



PEOPLE, CULTURE AND REMUNERATION COMMITTEE CHARTER

1 Objectives

- 1.1 The role of the People, Culture and Remuneration Committee (the “**Committee**”) is to assist the Australian Unity Limited (“**AUL**”) board (the “**Board**”) and the boards of its related bodies corporate (the “**Group**”) in exercising their authority in relation to the matters set out in this charter.
- 1.2 The Committee expects best practice in managing people, culture and remuneration. The capability and commitment of our people and directors is critical for the delivery of our business strategy and our customer and employee promise, to help people thrive. This Committee will oversee the people, culture and remuneration strategies of the Group to build and sustain ‘a great place to work’.

2 Membership

- 2.1 The Committee will comprise at least three members, including:
- (a) the chair of the Board; and
 - (b) two independent directors of the Board.
- Secretariat:** Company Secretary or designate
- 2.2 The Board will appoint the chair of the Committee. The chair of the Board cannot chair the Committee. The chair of this Committee must be an independent non-executive director of the Board.
- 2.3 The term of any member of the Committee will be three years, but any director serving on the Committee may renominate for such further term or terms, as the Board deems appropriate.
- 2.4 The composition of the Committee may be amended from time to time provided that it will at all times consist of at least three independent and non-executive directors of the Board.
- 2.5 The Group Managing Director and Chief Executive Officer (“**Group Managing Director**”) will be an ex-officio member of the Committee. The Group Managing Director may not be present when his/her individual remuneration or employment contract is a topic of discussion.

3 Roles and responsibilities

3.1 People and Culture Matters

- (a) The Committee will ensure that management has in place appropriate programs to:
 - (i) build leadership, learning and change capability across the Group;
 - (ii) address strategic workforce challenges;
 - (iii) shape the desired culture, organisational 'tone' and employee experience;
 - (iv) drive effective accountability structures, ethical business practices and values-based decision making;
 - (v) attract and retain the talent necessary for the Group to function effectively and in accordance with the goals set by the Board;
 - (vi) create a diverse and inclusive workplace; and
 - (vii) manage people and culture risks and opportunities.
- (b) Specific duties of the Committee include to:
 - (i) approve the Remuneration Policy(s) and the People and Culture Strategic Plan;
 - (ii) conduct regular reviews of the Remuneration Policy(s), including an assessment of its application, effectiveness and compliance with the requirements of law and applicable standards;
 - (iii) monitor culture, employee advocacy and engagement levels across the Group. Ensure that appropriate plans are in place to improve;
 - (iv) review diversity and inclusion strategies and monitor effectiveness;
 - (v) review plans for strategically critical role succession and development;
 - (vi) ensure effective and aligned performance management and goal setting practices;
 - (vii) in consultation with the Risk and Compliance Committee, advise the Board on the risk culture of the Group and making recommendations to the Board on how the Group's risk culture can be further developed to support the Group's objectives;
 - (viii) monitor management's effectiveness in achieving these goals through the development and regular monitoring of appropriate key result areas; and
 - (ix) make recommendations to the Board.

3.2 Remuneration Matters

- (a) The Committee will ensure that:
 - (i) a written Remuneration Policy(s) is established and maintained;
 - (ii) the Remuneration Policy(s) is regularly reviewed by the Committee, including an assessment of its application, effectiveness and compliance with law and applicable standards;

- (iii) there are appropriate processes in place to ensure all staff within the Group are properly remunerated and that remuneration practices and policies reflect the needs and goals of the Group;
 - (iv) the remuneration of the Group Managing Director and executives is appropriate within market rates and is regularly reviewed;
 - (v) the remuneration of the chair and directors is appropriate and consistent with the non-executive director fee pool limit approved by AUL's members at the last applicable annual general meeting;
 - (vi) no executive director or manager determines their own remuneration;
 - (vii) targets are determined for performance related pay schemes and aligned to the needs and goals of the Group;
 - (viii) variable remuneration is actively considered and required adjustments are made in the event of adverse risk outcomes;
 - (ix) it actively reviews the Group's finance and control personnel;
 - (x) the policy and scope of director's and staff superannuation arrangements are appropriately determined;
 - (xi) there are agreed arrangements for authorising claims for expenses from the Group Managing Director, chair and directors;
 - (xii) selection criteria are established for appointment of remuneration consultants who advise the Committee;
 - (xiii) termination provisions are fair to the individual and the Group, failure is not rewarded and the duty to mitigate loss is recognised; and
 - (xiv) there is an acceptable form of contract for the Group Managing Director and executives and those appointees are offered and accept these terms;
- (b) Specific duties of the Committee include to:
- (i) make annual recommendations to the Board on the remuneration of the Group Managing Director, direct reports of the Group Managing Director, other persons whose activities may in the Board or Committee's opinion affect the financial soundness of the Group or is required by law or any other person as specified by the Australian Prudential Regulation Authority; and
 - (ii) make annual recommendations to the Board on the remuneration of the categories of persons covered by the Remuneration Policy.

3.3 Nominations Matters

- (a) The Committee will ensure that the appointment of the Group Managing Director, and Group Executives reporting to the Group Managing Director, is aligned with the needs and goals of the Group.
- (b) Specific duties of the Committee include to:

- (i) evaluate, advise and make recommendations in relation to Board renewal as provided in Board charters;
- (ii) identify and nominate for the approval of the Board, candidates to fill Board vacancies;
- (iii) prepare descriptions of the role, skills, and capabilities required for particular appointments;
- (iv) review Board/senior management succession plans considering the challenges and opportunities facing Australian Unity and skills and expertise needed in the future; and
- (v) oversee proper processes for re-appointment of non-executive directors.

3.4 Performance Matters

- (a) The Committee will ensure that robust performance measures and targets that encourage superior executive performance and ethical behaviour are set and reviewed, at least annually, and that the performance of the Group Managing Director against individual and Group targets is also reviewed annually.
- (b) Specific duties of the Committee include to:
 - (i) set Group Managing Director objectives, performance review and assessment;
 - (ii) assess individual and collective Board performance;
 - (iii) regularly review the structure, size and composition (including skills, knowledge and experience) of the Board and make recommendations to the Board for any changes; and
 - (iv) ensure that non-executive directors receive a formal letter of appointment outlining clear expectations including, but not limited to, service and time commitments.
- (c) The Committee does not have delegated power to make binding decisions. The Board will have ultimate approval of the matters considered by the Committee.

4 Procedures

- 4.1 The order of the meetings will include apologies, attendance, minutes for confirmation, agenda items and other business. The process for preparing the agenda, papers and minutes will be managed by the Company Secretary or delegate.
- 4.2 The Committee must meet at least four times in a calendar year. Meetings can be held in person or electronically. At least once per calendar year, the Committee must jointly meet with the Risk and Compliance Committee to discuss risk and compliance matters including, but not limited to, risk culture, consequence management issues and appropriate remuneration outcomes.
- 4.3 The Group Managing Director, the Group Executive – People and Culture and the Group Executive – Governance are invited to attend Committee meetings.
- 4.4 Two members of the Committee will constitute a quorum for meetings.

- 4.5 The Committee:
- (a) has free and unfettered access to risk and financial control personnel and other parties (internal and external) in carrying out its duties; and
 - (b) if choosing to engage third-party experts, has power to do so in a manner that ensures that the engagement, including any advice received, is independent.
- 4.6 The Company Secretary is responsible for attending all Committee meetings, taking minutes at Committee meetings and maintaining records of Committee meetings.
- 4.7 The Committee's meeting agendas, together with relevant papers, are to be distributed prior to meetings to such persons as the Committee directs and, where appropriate, should contain specific recommendations.
- 4.8 All boards in the Group have unfettered access to this Committee.
- 4.9 The Committee chair will report to the Board, including recommendations on any specific decisions or actions the Board should consider.

5 Meetings

- 5.1 Minutes of the Committee's meetings will be kept and provided in the papers to the Board following the Committee meeting.
- 5.2 The Committee may table a formal report to the Board on its activities when it considers the same to be appropriate.
- 5.3 Any matters arising at a meeting of the Committee must be determined by a resolution passed by a majority of votes of those present and voting.
- 5.4 The chair does not have a casting vote in addition to his or her deliberative vote.

6 Review

- 6.1 To ensure that the Committee is fulfilling its duties to the Board, the Committee will:
- (a) review this charter annually and recommend amendments to the Board (if required);
 - (b) review the annual agenda; and
 - (c) conduct an annual assessment of its performance against this charter, duties and responsibilities and provide a report of the findings to the Board.

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| Policy Owner | Group Executive – People and Culture |
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