



**Human Resources and  
Remuneration Charter**

## 1. OVERVIEW

The Board of SUDA PHARMACEUTICALS Limited (“SUDA” or “the Group”) has established a Human Resources and Remuneration Committee (“Committee”).

This Charter sets out the role, responsibilities, composition and structure of the Committee.

It is noted that the Committee is a sub-committee of the Board. The Committee has no decision-making powers except where expressly provided by the Board. The Committee’s role is to review and make recommendations to the Board.

## 2. ROLE

The role of the Committee is to assist the Board in fulfilling its corporate governance responsibilities in regard to remuneration and strategic human resources matters, including:

- a. Establishing and implementing a human resources strategy that is conducive to ensuring that SUDA can attract appropriately talented and trained people to achieve the business strategy;
- b. Ensuring the appropriate performance management, succession planning and talent development activities and programs are implemented; and
- c. Ensuring that SUDA has effective remuneration policies having regard to the creation of value for shareholders and the external remuneration market

## 3. RESPONSIBILITIES AND DUTIES

The Committee will be responsible for:

### 3.1. Strategic Human Resources

The Committee will review strategic human resources practices, including, but not limited to:

- a. Human Resources strategic plan;
- b. Management succession, capability and talent development;
- c. Equal opportunity and diversity; and
- d. Reviewing the recruitment, retention and termination policies for the Key Management Personnel (KMPs), including the key terms and conditions of Employment Contracts entered into between KMP and SUDA

### 3.2. Remuneration Strategy

Reviewing and making recommendations to the Board relating to the overall remuneration strategies, policies and practices of SUDA, including compensation, bonuses, incentive-compensation and, equity-based plans and the process for the measurement and assessment of executive performance.

Considering the outcome of the annual vote on the adoption of the Remuneration Report when reviewing the remuneration practices and policies of the Company.

Ensuring Key Management Personnel (KMP) remuneration packages involve a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to SUDA’s circumstances and goals.

Ensuring there is an appropriate process in place to set robust performance measures and targets that encourage superior executive performance and ethical behaviour.

Reviewing and making recommendations to the Board on at least an annual basis on the effectiveness of the Board Diversity Policy including assessing the Group’s progress towards the achievement of the measurable objectives and any strategies aimed at achieving those objectives, recommending any changes to the measurable objectives, strategies or the way in which they are implemented and reviewing the relative proportion of women to men in the workforce at all levels of the Group.

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### 3.2.1. Remuneration of the Non-executive Directors

Monitoring, reviewing and making recommendations regarding the remuneration and benefits of Non-executive Directors in light of market practice and, as necessary, securing expert advice on market relativities.

### 3.2.2. Remuneration of Executive Directors

Making recommendations to the Board on the terms and conditions of Executive Director employment contracts, or any variation of an Executive Director's employment contract, including fixed annual remuneration, short-term and long-term incentives, equity-based payments, benefits, superannuation and compensation on retirement, termination, resignation, separation by agreement and any other arrangements.

Reviewing, at least annually, the Executive Directors' remuneration arrangements in light of current market benchmarks and expert advice on remuneration levels and, with due consideration to law and corporate governance principles.

Reviewing and making recommendations on the performance objectives and Key Performance Indicators (KPI's) of the Executive Directors and the assessment of the actual performance of the Executive Directors against those objectives.

Agreeing the policy for authorising claims for expenses made by the Chief Executive Officer.

Ensuring any new or varied contract with the Executive Directors is disclosed in accordance with any governance, accounting and legal requirements.

Seeking confirmation that all associated governance, accounting, legal, approval and disclosure requirements in relation to the remuneration of Executive and Non-executive Directors are satisfied in full.

### 3.2.3. Remuneration of KMPs

Reviewing and reporting on the CEO's recommendations;

- i. The CEO will provide the committee with his/her recommendations for review of remuneration of members of the Key Management Personnel when initially employed or appointed to a senior management role, and any variation to such remuneration, including fixed annual remuneration, short-term and long-term incentives, equity-based payments, benefits, pensions, superannuation and compensation on retirement, termination, resignation, separation by agreement and any other arrangements.
- ii. Reviewing the KPI's of the KMPs and the Chief Executive Officer's assessment of the actual performance of the KMPs against those objectives.

### 3.2.4. Equity Plans

Reviewing and recommending all employee equity plans to the Board, ensuring that these are market-competitive and designed to achieve their objectives.

Where Shareholders have approved an equity based remuneration plan, ensuring that payment is made in accordance with thresholds set in that plan.

Exercising all powers, authorities, discretions and decisions relating to SUDA's employee share option and performance rights plans that are delegated to it by the Board.

### 3.2.5. Non-Routine Remuneration Arrangements

Reviewing and recommending any non-routine remuneration arrangements (such as retention bonuses).

### 3.2.6. Termination Payments

The Committee is to review and recommend to the Board any termination payments to Executive Directors and the Chief Executive Officer.

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### 3.2.7. Annual Remuneration Report

Reviewing the annual Remuneration Report to ensure it:

- a) is consistent with the information known to the Committee; and
- b) appropriately reflects the decisions of the Board and the outcomes of those decisions, and recommending the Report to the Board.

Obtaining confirmation that SUDA's remuneration and related disclosures including the Remuneration Report required under Section 300A of the Corporations Act, satisfy the relevant governance, accounting and legal requirements.

### 3.2.8. Annual Group Remuneration

Reviewing the Group's:

- a) Annual overall remuneration budget;
- b) Budgeted annual remuneration review increases; and
- c) Eligibility criteria for Group Incentive Schemes.

### 3.2.9. Engagement of Remuneration Consultants

In consultation with the CEO, approving the engagement of remuneration consultants and receiving advice and recommendations from remuneration consultants in relation to matters impacting the remuneration of KMPs.

## 4. ADMINISTRATIVE MATTERS

### 4.1. Members and Independence

The Committee is appointed by the Board.

The Committee shall consist of:

- a) At least one Non-executive Director;
- b) A minimum of three members; and
- c) The majority of the members of the Committee will be independent, where possible.

The Chairman of the Committee is to be an Independent Non-executive Director and is to be appointed by the Board.

The Company Secretary is to attend all meetings to ensure minutes are taken.

Members of management may attend meetings of the Committee, at the invitation of the Committee Chair, but must not be appointed members of the Committee.

Any Non-executive director of the Board may attend a meeting, by providing reasonable notice to the Committee Chair (on a non-remunerated basis).

The Committee may appoint independent external advisers to assist in the execution of its duties and responsibilities.

In fulfilling its responsibilities, the Committee will:

- a) ensure it has sufficient information for informed decision-making;
- b) ensure it receives regular briefings from an independent remuneration expert on recent developments on remuneration and related matters;
- c) ensure it receives regular reports from management;
- d) obtain data from external remuneration sources periodically to ensure the Company's remuneration practices are in line with market conditions; and
- e) has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party.

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#### 4.2. Meetings

The Committee will meet at least 2 times each year and at such additional times as the Committee Chair or any member of the Committee may request and deem necessary to fulfill their role.

Any Committee member may convene a meeting of the Committee or request the Secretary of the Committee to do so, provided the Chair and Secretary have been given reasonable prior notice.

Where the Chair is absent from a Committee meeting, the members of the Committee present will appoint a Chair for the meeting.

Any Committee member may require business to be included in the agenda, provided the Chair and Secretary have been given reasonable prior notice of that business.

Meetings of the Committee will be conducted in accordance with those provisions of the Company's Constitution which relate to the proceedings of meetings, to the extent not inconsistent with this Charter.

A quorum shall be 2 and must include one Non-executive director.

The Chief Executive Officer, or any other attendee, may not participate in deliberations of the Committee where the matter could affect his or her position or where he or she has a personal interest in the matter.

Committee meetings may be held by telephone or other electronic means.

Reports and other papers of the Committee shall be made available to all directors upon request, provided no conflict of interest exists.

All directors and other attendees at Committee meetings as officers and/or fiduciaries are required to keep all information presented (whether written or oral) or discussed at Committee meetings confidential and only use and disclose this information in the proper discharge of their duties to the Company.

#### 4.3. Minutes

Minutes of meetings of the Committee shall be promptly prepared by the Secretary, approved by the Committee Chair in draft and circulated to all members of the Committee and to the Board.

Minutes of meetings of the Committee shall be confirmed at the next meeting of the Committee and then signed by the Committee Chair.

#### 4.4. Reporting

The Committee Chair will provide a report on the actions of the Committee to the Board at the first meeting of the Board directly following the meeting of the Committee.

The report shall include any material matters arising from the Committee meeting and any recommendations requiring Board approval and/or action.

Copies of Committee papers and reports, together with minutes of each Committee meeting will be circulated to all Board members.

#### 4.5. Annual Review

The Board will conduct an annual review of its performance and effectiveness by reference to this charter and current best practice.

This review process will include a review of the appropriateness of the terms of this Charter for current circumstances.

Where considered necessary, the Committee may propose amendments to the responsibilities, functions or membership of the Committee and recommend to the Board the formal adoption of a revised Charter for future operations of the Committee.

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