

## RUA - Remuneration and Nominations Committee Charter

### 1. General

- 1.1 The Remuneration and Nominations Committee (**Committee**) is a sub-committee of the board of directors (the **Directors** and the **Board**) of Rua Bioscience Limited (**Rua**). The Committee is established to assist the Board in fulfilling its responsibilities in relation to the following matters:
- 1.1.1 Formal and transparent method for nominating and appointing Directors to the Board, and their remuneration.
  - 1.1.2 Appointment, remuneration, evaluation of, and succession planning in relation to, the Chief Executive Officer (**CEO**).
  - 1.1.3 Review of the remuneration recommendations made by the CEO for the Senior Management Team.
  - 1.1.4 Consideration and review of any incentive plans or payment targets and calculations for the CEO and Senior Management Team.
  - 1.1.5 Review of the overall Rua-wide salary and incentive policies.
- 1.2 The Committee is responsible and accountable to the Board for the exercise of its responsibilities and will report back to the Board on all material matters or on any recommendation.
- 1.3 For the purposes of this Remuneration and Nominations Committee Charter (**Charter**):
- 1.3.1 the CEO, Chief Financial Officer and each General Manager that reports to the CEO make up the senior management team of Rua (**Senior Management Team**); and
  - 1.3.2 Rua means Rua and any of its subsidiaries (the **Rua Group**).

### 2. Composition of the Committee

- 2.1 The Committee shall consist of at least three members of the Board.
- 2.2 The Board will appoint the Chair of the Committee and the members of the Committee on recommendation from the Chair of the Board.
- 2.3 The Chair of the Committee shall preferably be an Independent Director<sup>1</sup> and at least a majority of the Committee shall be Independent Directors.
- 2.4 The CEO, or any company employee nominated by the CEO and approved by the Chair of the Committee, will act as secretary to the Committee (**Secretary**). The Secretary is responsible for circulating the meeting agenda and supporting material to all Committee members.
- 2.5 The duties and responsibilities of the members of the Committee are in addition to those as a Director.
- 2.6 The membership of the Committee shall be reviewed annually by the Board and confirmed after the first Board meeting after the annual meeting each year.
- 2.7 Rua shall identify the composition of the Committee each year in its annual report.

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<sup>1</sup> An "Independent Director" is defined in the NZX Listing Rules as a Director who is not an Employee of the Issuer (other than in his/her capacity as Director of the Issuer) and who has no Disqualifying Relationship with the Issuer.

**3. Meetings of the Committee**

- 3.1 The Committee shall meet at least two times per year or more frequently if circumstances require.
- 3.2 Members of management or others shall not attend meetings other than if they have been invited by the Committee.
- 3.3 Directors who are not members of the Committee are entitled to attend meetings and/or request copies of the meeting agenda and supporting material.
- 3.4 It may be appropriate for a Director who is deemed to have a real, or perceived, conflict of interest to be excused from Committee discussions on the issue where the conflict of interest exists.
- 3.5 Following each meeting of the Committee, the Chair of the Committee will report to the Board on any matter that should be brought to the Board's attention and on any recommendation.

**4. Nominations responsibilities**

- 4.1 The Committee will review from time to time the structure, size and composition of the Board and its committees to ensure an appropriate mix of skills, qualifications, knowledge, experience and background, and will recommend any proposed changes to the Board following any such review.
- 4.2 The full Board will have the opportunity to consider candidates for appointment to the Board.
- 4.3 To be eligible for selection the candidates must demonstrate appropriate qualities and experience, and the Committee must be satisfied that a candidate will commit the time needed to be fully effective in their role. Directors will be selected based on a range of factors including the perceived needs of the Board at the time having regard to the procedure established by the Board in respect of identifying suitably qualified director candidates. The Committee will also consider a candidate's independence<sup>2</sup>.
- 4.4 When nominating or recommending a proposed director to the Board, the Committee will ensure:
  - 4.4.1 proper checks as to the proposed director's character, experience, education, criminal record and bankruptcy history are conducted; and
  - 4.4.2 key information about the proposed director is provided to shareholders of Rua (**Shareholders**) to assist their decision as to whether or not to elect or re-elect the candidate (e.g. biographical details, relevant skills and experience, any other material directorships they hold); and
  - 4.4.3 if the proposed director is standing for the first time, any material adverse information is revealed by the checks the entity has performed (e.g. information regarding the proposed director's character, criminal record or bankruptcy history); or
  - 4.4.4 if the proposed director is being re-elected, information about the term of office served by the Director is provided.
- 4.5 Rua will enter into a written agreement with each newly appointed Director establishing the terms of their appointment.

**5. Succession responsibilities**

- 5.1 Board succession should occur on a planned and on-going basis. As part of the succession process and planning:
  - 5.1.1 there should be sufficient overlap in Director succession so that gaps in skills, experience, subject matter expertise or corporate memory do not occur, to the extent this is practicable;
  - 5.1.2 any future skill gaps should be identified by following a Board evaluation process;

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<sup>2</sup> Rule 2.1.1(c) of the NZX Listing Rules states that at least two Directors must be Independent Directors and Recommendation 2.8 of the NZX Corporate Governance Code states that a majority of the Board should be Independent Directors.

- 5.1.3 when considering a Director who holds, or has held, other directorships, past performance of the Director and those companies should be considered;
- 5.1.4 Directors should communicate their intentions to retire from the Board as soon as possible to assist succession; and
- 5.1.5 the Committee shall:
  - (a) establish and review the procedure by which suitably qualified potential director candidates are identified, including the criteria for determining suitability of potential directors in terms of balance of the Board, qualities, qualifications, skills and experience, and recommending to the Board any necessary alterations;
  - (b) in the event of any vacancies on the Board, including any casual vacancy, consider any person(s) nominated, either by Directors or Shareholders, and make recommendations to the Board in respect of such nominations;
  - (c) ensure there is an appropriate induction and education programme in place for all new Directors; and
  - (d) review and advise the Board on any succession plans for the Directors, the Senior Management Team or the CEO.

## **6. Remuneration responsibilities**

- 6.1 In meeting its responsibilities, the Committee is authorised by the Board to:
  - 6.1.1 review, recommend and, if delegated by the Board, set, in accordance with Rua's Remuneration Policy and practices, the remuneration of Directors (within the parameters set by shareholders), the CEO and to provide framework and consultation for the Senior Management Team;
  - 6.1.2 recommend to the Board to put forward any proposed increases to the remuneration of Directors to be considered and approved by Shareholders from time to time;
  - 6.1.3 recommend to the Board an additional fee that may be paid to the Chair of the Audit, Finance and Risk Management Committee and the Chair of the Remuneration and Nominations Committee to reflect the additional time commitments and responsibilities that accompany such roles to be considered and approved by Shareholders from time to time;
  - 6.1.4 review and evaluate the performance of the CEO against key performance objectives and review his/her remuneration package;
  - 6.1.5 ensure that remuneration is disclosed in Rua's annual reports as required;
  - 6.1.6 review and evaluate Rua's incentive schemes in place from time to time and advise the Board on the amount of any incentive payments;
  - 6.1.7 advise the Board on succession plans for the CEO and periodically reviewing the structure and succession plans for the Senior Management Team;
  - 6.1.8 review and set, as appropriate, the terms and conditions of engagement and employment of Directors, the Senior Management Team and the CEO;
  - 6.1.9 annually review the CEO's recommendations for direct report salary packages and key performance objectives and goals of the Senior Management Team;

- 6.1.10 review the overall company-wide wage and salary position annually to ensure salary/wage reviews meet the long term strategic goals of Rua;
- 6.1.11 review the CEO's recommendations and advise the Board with respect to employee remuneration, benefits and incentive schemes;
- 6.1.12 ensure that the remuneration policies implemented by the Senior Management Team are in line with Rua's Remuneration Policy (see 9.1);
- 6.1.13 ensure that the HR strategy and annual HR plans and policies are reviewed by the Senior Management Team on a regular basis;
- 6.1.14 ensure that Rua is in compliance with statutory HR responsibilities;
- 6.1.15 obtain independent professional advice, independent research, and generally engage such advisers and involve such consultants as the Committee considers necessary for its function; and
- 6.1.16 any other such functions as may from time to time be assigned by law, or the Board.

**7. Publication**

- 7.1 This Charter is available on Rua's website, [www.ruabio.com](http://www.ruabio.com).

**8. Review**

- 8.1 This Charter will be reviewed by the Board annually.

**9. Related Documents**

- 9.1 Remuneration Policy.

Date adopted: 24 September 2020

Date reviewed: 15 September 2021