

1. Purpose

- 1.1. The board of directors (“Board”) continuously reviews current trends and practice in relation to corporate governance. The Board wishes to provide avenues for retaining and encouraging key directors and executives whom the Board regards as pivotal to the future success of the company. As part of the Board’s plans to fulfil its obligations in this area it has constituted a Remuneration Committee to ensure appropriate remuneration policies and practices are implemented.
- 1.2. This charter sets out the specific responsibilities delegated by the Board to the Remuneration Committee and details the manner in which the Remuneration Committee will operate.

2. Composition

- 2.1. The Remuneration Committee will comprise of the chair and non-executive directors.
- 2.2. The Remuneration Committee may invite such other persons as it deems necessary.
- 2.3. The chair of the Remuneration Committee will be nominated by the Board from time to time.
- 2.4. The secretary of the Remuneration Committee shall be the secretary of the company or such other person as nominated by the Board.

3. Meetings

- 3.1. Meetings shall be held not less than twice a year. Special meetings of the Remuneration Committee may be convened as required. A quorum of any meeting shall be three members.
- 3.2. The proceedings of all meetings will be minuted.

4. Reporting

- 4.1. The Remuneration Committee should report as necessary and at least once annually, summarising the activities of the Remuneration Committee during the previous financial year and its findings.
- 4.2. The chair of the committee shall give a verbal report to the board, at the board meeting next following a meeting of the committee, and all committee minutes are tabled at board meetings.

5. Responsibilities

- 5.1. To advise on remuneration policies and practices generally.
- 5.2. To make specific recommendations on remuneration packages and other terms of employment for executive directors, other senior executives, non-executive directors, and scientific advisory panel members (“executives”).
- 5.3. To annually review executive remuneration and terms of employment having regard to performance, relevant comparative information and independent expert advice as required.

- 5.4. To annually review employee remuneration having regard to recommendations of management, overall company performance and, relevant industry benchmarking information
- 5.5. To recommend the form of remuneration packages of executives which may include considering:
 - base salaries;
 - superannuation;
 - retirement and termination entitlements;
 - performance related bonuses;
 - fringe benefits; and
 - eligibility and participation in Cytopia's Option Plans.
- 5.6. To formalise remuneration and other terms of employment for the managing director, chief financial officer and other senior executives in service agreements.
- 5.7. To recommend to the Board
 - the maximum amount of remuneration of directors; and
 - participation in Cytopia's Directors and Executives Option Plan.

which recommendations are subject to Board and ultimately shareholder approval

- 5.8. To review any transactions between Cytopia and the directors, or any interest associated with the directors, to ensure the structure and the terms of any such transaction are in Compliance with the *Corporations Act 2001* and are appropriately disclosed.
- 5.9. To report matters identified during the course of carrying out its duties that the Remuneration Committee considers should be brought to the attention of the Board.
- 5.10. To perform or undertake on behalf of the Board any such other tasks or actions as the Board may from time to time authorise.

6. Authority

- 6.1. The Remuneration Committee may within the scope of its responsibilities:
 - seek any information it requires from:
 - any employee; and all employees are directed to co-operate with any request made by the Remuneration Committee
 - external parties;
 - obtain outside legal or other independent professional advice; and
 - ensure the attendance of external parties with relevant experience and expertise.