

## **AFT PHARMACEUTICALS LIMITED**

### **(AFT Pharmaceuticals)**

#### **Remuneration and Nomination Committee Charter**

The Remuneration and Nominations Committee shall be a committee of the board of AFT Pharmaceuticals (the **Board**).

#### **1. Purpose**

The purpose of the Remuneration and Nominations Committee is to:

- (a) assist the Board in the establishment of remuneration policies and practices for, and in discharging the Board's responsibilities relative to remuneration-setting and review of, the Company's Chief Executive, other senior executives, and directors (both non-executive and executive) remuneration;
- (b) ensure that the Company has a formal and transparent method for the nomination and appointment of directors to the Board; and
- (c) regularly review and, when appropriate, recommend changes to the composition of the Board to ensure that the Company has, and maintains, the right composition of directors to effectively govern and provide guidance to AFT Pharmaceuticals.

#### **2. Duties and responsibilities**

The Remuneration and Nominations Committee does not take actions or make decisions on behalf of the Board. However, the Board has delegated certain functions to the Remuneration and Nominations Committee which it is responsible for, which include:

##### ***Remuneration***

- (a) At least annually review directors' fees and make recommendations to the Board regarding any proposed increases within the total previously approved by shareholders or for consideration by shareholders at the annual meeting.
- (b) Review the structure and terms of any share/option schemes for directors and/or employees (including scheme rules and applicable performance hurdles) and make recommendations to the Board in respect thereof.
- (c) Review and recommend to the Board a policy for the remuneration of the Chief Executive and his/her direct reports (following consideration of their performance for the relevant financial year), including the parameters of any incentive or bonus schemes and payments to be made pursuant to those schemes.
- (d) Approve the terms of the Chief Executive's employment agreement.
- (e) On the recommendation of the Chief Executive, approve the remuneration of his or her direct reports, including the parameters of any incentive or bonus schemes and payments to be made pursuant to those schemes.
- (f) Receive reports from management on the annual remuneration review and incentive schemes and, from time to time, review the Company's remuneration policies and practices.
- (g) Attend to any other matter relating to remuneration issues put to the Committee for consideration by the Board or by management.

### ***Board Appointments and Nominations***

- (h) Periodically consider the composition of the Board and the balance of skills, qualifications, experience and background of Directors on the Board and identify and recommend for the approval of the Board, candidates to fill Board vacancies as and when they arise.
- (i) Consider any nominations received for the election of directors by shareholders (which will include undertaking appropriate background checks) and make appropriate recommendations to the Board.
- (j) Attend to any other matter relating to Board appointment and nomination issues put to the Committee for consideration by the Board.

### ***Senior Executive Appointments***

- (k) Oversee management succession planning for agreed roles in the Company, including the role of the Chief Executive.
- (l) Consider and approve recommendations received from the Chief Executive in relation to the appointment of his/her direct reports.

### ***Diversity***

- (m) Annually monitor and evaluate the Company's performance with respect to its diversity policy.

### ***Other***

- (n) Attend to any other matter put to the Remuneration and Nominations Committee for consideration by the Board and, as appropriate, the management of the Company.

## **3. Membership**

Members of the Remuneration and Nominations Committee shall be appointed by the Board and shall comprise a minimum of three members, a majority of whom are independent directors of AFT Pharmaceuticals.

The Board shall appoint a chairperson for the Remuneration and Nominations Committee from among the members of the Remuneration and Nominations Committee. The chairperson shall be independent.

The appointment and removal of the Remuneration and Nominations Committee members shall be the responsibility of the Board.

AFT Pharmaceuticals shall identify the members of the Remuneration and Nominations Committee each year in its annual report.

## **4. Meetings**

The Remuneration and Nominations Committee shall meet as it deems necessary to properly fulfil its obligations and discharge its duties. The working presumption will be that it will meet at least twice per year having regard to when director and executive remuneration is due for review in terms of the Company's remuneration policies. Any member of the Remuneration and Nominations Committee including the Chief Executive may request a meeting at any time if they consider it necessary.

A quorum of members of the Remuneration and Nominations Committee shall be a majority of its members.

The Remuneration and Nominations Committee may have in attendance such members of management and such other persons including external advisers, as it considers necessary to provide appropriate information and advice.

All directors who are not members of the Remuneration and Nominations Committee and employees shall only be entitled to attend meetings of the Remuneration and Nominations Committee at the invitation of the Remuneration and Nominations Committee.

From time to time the Chairperson of the Remunerations Committee shall be entitled to request that the Remuneration and Nominations Committee meet without the presence of a particular director.

Reasonable notice of meetings and the business to be conducted shall be given to the members of the Remuneration and Nominations Committee and all other attendees of meetings.

Minutes of all meetings shall be kept.

#### **5. Authorities**

The Remuneration and Nominations Committee will make recommendations to the Board on all matters requiring its decision. The Remuneration and Nominations Committee does not have the power or authority to make a decision in the Board's name or on its behalf.

The Remuneration and Nominations Committee is authorised by the Board, at AFT Pharmaceuticals' expense, to obtain such outside legal or other independent information and advice including market surveys and reports, and to consult with such management and executive search consultants and other outside advisers with relevant experience and expertise, as it thinks necessary for carrying out its responsibilities.

The Remuneration and Nominations Committee may delegate any of its responsibilities to the chairperson of the Remuneration and Nominations Committee from time to time and on such conditions as the Remuneration and Nominations Committee considers appropriate.

#### **6. Review of the Remuneration and Nominations Committee**

The Remuneration and Nominations Committee will undertake an annual self-review of its duties and responsibilities. Such duties and responsibilities will also be reviewed (as against the Remuneration and Nominations Committee Charter) by the Board, the Chief Executive Officer and any other person the Board considers appropriate.

#### **7. Reporting Procedures**

After each meeting, the chairperson of the Remuneration and Nominations Committee will report the committee's findings and recommendations to the Board.

The minutes of all Remuneration and Nominations Committee meetings will be circulated to members of the Board. Extracts from the minutes will be made available to such other persons as the Board directs, as may be necessary to enable them to properly carry out their functions.

Last updated: 22 February 2017

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