

People & Culture Policy

1. GENERAL PHILOSOPHY

- 1.1. Pacific Edge Limited (PEL) is a world-leading cancer diagnostics company and as such aims to recruit the best available people across all relevant disciplines and roles in Science, Technology, Innovation and Commercialization of those innovations. PEL recognises that there is significant competition for talent and experience in cancer diagnostics, and consequently there is a need to develop and implement a remuneration framework that enables the Company to attract, motivate and retain its people through an effective remuneration strategy that is integrated across its business objectives.
- 1.2. We aim to develop pay and performance systems that:
 - a. Are clearly aligned to our values, culture and corporate strategy;
 - b. Promotes a high performance culture;
 - c. Are equitable to employees and investors, flexible and rewarding;
 - d. Appropriately reflect international market conditions, local and organisational context;
 - e. Recognise individual and team performance;
 - f. Recognise company overall performance and shareholder value.
- 1.3. We recognise the respective employment laws in each jurisdiction of operations and take into consideration the specific cultures, performance, remuneration and incentives specific to those jurisdictions. We partner with remuneration specialists to undertake job evaluation (job sizing) and benchmarking to ensure we maintain a globally competitive remuneration framework.
- 1.4. The Company's salaried employee remuneration program consists of:
 - a. Base salary (all employees)
 - b. Short Term Incentive (STI): Variable component offered only to the CEO and senior leaders, and awarded annually based on the achievement of a combination of individual goals and company performance targets
 - c. Long-Term Incentive (LTI): Equity component offered only to the CEO and senior leaders, and designed as a long-term retention tool using Share Options, and
 - d. Superannuation such as KiwiSaver in New Zealand or 401k in the USA.
 - e. Non-financial Benefits (e.g. health insurance, long service leave, extended maternity leave benefits)

2. BASE SALARY

- 2.1. Salaried employees receive base remuneration packages that are benchmarked against similar positions from companies in comparable industries factoring in size, complexity, responsibilities and local market context. Recognising that our positions belong to distinctly different geographical and professional talent markets, we manage our remuneration by using distinct remuneration benchmark policy lines, to ensure market competitiveness while maintaining judicious cost management. To benchmark remuneration, we use industry remuneration surveys for each country, conducted by outside consultants.
- 2.2. Individual employee remuneration is reviewed annually with the amount of any increases determined by factors such as company performance, general economic conditions, marketplace remuneration trends and individual performance. Our Remuneration benchmark policy lines will be reviewed annually, and Company-wide position benchmarking reviews are conducted at least once every three years.

3. SHORT-TERM INCENTIVE (STI)

- 3.1. The Company operates an STI-based scheme for the CEO and senior leaders as indicated by an individual employee agreement. STI remuneration is determined by achievement against individual and company goals. Partial achievement of goals will correspond to lower remuneration. The proportion of total STI that is based on company goals is related to the Employee Band, such that higher Bands have a higher proportion of their STI based on company goals. While STI is typically paid in cash, an employee may elect to receive up to 50% in equity (Shares) unless there are rules or regulations that limit the company's ability to issue shares in a timely manner, in which case 100% of the STI will be paid in cash.
- 3.2. Company goals, including describing the mechanisms for partial achievement are set by the Board with the CEO/CFO and agreed in conjunction with the Budget, i.e. by March 31 of any given year. Company goal performance is also assessed by the Board and the achievement percentage is used for all individuals with a Company STI component. Company STI is considered discretionary.
- 3.3. Individual goals are set jointly between the manager and employee, including describing the mechanisms for partial achievement, and agreed within 90 days of start date and or during the APR process. Individual goals are assessed by the manager and reviewed by Executives and/or HR for consistency. While level of achievement may vary depending on performance, individual STI is not considered discretionary if the goals have been achieved.

4. LONG-TERM INCENTIVES (LTI)

- 4.1. The Company has an LTI Scheme that is designed to attract and retain talent qualifying employees by offering additional remuneration through Options for as indicated in their individual employee agreement.
- 4.2. Sign-on “Attract LTI” may be necessary to attract top talent to certain executive or other key roles and may be issued at the time of the employee signing their employment agreement, subject to final approval by the Board
- 4.3. The LTI Scheme will have an annual LTI issuance to retain any key staff (often referred to as “Retain LTI”). To recognise the greater impact senior employees have on company performance, the size of their LTI relative to their base salary will vary such that higher Bands have a higher proportion of their LTI related to company performance considering the employees anticipated overall future long-term contribution to the business.
- 4.4. LTI remuneration generally vests annually over a three year period, with 1/3 vesting each year on the first, second and third anniversary after issue and with a four-year exercise window. If an employee ceases employment within one year of employment there is no vesting. Unless there are exceptional circumstances, the exercise price for each tranche of Options is determined by the share price on the date of Board approval. The Company offers employees the ability to fund their option purchases utilising a cashless exercise within the Options Agreement.