



## Charter

### People and Remuneration Committee Charter

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Integral Diagnostics Limited ACN

130 832 816

Adopted by the board on 1 October 2015

Amended 8 December 2016

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## 1 Introduction

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This Charter sets out the objectives, authority, operational mechanics and responsibilities of the People and Remuneration Committee (the Committee) which is a committee of Board of Directors of Integral Diagnostics Limited (the Company).

The primary purpose of the Committee is to assist the Board in fulfilling its responsibilities relating to remuneration issues and its people including upholding our values, ensuring that everyone counts - that we work safely and inclusively and respect each other.

## 2 Membership of the Committee

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The Committee should consist of:

- (a) only non-executive directors;
- (b) a minimum of 3 members;
- (c) a majority of independent directors; and
- (d) an independent director as chair.

The Board may appoint 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, or his or her delegate, must attend all Committee meetings as minute secretary.

## 3 Role and responsibilities - People

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The responsibilities of the Committee are as follows:

- (a) Review the senior management performance assessment processes and results as they reflect the capability of management to realise the business strategy.
- (b) On an annual basis, review the effectiveness of the Diversity Policy by:
  - i) assessing the Company's progress towards the achievement of the measurable objectives and any strategies aimed at achieving the objectives; and
  - ii) recommending any changes to the measurable objectives, strategies or the way in which they are implemented.
- (c) In accordance with the Diversity Policy, on an annual basis, review the relative proportion of women and men on the Board, in senior management positions and in the workforce at all levels of the Group, and submit a report to the Board, which outlines the Committee's findings or, if applicable, provide the Board with the Company's most recent indicators as required by the Workplace Gender Equality Act 2012 (Cth).
- (d) Review major changes and developments in the personnel practices and industrial relations strategies for the Group.

- (e) Review of succession plans in place for the CEO and executives reporting to the CEO and advise and make recommendations to the Board on the succession planning process.
- (f) Review and make recommendations in relation to any people related corporate governance issues as requested by the Board from time to time.
- (g) Review and monitor the Board Minimum Shareholding Policy

## 4 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 the executives reporting to the CEO, including contract terms, annual remuneration and participation in any of the Company's short and long term incentive plans.
- (b) Review and recommend to the Board remuneration arrangements for senior management including contract terms, annual remuneration and participation in any of the Company's short and long term incentive plans.
- (c) Review and recommend to the Board major changes and developments in the Company's remuneration, recruitment, retention and termination policies and procedures for senior management.
- (d) Review and recommend to the Board major changes and developments in the remuneration policies and superannuation arrangements for the Group.
- (e) To approve radiologist remuneration policy, in line with the Delegations of Authority.
- (f) Review and recommend to the Board short term incentive strategy, performance targets and bonus payments for the CEO and the executives that report to the CEO.
- (g) Review and recommend to the Board major changes and developments to the Company's employee equity incentive plans.
- (h) Review and 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) In respect of the Company's employee equity incentive plans in place from time to time:
  - i) review and determine the performance hurdles applicable to the executive directors, the executives reporting to the CEO and senior management;
  - ii) review and approve the proposed terms of, and authorise the making of, offers to eligible employees of the Group, including determining the eligibility criteria applying in respect of an offer, in respect of a financial year;
  - iii) review and approve, within the parameters of the plans, amendments to the terms of existing plans;
  - iv) review and approve the terms of any trust deed applying in relation to the plans and of any amendment to any such trust deed, including authorising the execution of any such trust deed or amending deed on behalf of the Group; and
  - v) administer the operation of the plans, including but not limited to

determining disputes and resolving questions of fact or interpretation concerning the various plans.

- (j) Review and make recommendations to the Board on remuneration by gender.
- (k) Review and recommend to the Board the remuneration arrangements for the Chairman and the non-executive directors of the Board, including fees, travel and other benefits.
- (l) Approve the appointment of remuneration consultants, when required, for the purposes of the Corporations Act 2001 (Cth).
- (m) Take appropriate action to ensure that the Committee, the Board and management have available to them sufficient information and external advice to ensure informed decision-making regarding remuneration.
- (n) 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.
- (o) Review and facilitate shareholder and other stakeholder engagement in relation to the Company's remuneration policies and practices.

## 5 Remuneration policy

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- (a) In discharging its responsibilities, the Committee must have regard to the following policy objectives:
  - i) to ensure the Company's remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders and having regard to relevant Company policies;
  - ii) to attract and retain skilled executives;
  - iii) the reputational and social implications of the Company's Remuneration Policies.
  - iv) to structure short and long term incentives that are challenging and linked to the creation of sustainable shareholder returns;
  - v) to ensure that remuneration is set to encourage behaviour that is consistent with the Company's values and risk appetite; and
  - vi) 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 determining 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 from shareholders about the Committee's activities or, if appropriate, the Company's remuneration arrangements.

## 6 Review

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The Board will, at least once in each year, review the membership and charter of the

Committee to determine its adequacy for current circumstances and the Committee may make recommendations to the Board in relation to the Committee's membership, responsibilities, functions or otherwise.

## **7 Administrative matters**

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### **7.1 Meetings**

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

### **7.2 Quorum**

The quorum is at least 2 members.

### **7.3 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. However, 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.

### **7.4 Rights of access and authority**

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

### **7.5 Minutes**

Minutes of meetings of the Committee must be kept by the Company Secretary (or his or her delegate) and, after approval by the Committee chair, be presented at the next Board meeting.

### **7.6 Reporting**

It is intended that a copy of the minutes of the Committee meeting will be included in the Board papers for the Board meeting next following a meeting of the Committee.

The Committee chair will, if requested, provide a brief oral report as to any material matters arising out of the Committee meeting. All directors may, within the Board meeting, request information of members of the Committee.