



MONASH IVF GROUP

Remuneration Policy

Website: www.monashivfgroup.com.au

Email: hcrawford@monashivf.com

Telephone: +61 3 9420 8235

Address

Pelaco Building 1

Level 1

21-31 Goodwood Street

Richmond Victoria 3121 Australia

Revised May 2019

L\312604903.3

Remuneration Policy

Monash IVF Group Limited (the Company)

1. Background

1.1 Overview

The Company is committed to attracting and retaining the best people to work in the organisation, including Directors, Executive Management, specialised personnel and critical contractors such as Doctors. A key element in achieving that objective is to ensure the Group is able to appropriately remunerate underpinned by the following key principles.

1.2 Key Principles

The purpose of this remuneration policy is to establish a framework for remuneration that is designed to:

- Ensure employees including KMP and Executive Management are rewarded fairly and competitively according to role accountability, market positioning, skills, experience and performance.
- Alignment with the overall business strategy and ensure all policies and processes are observed to enable the attraction and retention of key personnel who create value for shareholders.
- Be simple, flexible, consistent and scalable across the organization allowing for sustainable business growth.
- Encompass long term and short term variable performance elements for Senior Management, Employees and Contractors who have the ability to impact overall organisation performance to best align incentives.
- Support the business strategy whilst reinforcing Mission, Principles and culture and is reviewed regularly.
- Comply with all relevant legal and regulatory provisions.

2. Key concepts

2.1 Remuneration Committee

The Remuneration and Nomination Committee (the **Committee**) is responsible for recommending to the Board;

- Group remuneration strategy and practices,
- Overall remuneration framework including the definition of Total Remuneration and its component parts,
- Terms and conditions underpinning Executive & Doctor Service Agreements (ESA), including restraint and notice period,
- Eligibility for and list of participants in incentives plans,
- Remuneration packages for all Senior Executives including structure and incentives,
- Metrics and associated targets for STI and LTI,

- Terms and conditions associated with STI and LTI plans including equity incentive plan rules, escrow and other restrictions on disposal,
- Structure and quantum of Senior Executive termination payments,
- Treatment of outstanding incentives (STI & LTI) in case of cessation of employment,
- Exercise of malus or clawback if relevant to STI or LTI payments.

Monitor and Report to the Board;

- Remuneration relative to industry benchmarks,
- Achievement of Incentives,
- Equity for remuneration arrangements across the business relative to diversity.

2.2 Principles

In order to fulfil the role of the Committee set out above, the Committee members must refer to the purpose and key principles underpinning this remuneration policy as outlined in paragraph 1.2, when developing recommendations to the Board regarding remuneration.

2.3 Remuneration principles for Executive Directors, KMP and Executive Management

The Group bases its Total Remuneration Packages between the 25th and 75th percentile of the market for the industrial services / health sector relative to companies of comparable size and subject to merit and experience. Remuneration for executive directors and senior executive packages may incorporate fixed and variable pay for performance elements with both a short term and long term focus. Total Remuneration Packages may comprise of three principle elements:

- 1) Total Fixed Remuneration annual base salary – reflecting the value of the individuals' personal performance, their ability and experience, as well as the Company's obligations. Labour market conditions should be relative to the scale of the Company. All standard leave provisions and Superannuation Guaranteed Contributions are included in the overall Total Fixed Remuneration.
- 2) Short Term Incentive (STI) – ensures that a proportion of remuneration is tied to Group and individual performance, measured annually in line with the financial year. Eligible employees can only realise their STI at risk component if pre-determined objectives are achieved against an agreed balanced scorecard.
- 3) Long Term Incentive (LTI) – ensures that a proportion of remuneration is tied to Group performance over multiple years. The LTI plan aligns eligible participation with shareholder interests and focuses performance on sound business decisions resulting in sustainable shareholder wealth.

Other Benefits

- (a) Expense reimbursement - for any expenses incurred in the course of the personnel's duties; and

- (b) Termination payments - any termination payments should reflect contractual and legal obligations and will not be made when an Executive is removed for misconduct.

2.4 General remuneration principles

The Group bases its' Total Fixed Remuneration Package between the 25th and 75th percentile of the market positioning relative to companies of comparable size subject to merit and experience.

2.5 Remuneration for non-executive directors

Remuneration for non-executive directors may contain any or all of the following:

- (a) Annual fees - reflecting the time commitment and responsibilities of the role;
- (b) Equity based remuneration – may be considered in lieu of board fees;
- (c) Other benefits – including superannuation guaranteed contribution payments.

2.6 Assessing remuneration

In line with the ASX Corporate Governance Principles, recommendations will be based on the following principles;

1. Remuneration is based upon the duties and responsibilities expected to be performed.
2. Remuneration will be competitive with the external market in which the Group operates.
3. Remuneration is offered in a fair and equitable way.

External advice/recommendations may be sought for benchmarking of remuneration and on the structuring of remuneration packages.

3. Other matters

3.1 Amendment of policy

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

3.2 Adoption of Policy and Board review

This Policy was adopted by the Board on 23 May 2019, and takes effect from that date and replaces any previous policy in this regard.

The Remuneration and Nomination Committee and the Board will review this Policy periodically. The Company Secretary will communicate any amendments to employees and doctors as appropriate.