



## **SIGMA PHARMACEUTICALS LIMITED**

### **REMUNERATION AND NOMINATION COMMITTEE CHARTER**

#### **OBJECTIVE**

The objective of the Remuneration and Nomination Committee (Committee) is to assist the Board of Sigma Pharmaceuticals Limited (Sigma) in fulfilling its responsibilities by reviewing, advising and making recommendations to the Board on:

#### ***Remuneration:***

- Remuneration and incentive policies and practices for Sigma generally;
- Remuneration and contract arrangements for the CEO and Executive team
- Recruitment, retention and termination policies and practices;
- Employee equity plans and other incentive plans
- The structure of Sigma's Short Term Incentive Plan and Long Term Incentive Plan, including performance measures and participation
- Superannuation arrangements
- The remuneration framework and structure for Non-Executive Directors
- The Remuneration Report for inclusion in Sigma's Annual Report
- Presentation of the Remuneration Report at the Annual General Meeting and participation in shareholder and proxy advisor engagement initiatives

#### ***Nomination:***

- Identification and recommendation of suitable candidates for appointment to the Board
- Determine the independence of Non-Executive Directors
- Identification and recommendation of suitable candidates for appointment to the position of CEO and Managing Director
- Succession Planning policy and approach in general, and the succession plan for the CEO and Managing Director in particular;
- Development and implementation of procedures for the Board's periodic performance review
- Periodic review of Board composition review, and the endorsement of retiring Non-Executive Directors seeking election
- Board induction and the provision of appropriate training and development opportunities for Non-Executive Directors

The Committee is also responsible for recommending to the Board strategies on gender diversity (including at the Board level) and ensuring all

remuneration practices for Sigma adhere to current governance and legal requirements.

## **AUTHORITY**

The Committee acts primarily as an advisory body to the Board and in making recommendations to the Board. As such the Committee does not have delegated power to make binding decisions. The Board will have the ultimate approval of all matters considered by the Committee except where specific powers are specifically set out in this Charter or are otherwise delegated by the Board.

The Board may authorise the Committee, within the scope of its responsibilities, to:

- Perform activities and make recommendations to the Board consistent with this Charter;
- Require the attendance of Company officers at meetings as appropriate;
- Have unrestricted access to management, employees and information it considers relevant to its responsibilities under this Charter

The Board has provided the Committee with specific authority to engage independent counsel and other external advisors as deemed necessary by the Committee in order to carry out its duties, at Sigma's expense.

## **COMPOSITION**

The Committee shall comprise of at least three Non-Executive Directors that are nominated by the Board, the majority of whom the Board considers to be independent. The Chairman of the Committee is to be selected by the Board, and shall be one of the independent Directors who is not Chairman of the Board. A quorum for any meeting will be the majority of the Committee at the date of the meeting.

The secretary of the Committee will be the Company Secretary, or such other person as nominated by the Board.

## **MEETINGS**

The Committee shall meet on at least three occasions each financial year or more frequently as circumstances require. The meetings shall be scheduled on prearranged dates and should correspond with Sigma's remuneration and reporting cycle.

Non-Executive Directors who are not members of the Committee may attend any Committee meetings to observe proceedings.

The CEO and Managing Director, General Manager Human Resources, and Company Secretary shall be available to attend all Committee meetings. The Committee may invite such other members of the management team or such

other people as it deems appropriate to provide information as necessary so that the Committee may be fully informed on the relevant matter. No individual is permitted to be present when his/her individual remuneration is being discussed.

Committee minutes will be prepared by the Company Secretary and circulated to all Committee members within 30 days of the meeting. The Committee minutes will be promptly confirmed by the Committee members and noted by the Board at the next appropriate time.

## **REPORTING**

The key matters discussed at each Committee meeting are to be ordinarily reported by the Chairman of the Committee to the Board at the next most appropriate Board Meeting. The report should cover all matters relevant to the Committee's role and responsibilities including:

- Recommendations regarding matters within the scope of this Charter
- Matters required by any listing rule, legislation, regulatory body or other regulatory requirement
- Matters proposed for inclusion in the Annual Report, including the Remuneration Report
- Other matters that require Board action or approval

## **REVIEW**

The Committee will review the Remuneration and Nomination Committee Charter every two years, discuss any required changes with the Board and ensure the Board approves any revisions to the Charter.

Updated: 20 December 2011