

PEOPLE AND CULTURE COMMITTEE CHARTER

23 March 2021 | Version 1.2

1. Introduction

1.1 Purpose of Charter

This is the Charter of the People and Culture Committee established by the Board of Pro Medicus Limited ACN 006 194 752 (the **Company**) (the **Charter**).

The People and Culture Committee (the **Committee**) incorporates the functions of a remuneration committee and a nomination committee as recommended by the ASX Corporate Governance Council.

The Committee will work to assist the Board in fulfilling its responsibilities for ensuring the appropriate corporate governance and oversight of the Company.

The Charter governs the operations of the Committee and sets out the Committee's role and responsibilities, composition, structure and membership requirements.

1.2 Roles and Responsibilities

The purpose of the Committee is to assist the Board by:

- (a) reviewing and making recommendations to the Board in relation to:
 - (i) the Company's remuneration policy, including as it applies to Directors and the process by which any pool of Directors' fees approved by shareholders is allocated to Directors;
 - (ii) remuneration packages of senior executives, non-executive Directors and executive Directors, equity-based incentive plans and other employee benefit programs; and
 - (iii) the Company's retention and termination policies;
- (b) considering any remuneration or nomination matters referred to it by the Board including but not limited to:
 - (i) the induction of people as Directors and continuing professional development programs for Directors;
 - (ii) the review of the Board, its committees and individual directors and review of the Board's 'skills matrix' and any gaps in the collective skills of the Board; and
 - (iii) the size and composition of the Board and strategies to address Board diversity and the Company's performance in respect of the Company's Diversity Policy;
- (c) overseeing and reviewing:
 - (i) employee engagement surveys;
 - (ii) compliance breaches and identifying material or systemic issues or cultural concerns within the Company;

- (iii) succession plans of the senior executives and executive Directors;
- (iv) the Company's policies regarding employment, performance planning and assessment, training and development, and promotion against industry best practice; and
- (v) monitoring the effectiveness of the Company's talent programs in meeting the Company's long term business objectives.

2. Membership

2.1 Composition of Committee

The Committee will:

- (a) consist of at least three Directors appointed by the Board, all of whom will be non-executive Directors and the majority of whom should be independent¹ (**Independent Directors**);
- (b) have an independent chairperson, who will be appointed by the Board from time to time, but who will be either the Chair of the Board or an Independent Director (**Committee Chair**);
- (c) have a secretary, who is to be the Company Secretary or such other person as nominated by the Board (**Committee Secretary**); and
- (d) be of sufficient size, independence and technical expertise to discharge its mandate effectively.

2.2 Ceasing to be a member of the Committee

A person will cease to be a member of the Committee if:

- (a) the person gives reasonable notice in writing to the Committee Chair of the person's resignation as a member of the Committee;
- (b) the Committee Chair on the advice of the Board gives the person notice in writing that the person is to cease to be a member of the Committee; or
- (c) the person ceases to be a Director, in which case the person automatically ceases to be a member of the Committee.

3. Meetings & authority of Committee

3.1 Meetings

- (a) The Committee will meet as often as necessary, being at least twice each calendar year and one of those meetings must take place at least 2 months before each annual general meeting.
- (b) The Committee Chair must call a meeting of the Committee if so requested by any Committee member, the CEO (or equivalent), the Chair of the Board, an internal or external auditor or the Company Secretary.
- (c) The Committee may invite other persons, including internal specialists or external advisers, to attend meetings if considered appropriate by the Committee Chair.

¹ Refer to the meaning of independent as discussed in the Corporate Governance Principles and Recommendations (4th edition) of the ASX Corporate Governance Council.

- (d) The Committee Secretary will circulate a notice of each meeting confirming the venue, date and time, together with an agenda of items to be discussed, to each Committee member, any other person required to attend and each executive Director at least [2-5] days prior to the date of the meeting, unless shorter notice is agreed upon by all participants.
- (e) The quorum necessary for a meeting of the Committee will be 2 members, of whom at least one must be an Independent Director including a Committee Chair or designated Chair.

3.2 Authority

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

- (a) investigate any matter delegated or approved by the Board or within the ambit of the role of the Committee as described in paragraph 1.2, which is brought to its attention with full access to all books, records and facilities;
- (b) 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;
- (c) obtain outside professional advice as it determines necessary to carry out its duties; and
- (d) ensure the attendance of Company officers at meetings as it thinks appropriate.

4. Duties and responsibilities

4.1 Understanding the Company's Business

The Committee will ensure it understands the Company's structure, business and controls to ensure that it can adequately assess the significant risks faced by the Company.

4.2 Reporting

- (a) The Committee Chair must report the findings and recommendations of the Committee at the next Board meeting following each meeting of the Committee.
- (b) The minutes of all Committee meetings will be circulated to members of the Board by the Committee Secretary.
- (c) The Committee Chair must submit an annual report to the Board summarising the Committee's activities during the year and the Committee's significant results and findings.
- (d) The Committee must approve:
 - (i) the details to be published in the Company's Annual Report or any other statutory report or document with respect to the activities and responsibilities of the Committee; and
 - (ii) any statement on the Company's remuneration policy and executive compensation disclosures that may be required by law or other regulatory requirements (including any such statement to be included in the Company's Annual Report).

4.3 Specific responsibilities

In addition to any other matters which may be delegated to the Committee by the Board (including special investigations), the Committee is responsible for:

Remuneration of senior executives and executive Directors

- (a) regularly reviewing and making recommendations to the Board with respect to an appropriate remuneration policy including retirement benefits and termination payments (if any) for senior executives and executive Directors, ensuring that such a policy:
 - (i) enables the Company to attract and retain valued employees;
 - (ii) motivates senior executives and executive Directors to pursue the long term growth and success of the Company without rewarding conduct contrary to the Company's values or risk appetite;
 - (iii) demonstrates a clear relationship between performance and remuneration; and
 - (iv) has regard to prevailing market conditions.
- (b) regularly reviewing and making recommendations to the Board regarding the remuneration packages of senior executives and executive Directors, including (as appropriate) fixed, performance-based and equity-based remuneration, reflecting short and long term performance objectives appropriate to the Company's circumstances and goals;
- (c) making recommendations to the Board with respect to the quantum of short term incentives (if any) to be paid to senior executives;

Remuneration of non-executive Directors

- (d) making recommendations as to the structure of remuneration for non-executive Directors;
- (e) ensuring that fees paid to non-executive Directors are within the aggregate amount approved by shareholders and making recommendations to the Board with respect to the need for increases to this aggregate amount at the Company's annual general meeting;
- (f) ensuring that the incentives for non-executive directors do not conflict with their obligation to bring an independent judgement to matters before the Board;

Employee benefits and other policies

- (g) reviewing and overseeing the implementation, administration and operation of equity-based incentive plans and other employee benefit programs;
- (h) regularly reviewing the Company's recruitment, retention and termination policies;
- (i) regularly reviewing the Company's employment, performance planning and assessment, training and development policies and procedures;

Senior executives and executive Directors succession

- (j) reviewing succession plans of senior executives and executive Directors on a regular basis to maintain an appropriate balance of skills, experience and expertise in the management of the Company and providing advice to the Board accordingly;
- (k) reviewing the talent management framework to identify, develop and support talent within the Company to encourage employee performance and engagement;

Board succession

- (l) conducting appropriate reference and security checks of potential new Directors as referred by the Board;

- (m) ensuring that an effective orientation and induction program for new Directors is in place, and regularly reviewing its effectiveness;

Senior executive and executive Director performance

- (n) ensuring that the performance of each senior executive and executive Director is evaluated at least once every year;
- (o) developing and implementing a proper process for identifying, assessing and enhancing competencies of senior executives and executive Directors;

Board

- (p) in conjunction or collaboration with the Board, developing procedures for the 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;
- (q) in collaboration with the Board, developing and implementing a plan for identifying, assessing and enhancing Director competencies;

Shareholder approval

- (r) considering those aspects of the Company's remuneration policies and packages, including equity-based incentives, which should be subject to shareholder approval and making recommendations to the Board accordingly;

Diversity & Inclusion

- (s) developing measurable objectives to achieve diversity in the composition of the Board, senior executives and workforce generally in accordance with the Company's Diversity Policy;
- (t) monitoring, reviewing and reporting to the Board on the Company's performance in respect of diversity and inclusion in accordance with the Company's Diversity Policy; and
- (u) reviewing the Company's Diversity Policy at least annually to assess the effectiveness of the policy and make recommendations to the Board as to any strategies required to address Board diversity.

The Committee will have no executive powers with regard to its findings and recommendations.

4.4 Other matters

- (a) The Committee is authorised to engage, at the Company's expense, outside legal or other professional advice or assistance on any matters within its terms of reference.
- (b) The Committee is authorised to seek any information it requires from any officer or employee of the Company and such officers or employees will be instructed by the Board of the Company employing them to respond to such enquiries.
- (c) The Committee may, in its discretion, delegate all or some of its responsibilities to a sub-committee.

4.5 Committee performance assessment

- (a) The Committee will perform an evaluation of its performance at least every two years to determine whether it is functioning effectively by reference to current best practice.

(b) The Board will evaluate the performance of the Committee at least annually.

5. Other matters

5.1 Amendment of Charter

This Charter can only be amended with the approval of the Board.

5.2 Adoption of Charter and periodic review

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

The Committee must review and reassess this Charter at least annually and, if required, make recommendations to the Board in respect of any amendments to the Charter. The Board will also review this Charter periodically. The Company Secretary will communicate any amendments to employees as appropriate.