



ROC Charter 2019

August 2019

1. Purpose & Responsibilities

- 1.1 The purpose of the Committee is to assist the Board fulfil its responsibilities in relation to the areas of People and Remuneration strategy and policies, setting executive remuneration and incentives for the Executive Leadership Team (**ELT**), development and succession of executive management and Non-Executive Director (**NED**) remuneration.

2. Matters delegated to the Committee

The Board has delegated to the Committee responsibility to:

2.1 People

- a) **Strategy:** Oversee implementation of the people and performance strategies set by the Board, processes supporting those strategies and any other key priorities set by the Board;
- b) **Policy breaches:** Monitor and review material breaches of the Group people and performance policies;
- c) **Culture measures:** Review and approve metrics that are indicators that culture within the Group is aligned with the values contained in “Our Bond” and risk appetite of the Group (with input from other Committees as appropriate);
- d) **Development and Succession:** Review and monitor the processes for managing the development of, and succession for, members of the ELT, other key executives and critical capabilities;
- e) **Diversity:** Review the effectiveness of the Diversity and Inclusion Policy, approve measurable objectives for achieving gender diversity in the composition of the ELT, executives and workforce generally each year and assess progress towards achievement of the measurable objectives.

2.2 Remuneration

- a) **Framework:** Review and recommend to the Board the executive remuneration framework to ensure it is designed to attract, retain and motivate high quality executives and to align their interests with the creation of shareholder value and with the Company’s values and risk appetite;
- b) **Framework Oversight:** Oversee implementation of the executive remuneration framework, processes supporting achievement of that framework and any other key priorities set by the Board;
- c) **Shareholder approval:** Advise and recommend to the Board whether to seek shareholder approval of any part of the executive remuneration framework or any material element of such framework;
- d) **Remuneration outcomes:** Monitor and report to the Board whether remuneration outcomes, including incentives, encourage the pursuit of growth and success of the Company without rewarding conduct that is contrary to the values and risk appetite (recognising that other Committees may also make such recommendations on matters within their remit);
- e) **Superannuation:** Review and recommend to the Board the appropriate benefit design for the Company’s retirement and superannuation plans;
- f) **Pay bias:** Review and report to the Board on base pay equity and recommend any strategies or changes to address any inappropriate pay bias (including gender);
- g) **Remuneration trends:** Conduct an annual review of trends across the Group and compare trends in base pay for executives to that of all Group employees;
- h) **Remuneration report:** Review and recommend to the Board the Company’s statutory Remuneration report.

2.3 Executive Remuneration

- a) **MD & CEO Remuneration:** Review and recommend to the Board the total remuneration for the Managing Director & Chief Executive officer (**MD& CEO**) having regard to the executive remuneration policy, and whether any shareholder approvals are required;
- b) **ELT Remuneration:** Review and approve the terms and conditions of appointment and remuneration (and any proposed changes) for positions which are on the ELT and any other executive positions as determined by the Committee;
- c) **Shareholding requirement policy:** Review and approve any minimum executive shareholding requirement policy.
- d) **Termination payments:** Review and approve termination payments and associated arrangements for the ELT and any departing executives that are outside standard policy or could give rise to termination payments in excess of the limit prescribed by the Corporations Act;
- e) **Performance targets:** Review and approve the performance targets for the ELT; ensuring such targets are aligned to the Company's short, medium and longer-term performance objectives and are consistent with its purpose, strategy, values and risk appetite and the achievement or otherwise of those performance targets.

2.4 Executive Incentive Plans and Awards

- a) **Plan design:** Review and recommend to the Board the design of executive incentive and equity-based plans;
- b) **Plan design amendments:** Review and approve any amendments to the executive incentive and equity-based plans which are substantially consistent with the design of the plans as approved by the Board;
- c) **Total awards:** Review and recommend to the Board the total proposed payments or awards under each executive incentive and equity-based plan (including whether any awards will be made under a plan for a particular period);
- d) **ELT awards:** Review and approve awards under equity-based plans to the ELT.

2.5 Non-executive Director Remuneration

- i. **Remuneration:** Review and recommend to the Board Individual NED remuneration for both the Board and Committees noting that the maximum aggregate NED remuneration is determined by shareholders;
- ii. **Shareholding requirement policy:** Review and recommend to the Board any minimum NED shareholding requirement policy.

2.6 Oversee specific categories of risk delegated by the Board

Review and approve the risk appetite statement and tolerance measures, performance against these measures and review high rated internal audit findings associated with the following categories of risk delegated to it by the Board:

- i. People and Remuneration
- ii. Employment law and regulation compliance

3. Composition

- 3.1 The Committee will have at least three members and will comprise only Non-Executive Directors, with a majority of the members being assessed as independent by the Board.
- 3.2 The members of the Committee will appoint one of their number to be the Committee Chair provided that:
 - i. the Committee Chair must be assessed as independent by the Board,
 - ii. the Chair of the Board cannot be the Committee Chair
- 3.3 In the absence of the Committee Chair, the members will elect one of their number as Committee Chair for that meeting.
- 3.4 The Committee Secretary will be a Company Secretary, or their delegate.

4. Exercise of powers

- 4.1 The Committee and the Committee Chair must exercise the powers delegated to them in accordance with any directions of the Board.
- 4.2 The Committee has authority to perform any function delegated to it by the Board and may make recommendations to the Board in relation to all matters within its responsibility.
- 4.3 The Committee may delegate any of its responsibilities to one or more members of the Committee or to any director or executive officer of the Group, subject to conditions and on any terms the Committee determines.
- 4.4 The Committee may exercise its powers:
 - a) by resolution passed by a majority of directors who vote on the resolution at a meeting of the Committee; or
 - b) by a resolution in writing signed by a majority of the members of the Committee entitled to vote on the resolution.

5. Access to resources and independent advice

- 5.1 The Committee is to have access to adequate internal and external resources and may obtain independent professional advice to assist it in the proper exercise of its powers and responsibilities, with the cost to be borne by the Group.
- 5.2 The Committee is entitled to rely on employees of the Group or professional advisers or consultants engaged by the Group or the Committee where there are reasonable grounds to believe that the employee, adviser or consultant is reliable and competent; and the reliance was made in good faith and after making an independent assessment of the information.
- 5.3 Each member of the Committee, with the consent of the Committee Chair, may attend seminars, training or seek independent professional advice at the expense of the Group on any matter connected with the discharge of his or her responsibilities. The consent of the Committee Chair will not be unreasonably withheld.
- 5.4 The Committee will assist the Board in its assessment of whether a remuneration recommendation made by an adviser was made free from undue influence by the member or members of the key management personnel to whom the recommendation relates.
- 5.5 The Committee may seek input from senior executives of the Group on people and performance and remuneration policies, subject to the principle that no senior executive should be directly involved in deciding their own remuneration.

6. Meetings

- 6.1 The Committee will meet regularly, at the times determined by the Committee Chair, but at least two scheduled times a year.
- 6.2 A member of the Committee, Board Chair or MD&CEO may request that a meeting of the Committee be convened.

7. Quorum

Two members, present in person or by using any technology, will constitute a quorum.

8. Attendance

- 8.1 The MD & CEO may be invited by the Committee Chair to attend meetings of the Committee.
- 8.2 The Committee may invite any other person to attend for all or part of any meeting as it considers appropriate.
- 8.3 Non-executive Directors have a standing invitation to attend meetings except when the Committee Chair determines otherwise.

9. Conflicts of interest

- 9.1 Conflicts of interest will be managed in accordance with the Procedure for Managing Directors' Outside Interests.

10. Equality of votes

- 10.1 The Committee Chair will not have a second or casting vote.

11. Committee papers

- 11.1 The Committee Secretary will distribute in advance of a meeting of the Committee an agenda and any related papers to each member of the Committee and, unless directed by the Committee Chair, each other Director.

12. Committee minutes

- 12.1 The Committee Secretary will prepare minutes of meetings and have them approved by the Committee Chair.
12.2 Approved Committee minutes will be placed in the Minute Register within one month of the meeting.
12.3 Minutes of meetings will be confirmed at the next meeting of the Committee.

13. Reporting

- 13.1 The Committee Chair will immediately report to the Chairman of the Board any matter that could materially impact reputation of the Group.
13.2 The Committee Chair will provide an oral report to the next Board meeting as to any material matters arising out of the Committee meeting.
13.3 Where a material matter arises at a Committee meeting which relates to the responsibilities of a different sub-committee then the Committee Chair will discuss the matter with the relevant Chair.
13.4 Minutes of each meeting will be provided to the Board.

14. Knowledge and Understanding

- 14.1 The Committee members will participate in a program of induction, training and development.

15. Review

- 15.1 The Committee will evaluate its performance each year having regard to the purpose, responsibilities and other requirements of its Charter, including assessing the effectiveness of knowledge sharing with other Committees in the fulfilment of its responsibilities.
15.2 The Committee will, at least once in each year, assess the adequacy of this Charter and recommend to the Board any necessary or desirable amendments to ensure it remains consistent with the Board's objectives, current law and best practice.