charter

## 1. General scope and authority

- 1.1 The Remuneration and Nomination Committee (the **Committee**) is a Committee of the Board of PharmX Technologies Limited (the **Board**). This Charter may be subject to review by the Board at any time.
- 1.2 The Committee's responsibilities apply to PharmX Technologies Limited and its controlled entities (the **Group**).
- 1.3 The Committee is to undertake the functions of the respective nomination and remuneration committees as set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**CGPR**).
- 1.4 The primary purpose of the Committee is to support and advise the Board in fulfilling its responsibilities to shareholders by:
  - 1.4.1 reviewing and approving the executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for shareholders;
  - 1.4.2 ensuring that the executive remuneration policy demonstrates a clear relationship between performance and remuneration;
  - 1.4.3 recommending to the Board the remuneration of executives and Directors;
  - 1.4.4 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;
  - 1.4.5 reviewing the Company's recruitment, retention and termination policies and procedures for senior management;
  - 1.4.6 reviewing and approving the remuneration of direct reports to the Managing Director (or equivalent), and as appropriate other executives;
  - 1.4.7 reviewing and approving any equity-based plans and other incentive schemes;
  - 1.4.8 attracting and retaining a Board that has an appropriate mix of skills and experience to be an effective decision-making body; and

1.4.9 ensuring that the Board is comprised of Directors who contribute to the successful management of the Company and discharge their duties having regard to the law and the highest standards of corporate governance.

1.5 The Committee will have the right to seek any information it considers necessary to fulfil its duties, which includes the right to obtain appropriate external advice at the Company's expense.

## **2. Composition**

2.1 The Committee will comprise at least two non-executive Directors, the majority of whom must be independent, and one of whom will be appointed the Committee Chair.

2.2 The Board may appoint such additional non-executive Directors to the Committee or remove and replace members of the Committee by resolution.

## **3. Company Secretary**

3.1 The Company Secretary will be the Secretary of the Committee (the **Secretary**) and will attend meetings of the Committee as required.

3.2 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.

3.3 The Secretary will distribute supporting papers for each meeting of the Committee as far in advance as possible.

## **4. Meetings**

4.1 The Committee will meet at least once per year and additionally as circumstances may require.

4.2 Meetings will be called by the Secretary as directed by the Board or at the request of the Chair of the Committee.

- 4.3 A quorum will comprise any two independent non-executive Director Committee members. In the absence of the Committee Chair or appointed delegate, the members will elect one of their number as Chair for that meeting.
- 4.4 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.
- 4.5 Decisions will be based on a majority of votes with the Chair having a casting vote.
- 4.6 The Committee may invite any executive or other individuals, including external third parties, to attend meetings of the Committee, as they consider appropriate.

## **5. Access**

- 5.1 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.
- 5.2 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.

## **6. Duties and responsibilities**

In order to fulfil its responsibilities to the Board the Committee will:

### **6.1 Executive Remuneration Policy**

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

## **6.2 Executive Directors and Senior Management**

- 6.2.1 Consider and make recommendations to the Board on the remuneration for each executive and executive Director (including base pay, incentive payments, equity awards, retirement benefits and service contracts).
- 6.2.2 Review and approve the proposed remuneration (including incentive awards, equity awards and service contracts) for the direct reports to the Managing Director (or equivalent). As part of this review the Committee will oversee an annual performance evaluation of the executive team. This evaluation is based on specific criteria, including the business performance of the Group, whether strategic objectives are being achieved and the development of management and personnel.

## **6.3 Executive Incentive Plan**

- 6.3.1 Review and approve the design of any executive incentive plans.

## **6.4 Equity Based Plans**

- 6.4.1 Review and approve any equity-based plans that may be introduced (**Plans**) in the light of legislative, regulatory and market developments.
- 6.4.2 For each Plan, determine each year whether awards will be made under that Plan.
- 6.4.3 Review and approve total proposed awards under each Plan.
- 6.4.4 In addition to considering awards to executives, executive Directors and direct reports to the Managing Director (or equivalent), 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.
- 6.4.5 Review, approve and keep under review performance hurdles for each equity-based plan.

## **6.5 Non-executive Directors**

The Committee will periodically review and consider the structure and balance of the Board and make recommendations regarding appointments, retirements and terms of office of Directors. In particular, the Committee is to:

- 6.5.1 Identify and recommend to the Board candidates for the Board after considering the necessary and desirable competencies of new Board members to ensure the appropriate mix of skills and experience and after

assessment of how the candidates can contribute to the strategic direction of the Company;

- 6.5.2 Approve and review induction procedures for new appointees of the Board to ensure that they can effectively discharge their responsibilities;
- 6.5.3 Assess and consider the time required to be committed by a non-executive Director to properly fulfil their duty to the Company and advise the Board;
- 6.5.4 Consider and recommend to the Board candidates for election or re-election to the Board at each annual shareholders' meeting;
- 6.5.5 Review Directorships in other public companies held by or offered to Directors and senior executives of the Company;
- 6.5.6 Review succession plans for the Board with a view to maintaining an appropriate balance of skills and experience on the Board;
- 6.5.7 Arrange an annual performance evaluation of the Board, its Committee and individual Directors;
- 6.5.8 Make recommendations to the Board on the appropriate size and composition of the Board;
- 6.5.9 Make recommendations to the Board on the terms and conditions of appointment to, and removal and retirement from, the Board; and
- 6.5.10 Make recommendations to the Board on fees payable to the Chairman, Non-executive Directors and Committee members.

## **6.6 Other**

The Committee will perform other duties and activities that it or the Board considers appropriate.

## **7. Approvals**

- 7.1 The Committee must approve the following prior to implementation:
  - 7.1.1 Changes to the remuneration or contract terms of executives, executive Directors and direct reports to the Managing Director (or equivalent).
  - 7.1.2 New equity Plans or amendments to current equity plans or executive cash-based incentive plans.
  - 7.1.3 The total level of awards proposed from equity plans or executive cash-based incentive plans. .
  - 7.1.4 Termination payments to executives, executive Directors or direct reports to the Managing Director (or equivalent). Termination payments to other

departing executives should be reported to the Committee at its next meeting.

## **8. Adoption and amendment**

- 8.1 This Charter was approved by the Board in June 2023 and supercedes any previous version of the Charter.
- 8.2 This Charter may be amended from time to time by resolution of the Board.

## **DISCLOSURE – PERFORMANCE EVALUATION**

The Remuneration and Nomination Committee (Committee) will arrange a performance evaluation of the Board, its Committees and its individual Directors on biennial basis, or following a change of Board Composition. To assist in this process an independent advisor may be used.

The Remuneration and Nomination Committee will conduct an annual review of the role of the Board, assess the performance of the Board over the previous period and examine ways of assisting the Board in performing its duties more effectively.

The review will include:

- (a) comparing the performance of the Board with the requirements of its Charter;
- (b) examination of the Board's interaction with management;
- (c) the nature of information provided to the Board by management; and
- (d) management's performance in assisting the Board to meet its objectives.

A similar review will be conducted for each Committee by the Board with the aim of assessing the performance of each Committee and identifying areas where improvements can be made.

The Remuneration and Nomination Committee will oversee the performance evaluation of the 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.

The Committee will review the Board Skills Matrix on a biennial basis and make recommendations to the Board on any changes they consider necessary to the existing matrix based on the needs of the Company.