



REMUNERATION AND NOMINATION COMMITTEE CHARTER

The Remuneration and Nomination Committee ("Committee") has been established as a committee of the board of directors ("Board") of Novogen Limited ("Novogen" or the "Company").

1. Introduction

- 1.1 This Charter governs the composition, membership, roles and responsibilities of the Committee.
- 1.2 The operation of the Committee is also governed, where applicable, by the constitution of the Company ("Company's Constitution").

2. Objectives

- 2.1 The purpose of the Committee is to provide advice, recommendations and assistance to the Board with respect to:

Nomination matters

- (1) identifying nominees for directorships and other key executive appointments;
- (2) the appointment of and re-election of directors;
- (3) the composition of the Board;
- (4) ensuring that effective induction and education procedures exist for new Board appointees and key executives; and
- (5) developing and ensuring that appropriate procedures exist to assess and review the performance of the Chair, executive and non-executive directors, senior management, Board committees and the Board as a whole.

Remuneration matters

- (1) the compensation of the Company's Chief Executive Officer (*CEO*) and all other Company officers and other employees, including salaries, benefits, defined benefit plans, defined contribution plans and securities based plans;
- (2) putting in place remuneration policies that are designed to attract and retain senior managers and directors with the expertise to enhance the performance and growth of the Company;
- (3) ensuring that the level and composition of remuneration packages are fair, reasonable and adequate and, in the case of executive directors and senior managers, display a clear relationship between the performance of the individual and the performance of the Company (with both short term and long-term incentives being linked to the creation of sustainable shareholder returns); and
- (4) producing a report on executive officer compensation in accordance with applicable rules.

Other

- (1) the human resources policies and practices are consistent with and complementary to the strategic direction and objectives of the Company as determined by the Board

- (2) any termination benefits are justified and appropriate; and
- (3) ensuring that proper succession plans for Board members and senior executives are in place for consideration by the Board.

3. Composition

3.1 Members

The Committee must have a minimum of 3 members.

The Board may designate a member of the Committee as Chair, or if the Board does not do so, the members of the Committee will appoint a member of the Committee as Chair by a majority vote. The Committee should be chaired by an independent director, as that term is defined in the Australian Securities Exchange Limited's (*ASX*) Corporate Governance Principles and Recommendations.

The members of the Committee will be appointed and removed by the Board.

3.2 Independence

All Committee members must have been determined by the Board to be independent, as defined and to the extent required in the applicable ASX Corporate Governance Principles and Recommendations, SEC rules and NASDAQ listing standards, as they may be amended from time to time. The definition of independence under the SEC rules and the NASDAQ listing standards is set forth in Annexure A. All committee members must qualify as "non-employee directors" within the meaning of SEC Rule 16b-3 and as "outside directors" within the meaning of Section 162(m) of the U.S. Internal Revenue Code of 1986.

3.3 Expertise

Members of the Committee must have an appropriate level of understanding of:

- (1) the principles of corporate governance, including knowledge of the ASX Corporate Governance Principles and Recommendations and the corporate governance requirements under the NASDAQ listing standards;
- (2) the Company's businesses and organisation structure;
- (3) the functions of the Board and the various roles and responsibilities of directors and other key executive positions;
- (4) Company management, at a senior management level;
- (5) the disclosure requirements under the *Corporations Act 2001*, the ASX Listing Rules, the SEC rules and the NASDAQ listing standards in respect to executive and director remuneration; and
- (6) the complexities involved in negotiating and determining executive remuneration packages.

4. Meetings

4.1 Frequency

The Committee will meet as frequently as required but must, at a minimum, meet once a year.

The Chair must call a meeting of the Committee if requested to do so by any member of the Committee or Board.

The Committee may also hold special meetings or act by circular resolution as the Committee may decide consistent with the Company's Constitution. The Committee may meet in separate executive sessions with other directors and other employees, agents or representatives of the Company invited by the Committee.

4.2 Procedures

The Committee may establish its own procedures, including the formation and delegation of authority to subcommittees, in a manner not inconsistent with this Charter, the Company's corporate governance documents and applicable law, rules or regulations.

4.3 Quorum

A quorum for Committee meetings will be at least 2 members.

4.4 Reporting and Minutes

Following each meeting, the Chair will report on any matter that should be brought to the Board's attention, and on any recommendation of the Committee that requires Board approval or action.

The Committee will keep written minutes of each meeting and deliver copies to the Company Secretary for inclusion in the corporate records for distribution to each member of the Board.

4.5 Attendance and Voting

The Committee may invite any person to attend part or all of any meeting of the Committee as it considers appropriate. Voting at Committee meetings is restricted to Committee members and each Committee member will have one vote. The Chair will not have a casting vote.

5. Committee Access and Information

5.1 The Committee has direct, independent and confidential access to the Company's other directors, management and personnel to carry out the purposes of the Committee.

5.2 The Committee has the right to seek internal and external advice when it considers such advice necessary or appropriate in order to fulfil its responsibilities.

5.3 Management must supply the Committee with information in a form, timeframe and of a quality that will enable the Committee to effectively discharge its duties. The Committee has the authority to obtain at the Company's expense compensation surveys, reports on the design and implementation of compensation programs and other data and documentation as the Committee considers appropriate.

5.4 The Committee must ensure that it obtains sufficient information to enable it to make informed decisions with respect to the advice and recommendations it provides to the Board.

5.5 A member of the Committee is not entitled to be present at a Committee meeting, nor give advice or recommendations to the Board, regarding:

- (1) the level or composition of his or her remuneration; and
- (2) the evaluation of his or her performance as a director of the Company.

- 5.6** In any deliberations or voting to determine the compensation of the CEO, the CEO must not be present. However, in any deliberations or voting to determine the compensation of other executive officers, the Committee may elect to invite the CEO to be present, but not vote.
- 5.7** In order to ensure the Board is able to discharge its responsibilities properly, the Committee should establish a process whereby directors:
- (1) can obtain independent professional advice when reasonably necessary or appropriate at the expense of the Company; and
 - (2) are encouraged to, and in fact actively, request additional information where they consider that the information supplied by internal or external sources is insufficient to allow them to make informed decisions.

6. Responsibilities of the Committee – Nomination matters

6.1 Nomination, appointment and removal

The Committee is responsible for:

- (1) identifying specific individuals for nomination or re-election for directorship and key executive roles; and
- (2) providing advice and recommendations to the Board with respect to the appointment and removal of directors and key executives.

The Committee must ensure that there is a formal process in place for selecting and appointing new directors and key executives, or reappointing incumbent directors and key executives, and that the process is transparent.

6.2 Director competencies

The Committee is responsible for providing the Board with advice and recommendations regarding the ongoing development of:

- (1) a plan for identifying, assessing and enhancing director competencies with reference to the expertise requirements set out in the Board charter; and
- (2) a succession plan that is designed to ensure that an appropriate balance of skills, experience and expertise is maintained on the Board.

Prior to identifying an individual for nomination for directorship, the Committee must evaluate the range of skills, experience and expertise currently existing on the Board to ensure that the Committee identifies the particular skills, experience and expertise that will most effectively complement the Board's current composition.

6.3 Board composition

The Committee is responsible for ensuring that the Board is of a size and composition that allows for:

- (1) decisions to be made expediently;
- (2) a range of different perspectives to be put forward regarding issues before the Board;
- (3) a range of different skills to be brought to Board deliberations; and

- (4) Board decisions to be made in the best interests of the Company as a whole rather than being made in the interests of individual shareholders or interest groups.

6.4 Board commitment

The Committee is responsible for monitoring, on an ongoing basis, the time required for non-executive directors to adequately fulfil their duties and the extent to which non-executive directors are meeting these time requirements.

Prior to the nomination of prospective non-executive directors the Committee must obtain from the prospective candidate:

- (1) details of other commitments of the prospective candidate and an indication of the time involved to meet these requirements; and
- (2) an acknowledgement that the prospective candidate will have sufficient time to meet the requirements of a non-executive director with the Company.

A non-executive director must inform the Chair of their intention to accept a new appointment as a director of another company prior to accepting such a position.

6.5 Election of directors

The Committee must ensure that any notice of meeting relating to the election of directors provides the Company's shareholders with the information necessary to allow the shareholders to make an informed decision on the election, including without limitation:

- (1) biographical details, including competencies and qualifications and information sufficient to enable an assessment of the independence of the candidate;
- (2) details of relationships between:
 - (a) the candidate and the Company; and
 - (b) the candidate and the Company directors;
- (3) other directorships held by the candidate;
- (4) particulars of other positions of the candidate which involve significant time commitments; and
- (5) the term of office currently served by any directors subject to any re-election.

The Committee must ensure that non-executive directors are appointed for specific terms subject to re-election and to the ASX Listing Rules and the *Corporations Act 2001* provisions regarding the removal of directors.

6.6 Induction and education procedures

The Committee must implement an effective induction process for new Board appointees and key executives. This induction process must include:

- (1) information about the Company;
- (2) information about the industry within which the Company operates; and

- (3) an induction program that enables new directors and executives to gain an understanding of:
 - (a) the Company's financial, strategic, operational and risk management position;
 - (b) their rights, duties and responsibilities; and
 - (c) the role of any Board committees.

The Committee must review the induction process annually to ensure that it is up to date and effective. The Committee must ensure that Board appointees and executives have access to continuing education to update and enhance their skills and knowledge. This may include education concerning key developments in the Company and within the industry and environments within which it operates.

6.7 Evaluation and review

The Committee is responsible for the:

- (1) evaluation and review of the performance of the Board against both measurable and qualitative indicators to be established by the Committee;
- (2) evaluation and review of the performance of individual directors against both measurable and qualitative indicators to be established by the Committee;
- (3) review of and making of recommendations on the Company's recruitment, retention and termination policies and procedures for senior executives;
- (4) review of and making of recommendations on the size and structure of the Board;
- (5) implementation of succession planning for members of the Board and management; and
- (6) review of the effectiveness and programme of Board meetings.

7. Responsibilities of the Committee – Remuneration matters

7.1 Executive remuneration policy

The Committee is responsible for providing the Board with advice and recommendations regarding the ongoing development of an executive and non-executive remuneration policy that:

- (1) is designed to attract, maintain and motivate directors and senior management with the aim of enhancing the performance and long-term growth of the Company; and
- (2) clearly sets out the relationship between the individual's performance and remuneration.

7.2 Executive remuneration packages

The Committee is responsible for reviewing, at least annually, the performance of the senior management and executive directors, and reviewing and providing recommendations to the Board with respect to the remuneration packages of such senior management and executive directors.

The Committee must ensure that the remuneration packages of senior management and executive directors:

- (1) display a balance between fixed and incentive pay which is tailored to the Company's short and long-term performance objectives;

- (2) provide for a link between rewards and the performance of the Company and individual;
- (3) are consistent with the Company's remuneration policy and any other relevant Company policies; and
- (4) take into consideration market practice and trends (including compensation at comparable companies), past year's compensation and other relevant factors.

The fixed component of each executive remuneration package should be based on the core performance requirements and expectations of the individual. The performance-based component of each executive remuneration package must be clearly linked to specified performance targets.

The Committee must ensure that, where applicable, any payments of equity-based remuneration are made in accordance with any thresholds set in plans approved by the Company's shareholders. Committee members must be aware at all times of the limitations of equity-based remuneration.

The Committee is also responsible for advising, reviewing and providing recommendations to the Board with respect to executive superannuation arrangements and remuneration by gender (so as to ensure that there is no gender or other in appropriate bias in the remuneration for directors, senior executives and other employees).

The Committee is also responsible for reviewing and approving all executive officers' employment agreements separation and severance agreements and other compensatory contracts, arrangements, perquisites and payments for senior management and executive directors.

7.3 Incentive schemes

The Committee is responsible for reviewing and providing recommendations to the Board with respect to:

- (1) the Company's policies with respect to incentive schemes; and
- (2) the incentive schemes of senior managers and executive directors and any amendments to these schemes.

The Committee will assist the Board in the development of appropriate benchmarks for use in designing incentive schemes.

7.4 Non-executive remuneration

Subject to compliance with clause 5.5, the Committee is responsible for providing advice to the Board with respect to non-executive directors' remuneration, committee chairpersons and committee members consistent with any applicable requirements of the NASDAQ listing standards for independent directors.

The remuneration packages of non-executive directors should generally be fee based and the Committee must ensure that:

- (1) there is a clear distinction between the structure of non-executive directors' and executive directors' remuneration in compliance with ASX Corporate Governance Principle 8.3 (as amended from time to time); and
- (2) non-executive directors do not participate in remuneration schemes designed for executive directors.

7.5 Separation and severance arrangements

The Committee is responsible for providing advice and recommendations to the Board on the Company's termination and redundancy policies and reviewing and approving separation and severance arrangements made to outgoing directors and senior managers. The Committee should ensure that separation and severance arrangements:

- (1) are fair to the individual and the Company; and
- (2) do not reward failure.

Where applicable separation and severance arrangements must be agreed in advance and must contain clearly defined provisions regarding the consequences of early termination. The separation and severance arrangements of the CEO must always be agreed in advance.

8. Reporting

8.1 Reporting to the Board

The Committee must report to the Board, at the first Board meeting subsequent to each Committee meeting, regarding the proceedings of each Committee meeting, the outcomes of the Committee's reviews and recommendations and any other relevant issues.

The Committee will provide to the Board at an appropriate time, before the preparation of the Company's notice of meeting for its annual meeting, the report of the Committee that must be included in the notice of meeting. The Committee will also report to the Board annually the results of the annual review by the Committee of its own performance. The Committee will further report to the Board on the major items covered by the Committee at each Committee meeting and provide additional report to the Board as the Committee may determine to be appropriate.

8.2 Annual report

The Committee must provide the Board with advice and recommendations regarding the appropriate material and disclosures to be included in the corporate governance section of the Company's annual report which relates to the Company's nomination and remuneration policies and procedures, information concerning the directors and the performance evaluation of the Board and senior executives.

8.3 Annual Performance Review

The Committee will evaluate its own performance and this Charter on an annual basis and recommend any proposed changes to the Board.

8.4 Resources

The Committee must ensure that a copy of this Charter is made publicly available.



Annexure A

Definition of "Independent Director" under NASDAQ Listing Rule 5605(a)(2)

"Independent Director" means a person other than an Executive Officer or employee of the Company or any other individual having a relationship which, in the opinion of the Company's board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. For purposes of this rule, "Family Member" means a person's spouse, parents, children and siblings, whether by blood, marriage or adoption, or anyone residing in such person's home.

The following persons shall not be considered independent:

- (A) a director who is, or at any time during the past three years was, employed by the Company; and
- (B) a director who accepted or who has a Family Member who accepted any compensation from the Company in excess of US\$120,000 during any period of twelve consecutive months within the three years preceding the determination of independence, other than the following:
 - (i) compensation for board or board committee service;
 - (ii) compensation paid to a Family Member who is an employee (other than an Executive Officer) of the Company; or
 - (iii) benefits under a tax-qualified retirement plan, or non-discretionary compensation.

Interpretation of Definition of Independence — Rule 5605(a)(2)

It is important for investors to have confidence that individuals serving as Independent Directors do not have a relationship with the listed Company that would impair their independence. The board has a responsibility to make an affirmative determination that no such relationships exist through the application of Rule 5605(a)(2). Rule 5605(a)(2) also provides a list of certain relationships that preclude a board finding of independence. These objective measures provide transparency to investors and Companies, facilitate uniform application of the rules, and ease administration. Because Nasdaq does not believe that ownership of Company stock by itself would preclude a board finding of independence, it is not included in the aforementioned objective factors. It should be noted that there are additional, more stringent requirements that apply to directors serving on audit committees, as specified in Rule 5605(c).

The Rule's reference to the "Company" includes any parent or subsidiary of the Company. The term "parent or subsidiary" is intended to cover entities the Company controls and consolidates with the Company's financial statements as filed with the Commission (but not if the Company reflects such entity solely as an investment in its financial statements). In the context of the definition of Family Member under Rule 5605(a)(2), the reference to marriage is intended to capture relationships specified in the Rule (parents, children and siblings) that arise as a result of marriage, such as "in-law" relationships.



The three year look-back periods referenced in paragraphs (A) of the Rule commence on the date the relationship ceases. For example, a director employed by the Company is not independent until three years after such employment terminates.

For purposes of paragraph (A) of the Rule, employment by a director as an Executive Officer on an interim basis shall not disqualify that director from being considered independent following such employment, provided the interim employment did not last longer than one year. A director would not be considered independent while serving as an interim officer. Similarly, for purposes of paragraph (B) of the Rule, compensation received by a director for former service as an interim Executive Officer need not be considered as compensation in determining independence after such service, provided such interim employment did not last longer than one year. Nonetheless, the Company's board of directors still must consider whether such former employment and any compensation received would interfere with the director's exercise of independent judgment in carrying out the responsibilities of a director. In addition, if the director participated in the preparation of the Company's financial statements while serving as an interim Executive Officer, Rule 5605(c)(2)(A)(iii) would preclude service on the audit committee for three years.

Paragraph (B) of the Rule is generally intended to capture situations where a compensation is made directly to (or for the benefit of) the director or a Family Member of the director. For example, consulting or personal service contracts with a director or Family Member of the director would be analyzed under paragraph (B) of the Rule. In addition, political contributions to the campaign of a director or a Family Member of the director would be considered indirect compensation under paragraph (B). Non-preferential payments made in the ordinary course of providing business services (such as payments of interest or proceeds related to banking services or loans by a Company that is a financial institution or payment of claims on a policy by a Company that is an insurance company), payments arising solely from investments in the Company's securities and loans permitted under Section 13(k) of the Securities Exchange Act ("Exchange Act") will not preclude a finding of director independence as long as the payments are non-compensatory in nature. Depending on the circumstances, a loan or payment could be compensatory if, for example, it is not on terms generally available to the public.