



---

## **Nomination and Remuneration Committee Charter**

**Paragon Care Limited**

**ACN 064 551 426**

---

---

## 1. Introduction

- 1.1 The Nomination and Remuneration Committee (**Committee**) is a committee of the Board of Directors (**Board**) of Paragon Care Limited (**Company**).
- 1.2 The Board established the Committee under the Company's Constitution.
- 1.3 This Charter sets out the scope of the Committee's responsibilities in relation to the Company and its controlled entities (**Group**).
- 

## 2. Objectives

- 2.1 The main objectives of the Committee are to assist the Board fulfil its obligations to:
- a) review and advise the Board on the composition of the Board and its committees and seek to ensure that their composition reflects appropriate skills, expertise and diversity;
  - b) reviewing the performance of the Board and its committees, the chair of the Board (**Board Chair**), the executive and non-executive directors, and other individual members of the Board;
  - c) assisting the Board in fulfilling its responsibilities to stakeholders on remuneration activities by overseeing the development of the Board's remuneration policy and the remuneration of senior executives, non-executive Directors and Directors;
  - d) ensuring that proper succession plans are in place for consideration by the Board; and
  - e) comply with all relevant legislation and regulations including the ASX Listing Rules and Corporations Act.
- 

## 3. Committee Membership

### 3.1 *Structure*

The Board will strive to adhere to the following composition requirements for the Committee where at all possible. However, the Board acknowledges that the composition of the Board may not allow adherence to the following composition requirements from time to time.

- a) The Committee shall comprise a majority of Non-Executive independent Directors.
- b) The Committee shall comprise at a minimum three members.
- c) The Committee will be chaired by an independent Director who will be appointed by the Board.
- d) The Board may appoint such additional Non-Executive Directors to the Committee or remove and replace members of the Committee by resolution.

### 3.2 *Expertise*

At least one member of the Committee must have an understanding of remuneration policies and practices.

### 3.3 *Company Secretary*

The Company Secretary must attend all Committee meetings and will act as Secretary to the Committee, unless otherwise determined by the Committee.

---

## **4. Proceedings**

- 4.1 The Committee will meet as often as it considers necessary but at a minimum twice per annum. Any member may call a meeting of the Committee.
  - 4.2 The quorum for a Committee meeting is two Committee members.
  - 4.3 The Committee may invite anyone it considers appropriate to attend Committee meetings.
  - 4.4 Committee meetings may be held by any technological means allowing its members to participate in discussions even if all of them are not physically present in the same place.
  - 4.5 The dates, times and venues of each meeting of the Committee will be notified by the Secretary to all members of the Committee as far in advance as possible.
  - 4.6 Supporting papers for each meeting of the Committee will be distributed by the Secretary to all members of the Committee as far in advance as possible to the meeting.
  - 4.7 A member of the Committee will not participate in the review of their own performance.
  - 4.8 A member must not be present for discussions at a Committee meeting on, or vote on a matter regarding, his or her election, re-election, or removal.
  - 4.9 A member of the Committee must not be present for discussions on, or vote in a matter regarding, his or her own remuneration or a specific remuneration policy that affects him or her. However, a member who is a non-executive director may be present and vote in relation to the remuneration of non-executive directors.
  - 4.10 Proceedings of the Committee will be governed by the provisions of the Constitution, in so far as they may be applicable.
- 

## **5. Chair**

- 5.1 In the absence of the Chair, the remaining members will elect one of their number as Chair of the meeting.
  - 5.2 The Chair of the Committee has a casting vote.
- 

## **6. Minutes**

- 6.1 The Secretary will be responsible for keeping the minutes of its meetings and circulating them to the Chair of the Committee for review, the other Committee members, the other members of the Board and other Committee meeting attendees as appropriate.
- 6.2 Minutes of meetings of the Committee, will be distributed to members as soon as practicable following the meeting and tabled for approval at the next Committee and presented at the next Board meeting.
- 6.3 Minutes, agenda and supporting papers are available to Directors upon request to the Secretary, except if a conflict of interest exists.

---

## **7. Authority**

### **7.1 Access**

The Committee has unrestricted access to senior management, all employees and all Company records and to financial and legal advisers.

### **7.2 Independent Advice**

The Committee or any member of the Committee is authorised to obtain (at the cost of the Company) outside legal or other independent professional advice, and to secure the attendance of such advisers if it is considered necessary for the proper performance of the Committee's functions under this Charter. The member should first contact the Chair of the Committee (or if the Chair, the Secretary) for approval prior to proceeding with procuring that professional advice.

---

## **8. Duties and Responsibilities – Nomination**

Without limiting its role, the specific duties and responsibilities of the Committee include the following:

- (a) periodically assess both the skills desired and required to discharge the Board's duties, having regard to the strategic direction of the Company;
- (b) develop a process for evaluating the performance of the Board, its committees, the Board Chair, the executive and non-executive directors, and the other individual members of the Board.
- (c) critically review the skills, performance, and effectiveness of the Board, its committees, the Board Chair, the executive and non-executive directors, and the other individual members of the Board;
- (d) establish criteria for Board membership;
- (e) review the size and composition of the Board;
- (f) review the time commitment required from non-executive directors and whether existing non-executive directors are meeting that requirement;
- (g) establish with each candidate for a non-executive directorship their commitments outside the Company and the time involved with each, and obtain from each a written statement confirming they are able to dedicate sufficient time to the position;
- (h) develop and review disclosure about a formal and transparent process for selection, appointment and re-appointment of directors, including criteria for selection of candidates, steps taken to ensure a diverse range of candidates are selected and how any gaps in the skill or experience of the board are identified;
- (i) evaluate and propose candidates for directorships to the Board having regard to the desired composition of the Board as stated in the Company's Board Charter and Diversity Policy, as well as the particular skills, experience, expertise and diversity that will best increase the effectiveness of the Board having regard to the competencies held by existing directors;

- (j) undertake appropriate checks before appointing the person or putting the person forward to shareholders as a candidate for election as a director. These checks will include the candidate's character, experience, education, criminal record and bankruptcy history;
- (k) inform the Board of the names of directors who are retiring in accordance with the provisions of the Constitution or as required by the ASX Listing Rules and make recommendations to the Board as to whether the Board should support the re-nomination of that retiring director. In order to make these recommendations, the Committee will review the retiring director's performance during the period in which the director has been a member of the Board;
- (l) propose measurable objectives to assist the Company to achieve gender diversity for adoption by the Board, annually review the Company's progress in meeting each objective and report to the Board on the effectiveness of the objectives and the Company's progress;
- (m) establish and facilitate an induction program for new directors with all such information and advice which may be considered necessary or desirable for the director to commence their appointment to the Board;
- (n) require non-executive directors to inform both the Board Chair and the Chair of the Committee (**Committee Chair**) before accepting any new directorships;
- (o) identify any specific responsibilities of individual Board members, including the Board Chair;
- (p) provide to directors continuing education for the purpose of updating and maintaining their skills and knowledge;
- (q) review succession planning for the executive directors and other senior management of the Company including in regard to maintaining an appropriate mix of skills, experience, expertise, and diversity; and
- (r) review the membership and performance of other Board committees and make recommendations to the Board.

---

## 9. Duties and Responsibilities – Remuneration

Without limiting its role, the specific duties and responsibilities of the Committee include the following:

- (a) ensure the Company maintains effective remuneration policies and strategies to attract, incentivise and retain highly competent employees including short and long term incentive plans and equity-based incentive plans (if applicable);
- (b) review the Company's performance and remuneration review principles;
- (c) review and make recommendations (in accordance with the Company's remuneration policies and framework) concerning all components of the remuneration of executive directors and, in conjunction with the CEO's recommendations, senior executives, including (as appropriate) fixed, performance-based and equity-based remuneration, short and long term incentives and all other entitlements and benefits arising from the terms of employment;

- (d) review the short and long term performance goals and objectives of executive directors and, in conjunction with the CEO's recommendations, senior executives together with the process for annual review and evaluation of progress towards attainment of those goals and objectives;
- (e) review the level of any entitlement of executive directors and senior executives to any short and long term incentives in accordance with the rules and principles of any incentive plans;
- (f) review and make recommendations to the Board on director's fees for non- executive Directors;
- (g) seek external advice on director remuneration, executive remuneration and short and long term incentive plans and equity-based incentive plans (if applicable) and obtain regular benchmarking data before recommendations are made to the Board;
- (h) considering those aspects of the Company's remuneration policies and packages which require shareholder approval or where it may be best practice to seek such approval;
- (i) ensuring that fees paid to directors are within the aggregate amount approved by shareholders and making recommendations to the Board regarding any increases needed to the aggregate amount at the next annual meeting; and
- (j) such other matters relating to remuneration as may be referred to it by the Board from time to time.

---

## **10. Non-Executive Directors' Remuneration**

- 10.1 Shareholders approve the maximum aggregate remuneration for Non-Executive Directors.
- 10.2 The allocation of aggregate remuneration for Non-Executive Directors (whether it be for the entire maximum amount or for a lesser amount) will be determined and approved by the Board. When appropriate, any Director or Directors with an immediate conflict of interest will excuse themselves on discussion regarding their own remuneration. The Board may request that the Committee, management or external advisers provide any information required to assist the Board in making its decision.
- 10.3 Non-Executive Directors are not permitted to be provided with retirement benefits other than statutory superannuation.

---

## **11. Reporting to the Board**

- 11.1 The Chair of the Committee (or a person nominated by the Chair of the Committee for that purpose) must report to the Board at its next meeting regarding all material matters relevant to the Committee's duties and responsibilities.

---

## **12. Review of this Charter**

- 12.1 The Nomination and Remuneration Committee Charter is reviewed annually by the Committee or as often as it considers necessary to ensure it remains consistent with the Committee's authority, objectives and responsibilities with the Board approving the amended Charter.

---

### **13. Approved and Adopted**

13.1 This Charter was approved and adopted by the Board on 25 February 2020.