



Health innovation that matters

Compensation and Human Capital Management Committee Charter



Compensation and Human Capital Management Committee Charter of LivaNova PLC

1. PURPOSE

The purpose of the Committee is to (i) carry out the responsibilities delegated by the Board relating to the review and determination of executive compensation, (ii) establish and review the overall compensation philosophy of the Company; and (iii) oversee human capital management, including non-Chief Executive Officer (“CEO”) executive officer succession planning, within the Company.

2. MEMBERSHIP

Number. The Compensation and Human Capital Management Committee (the “Committee”) of the Board of Directors (the “Board”) of LivaNova PLC (the “Company”) shall consist of three or more directors.

Independence. Each member of the Committee shall be:

- a) independent in accordance with the rules of the NASDAQ Stock Market LLC (“Nasdaq”) and such other laws and regulations as may apply from time to time; and
- b) a “non-employee director” for the purposes of Section 16(b) of the US Securities Exchange Act of 1934, as amended (the “Exchange Act”).

Appointment. The members of the Committee shall be appointed by the Board based on recommendations from the Nominating and Corporate Governance Committee of the Board.

Term. Subject to annual elections of directors as set out in the Company’s Articles of Association and the Corporate Governance Guidelines, the members of the Committee shall serve for such term or terms as the Board may determine or until earlier resignation, removal or death. The Board may remove any member from the Committee at any time with or without cause.

3. DUTIES AND RESPONSIBILITIES

The Board delegates to the Committee the express authority in respect of the following areas of responsibility:

In respect of the CEO:

- a) To determine and approve annually the corporate goals and objectives applicable to the compensation of the CEO.
- b) To evaluate at least annually the CEO’s performance in light of those goals and objectives.
- c) To determine and approve the CEO’s compensation level based on this evaluation. Compensation includes but is not limited to annual base salary, annual short-term incentive, long-term incentives, and any special or supplemental benefits, direct or indirect, including but not limited to, pensions and other retirement benefits.
- d) In evaluating and determining the CEO compensation, the Committee shall consider the results of the most recent shareholder advisory vote on executive compensation (the “Say on Pay Vote”) required by Section 14A of the Exchange Act, the advisory shareholder vote in respect of the directors’ remuneration report in the UK Annual Report, as well as the shareholder-approved directors’ remuneration policy in force at the relevant time.
- e) The CEO cannot be present during any voting or deliberations by the Committee on their compensation.

Human Capital Management. The Committee shall oversee the Company’s policies and strategies, and periodically review risks, trends and key metrics related to human capital management, including with respect to employee engagement, pay equity, workplace culture, talent development and talent pipeline, workforce composition and compensation, and diversity, equity and inclusion.

Other Executive Officer Compensation. To determine and approve the compensation (including, but not limited to, annual base salary, annual short-term incentive, long-term incentives, and any special or supplemental benefits, direct or indirect, including but not limited to, pensions and other retirement benefits) of all other executive officers. As used in this Charter, “executive officer” shall have the meaning ascribed by the US Securities and Exchange Commission (the “SEC”) in Rule 16a-1(f) under the Exchange Act. In evaluating and determining executive compensation, the Committee shall consider the results of the most recent Say on Pay Vote.

Other Executive Officer Succession Planning. The Committee shall develop and review with the Board at least annually, plans for succession and talent development of the Company’s non-CEO executive officers.

Approval of Employment, Severance, and Compensatory Arrangements. To review and approve any employment or consulting agreements, any severance or termination arrangements, or any other plans (including compensatory plans), including any benefits to be provided in connection with a change in control for the executive officers, which includes the ability to adopt, amend, and terminate such agreements, arrangements or plans.

Other Compensation Plans. To review and approve incentive compensation plans and equity-based plans, and where appropriate or required, recommend such plans for approval by the shareholders of the Company. The Committee shall also have the authority to administer the Company’s incentive compensation plans and equity-based plans, including the ability to adopt, amend and terminate such plans, and to designate the employees to whom the awards are to be granted, the amount of the award or equity to be granted and the terms and conditions applicable to each award or grant, subject to the provisions of each plan. In reviewing and approving incentive compensation plans and equity-based plans, including whether to adopt, amend or terminate any such plans, the Committee shall consider the results of the most recent Say on Pay Vote and the advisory shareholder vote in respect of the directors’ remuneration report in the UK Annual Report, as well as the shareholder-approved directors’ remuneration policy in force at the relevant time.

Approval of Performance Goals. The Committee shall approve the achievement of performance goals in respect of any long-term or short-term incentive plans in relation to executive officer compensation.

CD&A, UK Remuneration Report, Committee Report, etc. To review and discuss with management and oversee the preparation of the Company’s Compensation Discussion and Analysis (“CD&A”) and the related executive compensation information, recommend to the Board that the CD&A and related executive compensation information be included in the Company’s Annual Report on Form 10-K, UK Annual Report (including the directors’ remuneration report), and/or annual proxy statement, as the case may be, and produce the Committee report on executive and non-executive officer compensation required by the SEC to be included in the Company’s Annual Report on Form 10-K, and required to be included in the UK Annual Report (including the directors’ remuneration report), and/or annual proxy statement, as required.

UK Remuneration Policy. The Committee shall submit a directors’ remuneration policy for approval to the Board and shareholders pursuant to the UK Companies Act 2006 every three years, in any year in which there is a change relative to the prior year, and if shareholder approval was not achieved when last submitted.

Recoupment Policy. To review, approve the adoption of or revision to, and administer any recoupment policy that allows the Company to “clawback” compensation received by executive officers of the Company and to monitor compliance with such policy.

Stock Ownership Guidelines/Requirements. To determine stock ownership guidelines/requirements for directors and executive officers and monitor compliance with such guidelines/requirements. The Committee shall also regularly review these guidelines/requirements and amend them when the Committee believes it is appropriate to do so.

Risk and Compensation. To review the Company’s incentive compensation arrangements to determine whether they encourage excessive risk-taking, to review and discuss, at least annually, the relationship between risk management policies and practices and compensation, and to evaluate compensation policies and practices that could mitigate any such risk.

Frequency of Say on Pay. To review and recommend to the Board for approval the frequency with which the Company will conduct Say on Pay Votes, taking into account the results of the most recent advisory shareholder vote on frequency of Say on Pay Votes as required by Section 14A of the Exchange Act, and review and approve the proposals regarding the Say on Pay Vote and the frequency of the Say on Pay Vote to be included in the Company's annual proxy statement.

Director Compensation. To review all director compensation and benefits for service on the Board and Board committees at least once a year and to recommend for approval by the Board any proposed changes as necessary.

Director Expenses. The Committee shall recommend for approval by the Board a policy in respect of non-executive director expenses. The Committee shall also regularly review such policy and amend it when the Committee believes it is appropriate to do so, having regard to the regular reports on director expenses delivered to the Audit and Compliance Committee.

Executive Session. In addition to routine executive sessions that the Committee may have after each meeting, the Committee shall meet annually with the Chair of the Board or the Lead Director (if the Chair of the Board is an executive director) in executive session to assess the CEO's performance against their performance objectives, their contribution to the Company's performance, their ethics and integrity and other leadership attributes.

4. OUTSIDE ADVISORS

The Committee shall have the authority, in its sole discretion, to select, retain and obtain the advice of a compensation consultant as necessary to assist with the execution of its duties and responsibilities as set forth in this Charter. The Committee shall set the compensation, and oversee the work, of the compensation consultant. The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of outside legal counsel and such other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall set the compensation, and oversee the work, of its outside legal counsel and other advisors. The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a Committee of the Board, for the payment of compensation to its compensation consultants, outside legal counsel and any other advisors. However, the Committee shall not be required to implement or act consistently with the advice or recommendations of its compensation consultant, legal counsel or other advisor to the Committee, and the authority granted in this Charter shall not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties under this Charter.

The compensation consultant, outside counsel and any other advisors retained by, or providing advice to, the Committee (other than the Company's in-house counsel) shall be independent as determined in the discretion of the Committee after considering the factors specified in the Nasdaq listing rules.

The Committee may retain, or receive advice from, any compensation or legal advisor it prefers, including ones that are not independent, after considering the specified factors. The Committee is not required to assess the independence of any compensation consultant or other advisor that acts in a role limited to consulting on any broad-based plan that does not discriminate in scope, terms or operation in favor of executive officers or directors and that is generally available to all salaried employees or providing information that is not customized for a particular company or that is customized based on parameters that are not developed by the consultant or advisor, and about which the consultant or advisor does not provide advice.

The Committee shall evaluate whether any compensation consultant retained or to be retained by it has any conflict of interest in accordance with Item 407(e)(3)(iv) of Regulation S-K.

5. STRUCTURE AND OPERATIONS

Chair. The Board shall designate a member of the Committee as the Chair. If the appointed Chair is unable to serve and the Board has not appointed a new Chair, then the members of the Committee will appoint a Chair on a temporary basis.

Frequency of Meetings. The Committee shall meet at least four times a year at such times and places as it deems necessary to fulfill its responsibilities.

Reports to the Board. The Committee shall report regularly to the Board regarding its actions and make recommendations to the Board as appropriate.

Rules governing meetings, etc.

- a) The Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and voting requirements as are applicable to the Board.
- b) Quorum is a majority of Committee members.
- c) Only members of the Committee have the right to attend the meetings of the Committee; however, the Committee may invite other individuals, including external advisors to attend for all or part of any meeting.

Charter Review. The Committee shall review and reassess this Charter at least annually and recommend any proposed changes to the Board for approval.

Secretary of the Meeting. The Company Secretary, or their designee, shall be the secretary of the Committee.

6. DELEGATION OF AUTHORITY

The Committee shall have the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees, composed of two or more of its members, as the Committee may deem appropriate in its sole discretion.

7. PERFORMANCE EVALUATION

The Committee shall conduct an annual evaluation of the performance of its duties under this Charter and shall present the results of the evaluation to the Board.

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