



People and Culture Committee Charter

January 2020

Version 7.0

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1. Purpose

The People and Culture 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 including the Chair of the Board (ex-officio).

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.

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 and 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 and Culture Committee and signed by the Chair

Approved by the Board of Directors and signed by the Chair

Date: _____