



## **People, Culture & Remuneration Committee Charter**

February 2019

Version 6.0

## Table of Contents

1.	Purpose	3
2.	Role and Responsibilities	3
2.1	Role	3
2.2	Responsibilities	3
3.	Committee Structure and Composition	4
4.	Conflict of Interest	4
5.	Relationship between the Board and the Committee	5
6.	Meeting Procedures	5
6.1	Meetings	5
6.2	Meeting Preparation	5
6.3	Minutes	5
6.4	Attendance at Meetings	5
6.5	Voting	6
6.6	Quorum	6
7.	Performance Evaluation	6
8.	Review of Charter	6
	Endorsement and Approval	6
	Appendix A: Fit and Proper Requirements	7

## **1. Purpose**

The People, Culture & Remuneration Committee (Committee) is a committee of the Board of Directors (Board) of Illawarra Retirement Trust (IRT Group) pursuant to Article 19.10 of its Constitution.

This charter outlines the role and responsibilities of the Committee and governs its meetings and proceedings. Nothing in this charter limits any powers or responsibilities of the Board.

## **2. Role and Responsibilities**

### **2.1 Role**

The role of the Committee is, in line with the Capability pillar of the IRT Strategic Plan approved by the Board, to assist and advise the Board on:

- (a) matters relating to the culture of the Company;
- (b) matters relating to senior executive remuneration and performance;
- (c) matters relating to the Company's adherence to the Australian Institute of Company Director's position on board diversity as set out in the Not-For-Profit Governance Principles;
- (d) the Group Chief Executive Officer (Group CEO) salary and benefits;
- (e) the framework for staff remuneration and benefits;
- (f) other matters as required from time to time by the Board.

It is an advisory role and does not relieve any directors of their responsibilities for these matters.

### **2.2 Responsibilities**

The Committee's responsibilities are:

#### **Culture**

- (a) Monitor the culture of the Company and management strategies to develop a culture consistent with the mission of the Company;

and provide recommendations to the Board as required.

#### **Board Remuneration**

- (a) Review and determine appropriate strategy and policy for remuneration of Directors;
- (b) Review compliance with the Constitution and other legal requirements for the remuneration of Directors,

and provide recommendations and reports to the Board as required.

#### **Board Performance**

- (a) Oversee the processes for evaluating the performance of Directors, the Board and its Committees;

and provide recommendations and reports to the Board as required.

## **Board Development**

- (a) Oversee the induction process for new directors and the Group CEO;
  - (b) Monitor Board competencies, professional development and training
- and provide recommendations and reports to the Board as required.

## **Group CEO and Staff Remuneration:**

- (a) Review and recommend remuneration of the Group CEO, within the terms of their employment contract, annually to the Board;
  - (b) Review the remuneration strategy and the remuneration framework;
  - (c) Ensure staff remuneration is aligned with market trends;
  - (d) Monitor and review the Group CEO's performance and any key performance indicators for the determination of any bonus components;
  - (e) Review and recommend any incentive plans or ex-gratia payments to staff or to the Group CEO;
  - (f) Review any significant employee grievance or staff complaints about remuneration;
  - (g) Ensure IRT's remuneration and incentive policies, practices and performance indicators are aligned to the Board's vision, values and overall objectives and are appropriately designed to motivate staff and the Group CEO to pursue the long term growth and success of IRT,
- and provide recommendations and reports to the Board as required.

## **3. Committee Structure and Composition**

Subject to any variation resolved by the Board, the Committee will comprise a minimum of three (3) Committee members all of whom will be independent directors of IRT.

The Chair of the Committee and each of the members will be appointed annually for a one year term pursuant to the constitution.

In the event of any member of the Committee ceasing for any reason to be an IRT Director or general member, then his or her position as a member of the Committee ceases immediately.

It is acknowledged that a Committee member holds his or her position pursuant to appointment by IRT and must conform to any resolution of the Board.

The Board may, at its discretion, by notice in writing terminate the position of any Committee member and may appoint another in that member's place and a duly signed resolution by an authorised officer of the Company will be evidence thereof.

The number of Committee members may be added to or reduced at any time by resolution of the Board of IRT.

## **4. Conflict of Interest**

All Committee members are required to act in accordance with the Board Charter and to disclose any existing or potential conflicts of interest in relation to matters considered by the Committee.

- (a)

## **5. Relationship between the Board and the Committee**

Pursuant to the Constitution, the Board may delegate any of its powers in respect of specified matters to Committees by resolution. In the absence of such specific resolution, the Committee will have no power other than to make recommendations to the Board.

A Committee, to which powers have been delegated, must exercise those powers in accordance with any directions of the Board.

In carrying out its work, the Committee will have access to appropriate resources, including advice of Executive Leadership Team and, where necessary, independent advice.

With the approval of the Board, the Committee can co-opt external members from time-to-time to access additional skills, experience and networks.

The Committee has no power to exercise authority over staff, or delegate tasks to any staff, unless the Board and the Group CEO have specifically agreed to such delegations.

## **6. Meeting Procedures**

### **6.1 Meetings**

The provisions of the Constitution for regulating the meetings and proceedings of the Board will also govern the meetings and proceedings of the Committee unless they are not applicable.

The Committee will meet at least two (2) times per year, with regular communications via the Chair of the Committee at other times.

The need for additional meetings will be decided by the Chair of the Committee. Members may make requests to the Chair for additional meetings.

### **6.2 Meeting Preparation**

The Chair of the Committee, working with the Company Secretary or delegate, will set the agenda for each meeting. Members may request the inclusion of specific items on Committee meeting agendas.

The agenda and supporting papers should be distributed to all members in sufficient time before each meeting to enable members to carefully review the papers and be fully prepared for the meeting.

Members are expected to make every reasonable effort to attend meetings of the Committee.

### **6.3 Minutes**

Minutes of meetings of the Committee will be prepared by management, approved by the Chair in draft format, and circulated to all members of the Committee.

Minutes of Committee meetings will be confirmed at the next meeting of the Board and then signed by the Chair as approved.

### **6.4 Attendance at Meetings**

In addition to Committee Members, other Board members may attend Committee meetings but only as non-voting observers.

The Group CEO, Executive General Manager – People & Culture and Company Secretary will attend Committee meetings by standing invitation as non-voting

advisers, but may be asked (collectively or individually) by the Chair to absent themselves at any time for all or part of a meeting. Management attendees are not Members of the Committee.

The Committee may invite other persons to meetings as it deems appropriate having regard to management roles and responsibilities that relate to the role and responsibilities of the Committee.

#### **6.5 Voting**

In the case of an equality of votes, the Chair of the Committee will have a casting vote in addition to their deliberative vote.

#### **6.6 Quorum**

It is necessary to have three (3) members at Committee meetings to form a quorum.

### **7. Performance Evaluation**

The Committee will review its performance annually by self-assessment or by appointing an independent professional expert to conduct the evaluation. Evaluation will be conducted as part of the overall Board performance evaluation.

The results of the performance evaluation will be provided to the Board.

### **8. Review of Charter**

The Charter will be reviewed annually by the Committee, with any changes to be approved by the Board.

### **Endorsement and Approval**



---

Endorsed by the People, Culture and Remuneration Committee and signed by the Chair



---

Approved by the Board of Directors and signed by the Chair

Date:



21/2/19

### CRITERIA OVERVIEW

- A copy of these requirements will be made available on request to anyone wishing to apply to become an IRT Director.
- These requirements are to be read in conjunction with the position description for Directors.
- Directors are to ensure that they are aware of and understand these requirements.
- Board Members must meet these requirements throughout their tenure.
- The Board will conduct prudent checks upon appointment and periodically to ensure Directors remain 'Fit and Proper', including obtaining an annual Fit and Proper Declaration as well as a Conflict of Interest Declaration from all Director's.
- These Fit and Proper requirements support IRT's Constitution, and Board and Committee Charters.
- The Board is responsible for developing, approving and ensuring compliance with these requirements. The requirements will be reviewed from time to time by the Nominations and Remuneration Committee with recommendation to the Board for endorsement.
- Where a Director is assessed as not 'fit and proper', IRT must take all steps it prudently can to ensure that the person is not re-elected or re-appointed or continues to be a Director.

### FIT AND PROPER REQUIREMENTS

- For a person to be regarded as fit and proper the People, Culture & Remuneration Committee must be satisfied that the individual:
  - a) Has the character, competence, commitment, diligence, honesty, integrity and judgement to properly perform the duties of Director;
  - b) Possesses the knowledge and skills to properly perform the duties of Director;
  - c) Is not disqualified under law from holding any position as a Director;
  - d) Does not have any conflict of interest that will create a material risk so that they will not properly discharge the duties related to the position of Director.
- The Board will make all reasonable enquiries to obtain information relevant to the assessment including the following information as appropriate to the individual and the role:
  - a) A National Criminal History check from the Australian Federal Police
  - b) A search of the Insolvency Trustee Services Australian National Personal Insolvency Index;
  - c) A check of the register of banned and disqualified persons from ASIC and ACNC (Australian Securities and Investments Commission and Australian Charities and Not-for-profits Commission)
  - d) References from employers where appropriate
  - e) References from other Boards where appropriate
  - f) References from professional bodies where appropriate
  - g) A declaration from the applicant as to fitness and propriety
  - h) A conflict of interest declaration
  - i) Individual director self-assessment
  - j) Any questions or issues raised by members at a meeting
- All Candidates on application must complete a declaration as to whether they are a fit and proper person.
- All Candidates on application must complete a conflict of interest declaration.
- All Candidates on application must provide their consent to allow the Board to obtain the information from sources outlined above

## **FIT AND PROPER CRITERIA**

- In conducting fit and proper assessments, the Board will consider the following as additional criteria including, whether the person:
  - a) Has demonstrated the appropriate competence and integrity in fulfilling occupational, managerial or professional responsibilities previously and/or in the conduct of current duties;
  - b) Has demonstrated a lack of willingness to comply with legal obligations, regulatory requirements or professional standards, or been obstructive, misleading or untruthful in dealing with regulatory bodies or a court;
  - c) Has breached a fiduciary obligation;
  - d) Has perpetrated or participated in negligent, deceitful, or otherwise discreditable business or professional practices;
  - e) Has been reprimanded, or disqualified, or removed, by a professional or regulatory body in relation to matters relating to the person's honesty, integrity or business conduct;
  - f) Has seriously or persistently failed to manage personal debts or financial affairs satisfactorily in circumstances where such failure caused loss to others;
  - g) Has been substantially involved in the management of a business or company which has failed, where that failure has been occasioned in part by deficiencies in that management;
  - h) Is of bad repute in any business or financial community;
  - i) Is or was the subject of civil or criminal proceedings or enforcement action, in relation to the management of an entity, or commercial or professional activities, which were determined adversely to the person (including by the person consenting to an order or direction, or giving an undertaking, not to engage in unlawful or improper conduct) and which reflected adversely on the person's character, competence, diligence, judgement, honesty or integrity.

The Board may consider other matters as it deems reasonable and appropriate

## **DECISION MAKING PROCESS**

- In conducting an assessment of fitness and propriety of a person, the Nominations and Remuneration Committee will consider whether the information provided is materially adverse to the fitness and propriety of the person.
- The People, Culture and Remuneration Committee will make recommendations to the Board.

## **GUIDELINE BREACHES**

- If a Director breaches these fit and proper requirements or criteria, the Board may ask the Director to resign from their position. If the Director does not agree to resign the matter will be referred for further mediation and consultation with appropriate professionals and the Board may resolve to seek a resolution of the Members to approve the removal of the Director.

## **ASSOCIATED DOCUMENTS TO THESE REQUIREMENTS**

- Fit & Proper Declaration (Annexure A to this document)
- Conflict of Interest Declaration (Annexure B to this document)
- Position Description – Director
- IRT Constitution
- Board & Committee Charters & Code of Conduct