

# Tissue Repair Ltd

## Remuneration and Nominations Committee Charter

### 1. Role

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The Remuneration and Nominations Committee (**Committee**) is a sub-committee of the board of directors (**Board**) of Tissue Repair Ltd (**Tissue Repair**). The Committee's role is to assist the Board in relation to:

- determining Board and committee size and composition;
- director candidate selection, appointment, election and re-election;
- selection and appointment of the Chief Executive Officer (if any);
- director induction and continuing professional development;
- evaluating the performance of the Board, its committees and individual directors;
- succession planning for the Board (in particular the chair of the Board) and any Chief Executive Officer;
- assisting the Board in overseeing Tissue Repair's human resources policies and activities;
- overseeing Tissue Repair's strategies and policies relating to organisational structure, culture, diversity targets, employee performance and development, succession planning, growth, and remuneration.

The Board has agreed to delegate certain of its activities to the Committee but its decision-making responsibilities have not been delegated i.e. the Committee does not take decisions, but makes recommendations to the Board for decision and implementation, unless specifically determined otherwise by the Board.

#### **Committee membership**

The Board will appoint and remove the members of the Committee. All members must be non-executive directors and a majority of the non-executive directors must be independent.

The members of the Committee are currently the non-executive members of the Board, all of whom are independent. Executive directors of Tissue Repair may be invited to the Committee as observers. Cessation as a director of the Board will automatically terminate appointment as a member of the Committee.

The independence of directors for the purposes of membership of the Committee will be assessed by the Board in accordance with the independence criteria set out in Tissue Repair's Board Charter.

Directors will be appointed to the Committee for such term as the Board determines. The Board may appoint one member of senior executive management to be a member of the Committee if they deem that their expertise is crucial in adding value of the Committee, or invite such a member to attend meetings *ex officio*.

One member of the Committee, who will be an independent non-executive director, is to be appointed by the Board as the chair of the Committee (the **Committee Chair**).

The company secretary will act as the secretary of the Committee.

## **2. Committee meetings – procedural requirements**

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### **2.1. Frequency**

- The Committee is to meet as considered necessary, at least once per year, to properly fulfil its obligations and discharge its duties.
- The number of times the Committee meets during a year and individual attendances of the members at those meetings will be included in the annual reports provided to shareholders.

### **2.2. Invitees**

- All Tissue Repair directors have a standing invitation to attend Committee meetings. Members of management may be invited to attend any Committee meeting, as the Committee considers necessary.
- Any member of the Committee may, with the Committee Chair's prior approval, invite any non-member to attend and participate in a meeting of the Committee. Any such invitee will not have any vote.

### **2.3. Quorum**

- A quorum may be formed by two Committee members, unless otherwise stipulated by the Board, although all members are expected to attend (either in person or by conference call or similar means) and participate.

### **2.4. Method and materials**

- Committee papers and minutes of Committee meetings will be prepared by the company secretary, in association with the Committee Chair. Minutes should be prepared as soon as practicable following a meeting and will be distributed to the Committee members for approval and to all other Board members. A report on matters addressed by the Committee will be provided at the next Board meeting.
- If the Committee Chair is absent from a meeting and no acting Committee Chair has been appointed, the members present may choose one of them to act as Committee Chair for that meeting.
- Committee meetings may be held or participated in by conference call or similar means, and decisions may also be made in writing by circular or written resolution.
- Tissue Repair's company secretary will attend all Committee meetings and provide any assistance required by the Committee Chair in relation to preparation of the agenda, minutes or papers for the Committee.

### **2.5. Voting**

- Each member of the Committee has one vote.
- The Committee Chair does not have a casting vote. If there is a tied vote, the motion will lapse.
- A member must not be present for discussions at a Committee meeting on, or vote on a matter regarding, their own election, re-election, removal, remuneration or a specific remuneration policy that affects them. In addition, any executive director who may be a member of the Committee should not be involved in setting the remuneration of other executives, but nothing will stop that executive director from being able to recommend to the Committee for consideration the level of remuneration for other executives. A member who is a

non-executive director may be present and vote in relation to the remuneration of all non-executive directors.

- The Committee may ask any person to withdraw from any part of any meeting where his or her performance is being discussed, or where there is an actual or potential conflict of interest.

## **2.6. Other**

- Following each Committee meeting, the Committee Chair will report to the Board Chair on any matter that should be brought to the Board's attention and on any Committee recommendation that requires approval or action by the Board. All recommendations on Board decisions are subject to Board approval.

## **3. Duties and responsibilities**

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Unless determined otherwise by the Board, the Committee will undertake the following duties and responsibilities:

### **3.1. Nominations**

- make recommendations to the Board regarding the Chief Executive Officer's appointment, the appointment's initial terms, and, if necessary, termination of the Chief Executive Officer;
- maintain and disclose a board skills matrix and on a regular basis, review and make recommendations to the Board as to the size and composition of the Board and its committees, taking into account the appropriate mix of skills, knowledge, experience, diversity and independence that the Board and its committees are seeking to achieve, and the time commitment required from non-executive directors;
- oversee the search for and selection of new director candidates for Board nomination for appointment, including:
  - reviewing the description of the role and expertise required;
  - identifying and assessing proposed director candidates with the skills, knowledge, experience, diversity, independence and time commitment sought; and
  - ensuring character and background checks of proposed director candidates have been undertaken;
- monitor that police checks, solvency and banned director searches in relation to all prospective directors or senior executives are undertaken;
- make appropriate inquiries into the experience and qualifications of prospective directors and senior executives;
- recommend to the Board the nomination of director candidates for election or re-election by shareholders, and the removal of any director (subject to Tissue Repair's constitution, the ASX Listing Rules and any applicable laws);
- monitor that shareholders are provided with all material information in Tissue Repair's possession relevant to a decision on whether or not to elect or re-elect a director, including biographical details, other directorships held, a Board statement of support and reasoning, and for new directors, confirmation and detail of appropriate background checks, conflicts of interest and level of independence, and for re-elected directors, current term of office and level of independence;

- oversee the establishment and maintenance of an appropriate induction program to enable new directors to gain an understanding of Tissue Repair, its operations and values, its financial, strategic and risk management position, and the rights, duties and responsibilities of the Board, its committees and senior executive management team;
- monitor that all directors have access to professional development at Tissue Repair's expense to the extent the Committee considers it necessary and appropriate;
- develop, disclose and implement a process to review and evaluate the performance of the Board and its sub-committees; and
- develop succession plans for the Board, to maintain an appropriate mix of skills, knowledge, experience, independence and diversity, and oversee the ongoing process of succession planning for the role of the chair of the Board and any Chief Executive Officer.

### **3.2. People and culture**

- Where appropriate, make recommendations to the Board regarding the appointment of the Chief Executive Officer, setting the terms of that employment and, where necessary, terminating that employment, as well as remuneration and changes to remuneration for the Chief Executive Officer;
- develop, disclose and implement a process to review and evaluate the performance of Tissue Repair's Chief Executive Officer and other members of the senior executive management team;
- annually review and evaluate the Chief Executive Officer's performance against key performance objectives, and review the performance objectives for the Chief Executive Officer for the following year;
- monitor that appropriate character and background checks for any new Chief Executive Officer and other senior executives are undertaken prior to the appointment of the Chief Executive Officer or other senior executives;
- oversee management succession planning for key roles within Tissue Repair;
- oversee Tissue Repair's recruitment, retention, performance management, and termination policies.

### **3.3. Remuneration**

- review Tissue Repair's remuneration strategy, structure, and policy;
- where appropriate, seek advice and recommendations from external consultants on a regular basis (as recommended in ASIC's good governance principles) to ensure that Tissue Repair's remuneration practices are properly positioned relative to the market;
- adopt, maintain and vary from time to time, Tissue Repair's remuneration framework for executive and non-executive directors;
- annually review non-executive directors' remuneration and recommend any suggested changes to the Board where necessary to ensure that Tissue Repair continues to attract and retain high quality directors;
- make recommendations to the Board on the process by which directors' fees from the pool that has been approved by shareholders is allocated to directors;

- annually review remuneration for Tissue Repair's senior executive management team to ensure that Tissue Repair continues to attract, retain and motivate high quality senior executives and align the interests of senior executives with the creation of value for security holders;
- review for recommendation to the Board the proposed remuneration for new members of Tissue Repair's senior executive management team or any changes in the remuneration of each of the members of the senior executive management team;
- ensure that Tissue Repair's remuneration of its senior executives and non-executive directors complies with Tissue Repair's remuneration framework (as adopted and varied from time to time);
- make recommendations to the Board regarding short and long-term incentive plans, including implementation and amendments to such plans, and other material employee benefits;
- make recommendations to the Board regarding the superannuation arrangements for directors, senior executives, and other employees;
- make recommendations to the Board regarding annual remuneration budgets;
- make recommendations to the Board on whether there is any actual or potential gender bias or other inappropriate bias in remuneration for directors, senior executives or other employees; and
- ensure appropriate disclosure of Tissue Repair's policies and practices regarding the remuneration of non-executive directors, and remuneration of executive directors and other senior executives on an ongoing basis in a remuneration report forming part of the annual reports provided to investors.

#### **3.4. Diversity and Inclusion**

The Committee actively recognises and promotes the importance of diversity in the workplace and does so with reference to Tissue Repair's Diversity and Inclusion Policy. The Committee is responsible for:

- making recommendations to the Board about the measurable objectives to be set by the Board under the Diversity and Inclusion Policy for achieving diversity;
- annually assessing the effectiveness of the Diversity and Inclusion Policy, the measurable objectives set for achieving gender diversity, the progress towards achieving them and making recommendations to the Board in respect of those assessments; and
- annually reviewing and reporting to the Board on (amongst other indicators) the relative proportion of women and men making up Tissue Repair's workforce, at all levels of the business.

#### **3.5. Other**

The Board may determine that the Committee undertakes other duties and responsibilities from time to time.

## **4. Power and authority**

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The Committee will not make major decisions on behalf of the Board. The Committee's primary role is to make recommendations to the Board for the Board's consideration and approval. In fulfilling its role the Committee may:

- retain, terminate and consult with outside or other independent external advisers (including any external accounting, legal, tax or other professional advisers, consultants or specialists, as it may consider necessary or desirable to fulfil its objectives, acting reasonably) at Tissue Repair's expense provide that the expense is first reviewed by the Committee and approved by the Committee Chair;
- access any internal resources it may consider necessary or desirable to fulfil its objectives;
- secure at Committee meetings the attendance of external persons with relevant experience;
- delegate any of its responsibilities to the Committee Chair on any occasions the Committee considers appropriate;
- investigate any activity within the Committee's responsibilities under the terms of this Charter;
- communicate with any Tissue Repair employee to seek any information required for the Committee or the Committee member (as applicable) to carry out its role; and
- deal with matters requiring a decision by way of written resolution. A written resolution will be deemed to have been passed once a majority of members eligible to vote have signed it and will be effective the date the last member constituting the majority signs. That written resolution is as valid and effective as if it had been passed at a meeting of the Committee duly convened and held.

## **5. Reliance on information provided by or to the Committee**

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### **5.1. Reliance upon advice and information provided by senior executives to the Committee**

As Committee members may not be employees of Tissue Repair, Committee members are entitled to rely on Tissue Repair's senior executives as to matters within their responsibility and on external professionals as to matters within their area of expertise. Committee members may assume the accuracy of information provided by those persons, so long as the Committee member is not aware of any reasonable grounds upon which that reliance or assumption may be inappropriate.

### **5.2. Reliance upon advice and information provided by the Committee to the Board**

The Board may rely upon information provided by the Committee and its members in relation to matters within the Committee's responsibility under the terms of this Charter, provided it has evaluated the information and is not aware of any reasonable basis upon which to question its accuracy.

## **6. Review of Charter**

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This Nominations and Remuneration Committee Charter and the Committee's performance against this Charter will be reviewed at least every two years and may be updated from time to time as and when determined by the Board.