

# Remuneration & Nomination Committee Charter

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Version: June 2020

## 1 Introduction

This is the Charter of the Remuneration & Nomination Committee (Committee) established by the Board of Cogstate Ltd (together with its subsidiary companies, the Company or Cogstate) (Charter). This Charter governs the roles, responsibilities and authorities of the Committee in assisting the Board as described below. This Charter should be read in conjunction with the following documents:

- The Board of Directors Charter;
- The Company's Code of Conduct; and
- The Cogstate Ltd Employee Handbook, including the Cogstate Conflict of Interest Policy, in addition to the Conflict of Interest Clause referred to in the Board of Directors Charter.

## 2 The purpose of the Committee

The role of the Committee is to assist the Board in its oversight responsibilities in relation to: (a) the overall remuneration policy for Cogstate (Remuneration duties); and (b) Board composition and competencies, and diversity for the Board and for Cogstate, and certain other enumerated duties (Nomination duties).

With regard to its Remuneration duties, the Committee shall review and make recommendations to the Board specifically in relation to:

- Non-executive director remuneration;
- Executive director and CEO remuneration;
- All bonus and incentive plans and payments;
- Annual salary increase range targets;
- Remuneration policies, procedures and reporting obligations; and
- Any other remuneration related matters referred to the Committee by the Board from time to time.

In discharging its Remuneration duties, the Committee shall have due regard for the following:

- The Board's desire to establish and maintain remuneration policies that attract and retain high quality directors and senior executives and recognise and reward performance that is aligned with long term stakeholder interests;
- Cogstate's purpose, values and strategic direction;
- Cogstate's reputation and standing in the communities it serves;
- Promoting Cogstate's desired corporate culture; and
- Encouraging Cogstate's success and shareholder returns.

With regard to its Nomination duties, the Committee shall review and make recommendations to the Board specifically in relation to:

- Board size, composition, appointment, re-election and termination;
- Board and CEO succession planning;
- Induction and training of Directors and continuing professional development programs for Directors;
- The Company's recruitment, retention and termination policies;
- Evaluation processes for, and the review of, the Board, its Committees, individual Directors, which must occur at least once a year; and
- Any other nomination related matters referred to the Committee by the Board from time to time.

In discharging its Nomination duties, the Committee shall have due regard for the following:

- The Board's continued desire to discharge competently its duties and to assess the skills currently represented on the Board as compared to the strategic direction of Cogstate;
- The Board's diversity and inclusion goals and objectives for itself and for Cogstate;
- Cogstate's purpose, values and strategic direction;
- Cogstate's reputation and standing in the communities it serves; and
- Promoting Cogstate's desired corporate culture.

### 3 Structure and Composition

The Board may determine the appointment and terms of any member of the Committee at any time. Renewal of Committee members shall be reviewed on an ongoing basis by the Board.

The Committee will be comprised of:

- Three or more Directors as determined by the Board, all or a majority of whom are independent directors (as defined in the Corporate Governance Principles and Recommendations (4th edition) of the ASX Corporate Governance Council) one of whom shall chair the Committee; and
- Members having a working familiarity with basic finance, remuneration and accounting practices and a sufficient understanding of the industry in which Cogstate operates, for purposes of discharging the role of the Committee effectively, and assessing and questioning information presented in Committee meetings.

New Committee members will receive induction training from the Chairman of the Committee and the Finance/Human Resources team. A member may resign from the Committee on reasonable written notice to the Committee Chair; if the member ceases to be a Board member, membership in the Committee is automatically terminated.

### 4 Meetings

- The Committee should meet often enough to undertake its role effectively, being at least twice a year and one of those meetings must take place at least 2 months prior to each annual general meeting. If required, additional Meetings may be requested through the Committee Chairman by any member, the Company Secretary or the relevant partner from the external auditor.
- A quorum for a Committee Meeting is two members, of whom at least one must be an independent director.
- Directors who are not Committee members may attend meetings.
- Appropriate Cogstate management, the Human Resource Manager/Finance Manager and representatives of the Human Resources or Finance Team are to attend Committee meetings, at the invitation of the Committee Chairman, to provide reports and periodic presentations to the Committee.

- At each meeting, the Committee will:
  - meet with Cogstate appointed manager (CEO/CFO/HR Manager) to discuss any matters relating to the remuneration function; and
  - attend to and make decisions on any seasonal remuneration matters as they occur.
- The Committee will report on its meetings to the Board as required.
- All recommendations of the Committee are to be referred to the Board for approval.
- The Committee will appoint a Committee Secretary who will act as secretary for all meetings of the Committee, will take minutes, distribute these minutes to the Committee members for comment, and have the minutes approved by the Committee Chair as soon as practicable after each meeting.

## 5 Authority

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

- investigate any matter which is brought to its attention with full access to all books, records and facilities;
- seek any information it requires from an employee (and all employees are directed to co-operate with any request made by the Committee) or external parties;
- obtain external professional advice as it determines necessary to carry out its duties; and
- ensure the attendance of Company officers at meetings as it thinks appropriate.

## 6 Reporting

- The Committee shall regularly update the Board about Committee activities and make appropriate recommendations including through:
  - Copies of minutes of each meeting of the Committee being tabled at each meeting of the Board at the next practical opportunity; and
  - The Chairman of the Committee drawing to the Board's attention any matter of material importance.
- As and when appropriate, the Committee will seek direction and guidance from the Board on remuneration and nomination matters.
- The Committee will refer to other Board Committees any matters that have come to the attention of the Committee that are relevant to those other Board Committees.
- If required, the Committee will provide relevant periodical assurances to other Committees and the Board.
- The Committee will review any reports required by law or listing rules or requested by the Board including the appropriate section on corporate governance in regards to remuneration and nomination processes in the annual report or other shareholder documents.

## 7 Responsibilities and Duties

### 7.1 Remuneration Duties

The Remuneration-related responsibilities of the Committee are to:

- Review and recommend to the Board for approval remuneration of directors (including fees, superannuation, travel and other benefits and any non-executive director share plan);
- Review and recommend to the Board for approval the short term and long term remuneration arrangements of the CEO and senior executives, and in consultation with the CEO, the CEO's direct reports (including any performance targets), as well as the level and nature of participation by Company employees (other than the CEO's direct reports) in the Company's incentive and bonus plans;
- Overseeing Cogstate's compliance obligations in relation to the remuneration of directors and senior executives;
- Ensuring that no director or senior executive is involved in deciding his or her own remuneration;
- Assist the Board Chair in the annual performance review of the CEO;
- Oversee the establishment and implementation of appropriate human resources policies and specific remuneration policies for Cogstate, and review and recommend to the Board any changes to Cogstate's overall policy regarding remuneration; in this regard the Committee shall evaluate the remuneration differences, if any, between gender and/or other diversity related areas of focus;
- Evaluate those aspects of Cogstate's remuneration policies and packages, including equity-based incentives, which should be subject to shareholder approval and making recommendations to the Board accordingly, and where considered appropriate, engage (via a nominated Committee representative) with shareholders and proxy advisers in relation to remuneration-related matters that arise from time to time;
- Determine and approve all short term bonus payments based on recommendations from the CEO and Finance/HR Managers;
- Oversee management's preparation of the annual remuneration report for inclusion in Cogstate's annual report, and recommend the report to the Board for approval; and
- Any other remuneration matters referred to the Committee by the Board respect to recruitment, retention and termination.

### 7.2 Nomination Duties

The Nomination-related responsibilities of the Committee are to:

- Review and recommend to the Board any changes in Board structure, size, composition (including the mix of skills, knowledge and experience) of the Board and the effectiveness of the Board as a whole;
- Develop and implement a proper process for identifying, assessing and enhancing competencies of senior executives and executive Directors;
- Develop and recommend to the Board strategies to promote diversity;
- Develop and review Board succession plans, director induction programs and continuing development in areas relevant to Cogstate;

- Oversee the policies and processes for recruiting new directors, including evaluating the balance of skills, experience, independence and diversity, and advising the Board accordingly;
- Identify existing directors who are due for re-election at annual General Meetings in accordance with Cogstate's Constitution and the ASX Listing Rules;
- Identify Directors qualified to fill vacancies on Board committees and make recommendations to the Board accordingly, having regard to factors the Committee considers appropriate, including the terms of reference of the particular Board committee, the Director's experience, and the interplay of the Director's experience with the experience of other Committee members; and
- Develop and implement procedures for the annual evaluation of the performance of the Board, each Board Committee and individual Directors, comparing their performance with the requirements of the Board Charter, this Charter, other relevant Board Committee Charters and the reasonable expectations of individual Directors.

### **7.3 Other Responsibilities**

- This Charter will be reviewed and updated at least annually and changes required must be recommended to the Board for approval. This Charter can only be amended with the approval of the Board.
- The Committee will annually review its own performance as part of the annual Board evaluation process and report such findings to the Board. The Board will also evaluate the performance of the Committee as appropriate.

## **8 Access to Information, Independent Advice and Continuing Development**

- The Committee will maintain free and open communication with Cogstate Management. The Committee has the authority to seek any information it requires from any employee of Cogstate and all employees must comply with such requests.
- The Committee may take such independent legal, financial or other advice as it considers necessary at the Company's expense.
- The Committee should understand Cogstate structure and operations and key developments relevant to the Committee and may receive periodic presentations from subject matter experts to assist in achieving such an understanding.

## **9 Adoption of Charter**

This Charter was adopted by the Board on the date of the front cover of this Charter and takes effect from that date and replaces any previous charter in this regard.