

REMUNERATION POLICY

CORPORATE POLICY

Imdex Limited ACN 008 947 813



1. PURPOSE

- 1.1. Imdex Limited and its subsidiaries (the Company) is committed to ensuring that there is a clear relationship between performance and remuneration and that the Company's remuneration practices enable the Company to:
 - (a) attract and retain the most qualified and experienced candidates;
 - (b) motivate employees to perform in the best interests of the Company and its stakeholders;
 - (c) appropriately compensate employees for the services they provide to the Company;
 - (d) provide an appropriate level of transparency to ensure the policy underlying executive remuneration is understood by investors; and
 - (e) ensure a level of equity and consistency across the Company.
- 1.2. The structure of non-executive director and senior executive remuneration is separate and distinct.
- 1.3. The Company will endeavour to align remuneration with the creation of value for security holders over the short, medium and longer term.
- 1.4. The Company does not reward conduct that is contrary to the Company's values or risk appetite.

2. REMUNERATION & NOMINATION COMMITTEE

- 2.1 The Company has established a Remuneration and Nomination Committee (the Committee) which operates under a charter approved by the Company board of directors (which is available in the corporate governance section of the Company's website).
- 2.2 The Committee is, among other things, responsible for determining, reviewing, making recommendations to and providing information to the Company board of directors (Board) on the Company's:
 - (a) remuneration, recruitment, retention and termination policies and procedures for senior executives;
 - (b) remuneration and incentives for senior executives;
 - (c) superannuation arrangements;
 - (d) remuneration framework for directors; and
 - (e) remuneration by gender.

3. REMUNERATION OF SENIOR EXECUTIVES

- 3.1 The policy of the Board is to pay base salaries which are competitive with those paid to senior executives in organisations of similar size in similar market sectors in order to motivate senior executives to pursue the long-term growth and success of the Company.

- 3.2 Senior executives are given formal job descriptions and a letter of appointment describing their term of office, duties, rights and responsibilities as well as any termination entitlements. Remuneration packages for senior executives are reviewed and determined with regard to current market rates and are benchmarked against comparable industry salaries, adjusted by a performance factor to reflect changes in the performance of the Company.
- 3.3 Remuneration packages may comprise a fixed cash component, statutory superannuation contributions, fringe benefits, an annual merit-based performance bonus for achievement of performance criteria set by the Committee and, where applicable, equity-based remuneration in the form of employee options.
- 3.4 The Committee recommends to the Board specific criteria and key objectives for senior executives. The criteria for the award of annual merit-based performance bonuses to senior executives will be consistent with the Company's circumstances, purpose, strategic goals, values and risk appetite.
- 3.5 Share options may be offered to senior executives and employees at the discretion of the Board, having regard to, among other things, the length of service with the Company, the past and potential contribution of the person to the Company and, in some cases, performance.

4. REMUNERATION OF EXECUTIVE DIRECTORS

- 4.1 The policy of the Board is to remunerate executive directors by way of fixed and incentive pay, reflecting short and long term performance objectives appropriate to the Company's circumstances and goals. Like senior executives, executive directors may receive a fixed base salary, fringe benefits and if warranted, performance bonuses.
- 4.2 Executive directors are given formal job descriptions and a letter of appointment describing their term of office, duties, rights and responsibilities as well as any termination entitlements.
- 4.3 Executive directors do not receive any retirement benefits other than superannuation.
- 4.4 Performance related bonuses will be awarded on achievement of agreed performance criteria that are approved by the Board / Committee. The criteria for the award of annual merit-based performance bonuses to executive directors will be consistent with the Company's circumstances, purpose, strategic goals, values and risk appetite.

5. REMUNERATION OF NON-EXECUTIVE DIRECTORS

- 5.1 The Board seeks to set the aggregate remuneration of non-executive directors in accordance with market rates for comparable companies for time, commitment and responsibilities and at a level which provides the Company with the ability to attract and retain non-executive directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.
- 5.2 The aggregate remuneration paid to non-executive directors is approved by shareholders in accordance with the requirements of the *Corporations Act 2001* (Cth).

- 5.3 Non-executive directors appointed to the Board are to be provided with a formal letter of appointment setting out the key terms and conditions of their appointment. Each non-executive director receives a fee in the form of cash and may receive superannuation benefits (but no other retirement benefits or bonuses). Non-executive directors who are called upon to perform extra services beyond the director's ordinary duties may be paid additional fees for those services. The Board reviews non-executive director remuneration annually and may seek independent external advice, when required.
- 5.4 No non-executive director's fees are linked to the performance of the Company.

6. PAYMENT FOR CONSULTANCY SERVICES

An agreement for consultancy or similar services between the Company and directors or senior executives, or their related parties requires:

- (a) independent advice that the agreement is on arm's length terms; and
- (b) full disclosure of material terms to security holders.

7. TERMINATION

Termination payments for senior executives and directors are based on specific contractual arrangements. The basis for determining entitlements in the event of termination is consistent with the legislative requirements in the *Corporations Act 2001* (Cth), the ASX Listing Rules, and contractual obligations set out in those documents, which in turn align with market norms and practice. There will be no payment upon removal for misconduct, other than statutory requirements.

8. EMPLOYEE OPTION PLAN

- 8.1 The Board believes that the granting of share incentives encourages a broad alignment of the interests of the executive directors and senior executives with the earnings and asset growth of the Company to the mutual benefit of both shareholders and executive directors and senior executives.
- 8.2 Employee options may be offered to eligible employees under the terms of the shareholder approved employee option plan as a long-term component of remuneration provided to employees and occasionally, executive directors, on an ad hoc basis.
- 8.3 The employee option plan should be renewed at least every three years and approved or ratified (as appropriate) by shareholders so that the plan remains exempt from ASX Listing Rule 7.1.

9. DISCLOSURE OF REMUNERATION

- 9.1 Total remuneration reported will include appropriate values for all elements of remuneration, incorporating fixed remuneration, performance-based remuneration comprising payments made or

value provided for at risk components, superannuation and value for benefits provided and equity - based components of remuneration.

- 9.2 Other than disclosure in the corporate governance statement in annual reports, annual information forms and proxy circulars or disclosure required by law or regulatory and compliance requirements, remuneration information is confidential as between the Company and the employee, pursuant to a mutual obligation and expectation to maintain confidentiality of remuneration data.
- 9.3 Remuneration and performance data may be used for internal benchmarking, performance management and general review and analysis of the Company (e.g. achieving the goals of the Diversity Policy).

10. REVIEW OF THIS POLICY

This Policy will be reviewed by the Committee, or the Board at its discretion, from time to time, to ensure that it continues to reflect the letter and spirit of all applicable laws and regulations and Imdex's commitment to its staff and the community but not less than once every (3) years.