

## IMRICOR MEDICAL SYSTEMS, INC.

### NOMINATION AND REMUNERATION COMMITTEE CHARTER

#### 1 Purpose

The Nomination and Remuneration Committee (**Committee**) is established by the Board of Directors (**Board**) of Imricor Medical Systems, Inc. (**Imricor**).

This Charter governs the operations of the Committee and sets out the membership, operation and responsibilities of the Committee.

The primary purpose of the Committee is to support and advise the Board by:

- (a) establishing processes for the identification of suitable candidates for appointment to the Board;
- (b) establishing processes for reviewing the performance of individual directors, the Board as a whole, and Board committees;
- (c) determining the executive remuneration policy;
- (d) determining the non-executive director and remuneration policy;
- (e) reviewing all equity based incentive plans and making recommendations to the Board regarding their adoption and implementation.; and
- (f) ensuring that the remuneration policies of Imricor are balanced and do not reward behaviour that is inconsistent with its values.

#### 2 Membership of the Committee

##### 2.1 *Membership*

The Committee will ideally consist of:

- (a) only non-executive directors;
- (b) a majority of independent directors;
- (c) an independent chair; and
- (d) a minimum of three members.

However, as relatively small (amongst those listed on the ASX) company, Imricor may face particular issues in ensuring that the ideal composition for the Committee (as set out above) is met. While Imricor will aim for the Committee to meet that ideal composition, this may not always be possible, particularly while the operations of Imricor are at an early stage. Notwithstanding the foregoing, if Imricor is included in the S&P/ASX 300 index at the beginning of its financial year, the Committee composition must satisfy the requirements of ASX Listing Rule 12.8.

The Committee will appoint the Committee Chairman from one of its number.

## **2.2 Appointment and term**

The members of the Committee will be determined by the Board having regard to section 2.1 of this Charter. There is no prescribed term for membership. Membership of the Committee ceases when a member ceases to be a director of Imricor.

The Board may appoint additional non-executive directors to the Committee or remove and replace members of the Committee by resolution. Members may withdraw from membership by written notification to the Board.

## **3 Administrative matters**

### **3.1 Meetings**

The Committee will meet as often as necessary to undertake its role effectively, but must meet at least twice a year. The quorum necessary for a meeting of the Committee will be two members.

The Committee will appoint a secretary (which may be the company secretary), who must on request from any Committee member, convene a meeting of the Committee. Unless all Committee members otherwise agree, at least 24 hours' notice must be given to every Committee member of every Committee meeting. Acknowledgment of receipt of notice by all members is not required before the meeting may be validly held.

Members of management may attend meetings of the Committee at the invitation of the Committee Chairman, but, other than executive directors (if applicable), must not be appointed as members of the Committee.

### **3.2 Access and external engagement**

The Committee has rights of access to management and rights to seek explanations and additional information.

The Committee may, upon notifying the Chairman of the Board, seek the advice of Imricor's legal counsel (at the cost of Imricor) as to any matter pertaining to the powers or duties of the Committee.

The Committee may, with the prior approval of the Chairman of the Board, instruct the Chief Executive Officer to engage such other independent advisers in relation to any matter pertaining to the responsibilities of the Committee, as the Committee may require.

### **3.3 Agenda and minutes**

The secretary of the Committee will:

- (a) attend all Committee meetings as minute secretary;
- (b) in conjunction with the Chairman of the Committee, prepare an agenda to be circulated to each Committee member before each meeting of the Committee;
- (c) prepare minutes of each Committee meeting.

## **4 Reporting**

Normally, a Committee meeting will be held immediately before a Board meeting, but not necessarily every Board meeting. There will be included in the Board papers for the Board meeting following a meeting of the Committee the minutes of the previous Committee meeting.

The Committee Chairman will provide a brief oral report at the Board meeting as to any material matters arising out of the immediately preceding Committee meeting. All directors will be permitted, within the Board meeting, to request information of the Committee Chairman or members of the Committee.

## **5 Duties and responsibilities**

### **5.1 *Board structure and appointments***

The Committee will:

- (a) make recommendations to the Board regarding criteria for Board membership and periodically review those criteria;
- (b) periodically review the structure of the Board, having regard to the balance of skills, knowledge, experience, independence and diversity on the Board and the time commitments of non-executive directors and recommend changes when necessary;
- (c) make recommendations to the Board regarding the appointments and re-election of directors, including identifying suitable candidates for new appointments;
- (d) ensure that effective training and education programmes for new and existing directors are in place, and regularly review the effectiveness of those programmes;
- (e) develop and review, on a regular basis, Board and executive management succession plans and provide advice to the Board on those plans;
- (f) develop strategies relating to Board diversity;
- (g) develop and implement a process for evaluating the performance of the Board, the Board committees and directors; and
- (h) develop a process for recruiting a new director, including evaluating the balance of skills, knowledge, experience, independence and diversity on the Board and, in light of this evaluation, preparing a description of the role and capabilities required for a particular appointment.

### **5.2 *Non-executive director remuneration***

The Committee will:

- (a) review and make recommendations to the Board regarding the policy for the remuneration (including fees, travel and other benefits) of non-executive directors (including the process by which any pool of directors' fees approved by stockholders is allocated to directors);
- (b) review retirement and termination payments for non-executive directors; and
- (c) provide advice to the Board on those matters.

### **5.3 *Executive remuneration policy***

The Committee will:

- (a) review Imricor's policy for determining executive remuneration, including superannuation, pension and compensation payments, and make any recommendations to the Board regarding amendments to that policy that the Committee may consider appropriate from time to time;
- (b) review the ongoing appropriateness and relevance of the executive remuneration policy and other executive benefit programs, including a review of Imricor's recruitment, retention and termination policies and procedures for executives; and
- (c) oversee management's implementation of this remuneration policy within Imricor.

### **5.4 *Executive directors and executives***

The Committee will:

- (a) consider and make recommendations to the Board on the entire specific remuneration for each executive director (including base pay, incentive payments, equity awards, retirement rights and service contracts) having regard to the executive remuneration policy; and
- (b) review and approve the proposed remuneration arrangements (including base pay, incentive payments, equity awards, retirement rights and service contracts) for the direct reports of executive directors.

### **5.5 *Executive and employee incentive plans***

The Committee will:

- (a) review and approve the design of all executive and employee incentive plans, including stock and option plans;
- (b) regularly review all plans in the light of legislative, regulatory and market developments as well as being consistent with the strategic goals and values of Imricor;
- (c) review and make recommendations to the Board regarding the approval of total proposed awards under each plan; and
- (d) review, approve and keep under review performance hurdles (whether short, medium or long term hurdles) under each grant or plan.

### **5.6 *Human resources policies***

The Committee will oversee the establishment and implementation of appropriate human resources policies for Imricor.

### **5.7 *Superannuation***

The Committee will regularly review:

- (a) Imricor's superannuation arrangements (if any); and

- (b) Imricor's compliance with relevant laws and regulations in relation to superannuation arrangements.

### **5.8 Remuneration report**

The Committee will oversee management's preparation of the annual remuneration report for inclusion in Imricor's annual report, and make recommendations to the Board in relation to it.

### **5.9 Evaluation of Board and Committees**

The Committee will oversee the self-assessment by the Board and Board committees.

### **5.10 Evaluation of executives**

The Committee will:

- (a) develop and implement a plan for identifying, assessing and enhancing competencies of executives; and
- (b) ensure that the performance of each executive is evaluated at least annually.

### **5.11 Other**

The Committee will perform other duties and activities that it or the Board considers appropriate.

## **6 Conflicts**

If the Committee includes one or more executive directors:

- (a) they must not be involved in setting their respective own remuneration; and
- (b) must consider whether they are subject to a conflict of interest when setting the remuneration of other executives that may indirectly affect their own (e.g. through setting a benchmark or because of relativities) and must ensure they are not included in the setting of such remuneration.

## **7 Approvals**

Subject to any limitations imposed by the Board from time to time, the Committee must approve the following before implementation:

- (a) changes to the remuneration or contract terms of executive directors and direct reports to an executive director;
- (b) the design of new, or amendments to current, stock or option plans or cash-based incentive plans;
- (c) the total level of award proposed from stock or option plans or cash-base incentive plans; and
- (d) termination payments to executive directors or direct reports to an executive director.

**8 Review of performance**

The Committee will periodically undertake an evaluation of its performance. The Board may evaluate the performance of the Committee as appropriate.

**9 Review of this charter**

The Board will periodically review this Charter to determine its adequacy.

Approved by the Board of Directors of Imricor Medical Systems, Inc.