

**OSTEOPORE LIMITED**  
**(ACN 630 538 957)**  
**Remuneration and Nomination Committee Charter**

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## **1. Purpose and scope**

The Remuneration and Nomination Committee is a Committee of the Board. The role of the Committee is to assist the Board in monitoring and reviewing any matters of significance affecting the remuneration of the Board and employees of the Company. This Charter defines the Remuneration and Nomination Committee's function, composition, mode of operation, authority and responsibilities.

- (a) The primary purpose of the Committee is to support and advise the Board in fulfilling its responsibilities to shareholders by:
  - (i) in respect of its remuneration role:
    - (A) reviewing and approving the executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for shareholders;
    - (B) ensuring that the executive remuneration policy demonstrates a clear relationship between key executive performance and remuneration;
    - (C) recommending to the Board the remuneration of Directors;
    - (D) fairly and responsibly rewarding executives having regard to the performance of the Company and its subsidiaries (Group), the performance of the executive and the prevailing remuneration expectations in the market without rewarding conduct that is contrary to the Company's values or risk appetite and having regard to the Company's commercial interest in controlling expenses;
    - (E) ensuring incentives for Non-Executive Directors do not conflict with their obligation to bring an independent judgement to matters before the Board;
    - (F) reviewing the Company's recruitment, retention and termination policies and procedures for senior management;
    - (G) reviewing and approving the remuneration of direct reports to the CEO/Executive Chair (or equivalent), and as appropriate other senior executives; and
    - (H) reviewing and approving any equity based plans and other incentive schemes.
  - (ii) in respect of its nomination role:
    - (A) maintaining a Board that has an appropriate mix of skills , knowledge of the Company and the industry in which it operates and experience to be an effective decision-making body; and

- (B) 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.
  - (b) The Committee shall 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.
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## **2. Constitution**

As and when it is required a Remuneration and Nomination Committee will be established by resolution of the Board.

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## **3. Responsibilities**

### **3.1 Chair**

The Remuneration and Nomination Committee shall appoint a Chair of the Committee. The Chair shall be an independent director.

### **3.2 Secretary**

- (a) The Company Secretary shall be the Secretary of the Remuneration and Nomination Committee.
  - (b) 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.
  - (c) The Secretary shall distribute supporting papers for each meeting of the Committee as far in advance as possible.
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## **4. Membership**

- (a) The Remuneration and Nomination Committee shall be appointed by the Board from among the Non-Executive Directors of the Company and shall consist of not less than three members with the majority being independent Directors where possible. The Board may remove and replace members of the Committee by a majority of the Board in office.
- (b) The Board may appoint such additional Non-Executive Directors to the committee or remove and replace members of the committee by resolution.
- (c) Directors will be appointed to the Remuneration and Nomination Committee for a term of three years or such shorter time as they remain in the office of Director. Directors may serve consecutive terms on the Remuneration and Nomination Committee.
- (d) No individual Director or senior executive may be involved in deciding his or her own remuneration, or on any decision where the committee member is deemed to not be in a position to apply independent judgement.

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## 5. Quorum

A quorum shall be two members. In the absence of the Committee Chair or appointed delegate, the members shall elect one of their number as Chair (where possible, the elected Chair must be an independent member).

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## 6. Meeting frequency

- (a) Remuneration and Nomination Committee meetings will be held not less than twice a year to enable the Committee to undertake its role effectively.
  - (b) Meetings are called by the Secretary as directed by the Board or at the request of the Chair of the Committee.
  - (c) 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.
  - (d) Decisions will be based on a majority of votes with the Chair having the casting vote.
  - (e) The Committee may invite any senior executives or other individuals, including external third parties, to attend meetings of the Committee, as they consider appropriate.
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## 7. Authority

- (a) The Remuneration and Nomination Committee is authorised by the Board to investigate any activity within its charter. It is authorised to seek any information it requires from any employee and all employees are directed to cooperate with any request made by the Remuneration and Nomination Committee.
- (b) The Remuneration and Nomination Committee has authority to obtain outside legal or other independent professional advice as necessary to assist the Committee in the proper exercise of its own power and responsibilities, with the cost to be borne by the Company.
- (c) Each member of the Committee will be entitled to rely on information, or professional or expert advice, to the extent permitted by law, given or prepared by:
  - (i) an employee of the Company whom the member believes on reasonable grounds to be reliable and competent in relation to the matters concerned;
  - (ii) a professional advisor or expert in relation to matters that the member believes on reasonable grounds to be within the advisor's or expert's professional or expert competence; or
  - (iii) another Director or officer of the Company in relation to matters within the Director's or officer's authority.

- (d) The Remuneration and Nomination Committee is required to make recommendations to the Board on all matters within the Remuneration and Nomination Committee's charter.

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## 8. Review of Charter

- (a) The Board will conduct an annual review of the membership to ensure that the Committee has carried out its functions in an effective manner and will update this Charter as required or as a result of new laws or regulations.

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## 9. Access

- (a) This Charter shall be made available to members of the Committee on request, to the external auditor and to other parties as deemed appropriate and will be posted to the Company's website.
- (b) 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. Such access shall be provided on a timely basis.
- (c) 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.

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## 10. Reporting procedures

- (a) The Secretary shall circulate the minutes of the meetings of the Remuneration and Nomination Committee to all members of the Committee for comment and change before being signed by the Chair of the Committee and circulated to the Board with the Board papers for the next Board meeting. The minutes are to be tabled at the Board meeting following the Remuneration and Nomination Committee meeting along with any recommendations of the Remuneration and Nomination Committee.
- (b) The Committee must brief the Board promptly on all urgent and significant matters.
- (c) The Company must disclose the policies and practices regarding the nomination of Non-Executive Directors, Executive Directors and other senior executives in, or in conjunction with the annual Corporate Governance Statement and as otherwise required by law.

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## 11. Duties and responsibilities

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

- (a) Executive Remuneration Policy
  - (i) Review and approve the Group's recruitment, retention and termination policies and procedures for senior executives to enable the Company to attract and retain executives and Directors who can create value for shareholders.

- (ii) Review the on-going appropriateness and relevance of the executive remuneration policy and other executive benefit programs.
  - (iii) Ensure that remuneration policies fairly and responsibly reward executives having regard to the performance of the Company, the performance of the executive and prevailing remuneration expectations in the market without rewarding conduct that is contrary to the Company's values or risk appetite and having regard to the Company's commercial interest in controlling expenses.
- (b) Executive Directors and Senior Management
  - (i) Consider and make recommendations to the Board on the remuneration for each executive Director (including base pay, incentive payments, equity awards, retirement rights, service contracts) having regard to the executive remuneration policy.
  - (ii) Review and approve the proposed remuneration (including incentive awards, equity awards and service contracts) for the direct reports of the CEO/Executive Chair (or equivalent). As part of this review the Committee will oversee an annual performance evaluation of the executive personnel. 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.
  - (iii) Approve changes to the remuneration or contract terms of Executive personnel. and direct reports to the CEO/Executive Chair (or equivalent).
  - (iv) Approve termination payments to Executive Directors or direct reports to the CEO/Executive Chair (or equivalent). Termination payments to other departing executives should be reported to the committee at its next meeting.
- (c) Executive Incentive Plan
  - (i) Review and approve the design of any executive incentive plans.
  - (ii) Ensuring incentives for Non-Executive Directors do not conflict with their obligation to bring an independent judgement to matters before the Board.
- (d) Equity Based Plans
  - (i) Review and approve any equity based plans that may be introduced (**Plans**) in the light of legislative, regulatory and market developments.
  - (ii) For each Plan, determine each year whether awards will be made under that Plan.
  - (iii) Review and approve total proposed awards under each Plan, including:
    - (A) amendments to current equity plans or executive cash-based incentive plan; and

- (B) total level of awards proposed from equity plans or executive cash-based incentive plans.
  - (iv) In addition to considering awards to executive Directors and direct reports to the CEO/Executive Chair (or equivalent), review and approve proposed awards under each Plan on an individual basis for other executives and non-executives as required under the rules governing each Plan or as determined by the Committee.
  - (v) Review, approve and keep under review performance hurdles for each equity based Plan.
  - (vi) Review, manage and disclose the policy (if any) under which participants to a Plan may be permitted (at the discretion of the Company) to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the Plan.
- (e) Nomination

The Committee shall 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:

- (i) identify and recommend to the Board candidates for the Board after:
  - (A) considering the necessary and desirable competencies of new Board members to ensure the appropriate mix of skills and experience;
  - (B) assessing how the candidates can contribute to the strategic direction of the Company; and
  - (C) undertaking appropriate checks before appointing a Director or senior executive or putting forward to security holders a candidate for election, as a Director, including checks as to the candidate's character, experience, education, criminal record and bankruptcy history (as appropriate);
- (ii) approve and review induction procedures for new appointees of the Board to ensure that they can effectively discharge their responsibilities;
- (iii) 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.
- (iv) consider and recommend to the Board candidates for election or re-election to the Board at each annual shareholders' meeting;
- (v) review Directorships in other public companies held by or offered to Directors and senior executives of the Company;
- (vi) review succession plans for the Board with a view to maintaining an appropriate balance of skills and experience on the Board;

- (vii) arrange an annual performance evaluation of the Board, its Committee, individual Directors and other senior executives as appropriate. Such a review will include a consideration of the currency of each Director's knowledge and skills and whether the Director's performance has been impacted by any other commitments;
  - (viii) make recommendations to the Board on the appropriate size and composition of the Board; and
  - (ix) make recommendations to the Board on the terms and conditions of appointment to, and removal and retirement from, the Board.
- (f) Ensure that all material information relevant to a decision on whether or not to elect or re-elect a Director will be provided to security holders in the Notice of Meeting containing the resolution to elect or re-elect a Director, including:
- (i) Biographical details (including relevant qualifications and experience and skills);
  - (ii) Details of any other material directorships currently held by the candidate;
  - (iii) Where standing as a Director for the first time, confirmation that the Company has conducted appropriate checks into the candidate's background and experience and any material adverse information revealed by those checks, details of any interest, position or relationship that might materially influence their capacity to be independent and act in the best interests of the Company as a whole rather than in the interests of an individual shareholder or other party, and a statement whether the Board considers the candidate is considered to be independent;
  - (iv) Where standing for re-election as a Director, the term of office served by the Director and a statement whether the Board considers the candidate is considered to be independent; and
  - (v) A statement by the Board whether it supports the election or re-election of the candidate and a summary of the reasons why.
- (g) Ensure that each Director and senior executive is personally a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment. For these purposes, a senior executive is a member of key management personnel (as defined in the *Corporations Act 2001* (Cth)), other than a Director. Where the Company engages a bona fide professional services firm to provide a Chief Financial Officer, Company Secretary or other senior executive on an outsourced basis, the agreement may be between the entity and the professional services firm.
- (h) Ensure that Directors or senior executives who are provisionally appointed give an unequivocal undertaking to resign should the Company receive an outstanding check that it considers unsatisfactory.
- (i) Prepare and maintain a Board skills matrix setting out the measurable mix of skills and diversity that the Board currently has (or is looking to achieve) to ensure the Board has the skills to discharge its obligations effectively and to add value and ensure the Board has the ability to deal with new and emerging

business and governance issues. The Company must disclose this matrix in, or in conjunction with, its annual Corporate Governance Statement.

- (j) Approve and review induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities.
- (k) Assess and consider the time required to be committed by a Non-Executive Director to properly fulfill their duty to the Company and advise the Board.
- (l) Other

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

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## 12. Associated Documents

- (a) ASX Listing Rules publicly available on the ASX website, which may change from time to time.
  - (b) ASX Corporate Governance Principles and Recommendations (4<sup>th</sup> Edition).
  - (c) Conflict of Interest policy.
  - (d) Corporate governance statement (from time to time).
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