

# AUB GROUP LIMITED REMUNERATION AND PEOPLE COMMITTEE CHARTER

Effective 1<sup>st</sup> July 2020



## 1. DEFINITIONS

In this Charter, unless the context otherwise indicates, references to:

- Committee means the Remuneration and People Committee.
- Board means the Board of Directors of the Company.
- CEO means the Chief Executive Officer and Managing Director of AUB Group Limited.
- Company means AUB Group Limited.
- Company Secretary means the Company Secretary of AUB Group Limited.
- EMT means the Executive Management team of AUB Group Limited.
- The Group means the Company and its related and associated bodies corporate.

## 2. PURPOSE

The Committee has been established to assist the Board in discharging its duties, particularly those regarding:

- Remuneration
  - Culture
  - Succession
  - Performance
  - Diversity and inclusion
- a) In carrying out its duties, the Committee will have regard to all applicable legislation, guidance provided in the ASX Corporate Governance Principles and Recommendations (ASX Principles), other applicable guidelines and any independent advice obtained.
- b) The Company understands remuneration is a key driver of culture and a key focus for investors.
- c) When setting the level and composition of remuneration, the Company will balance:
- i. its desire to attract and retain high quality directors and to attract, retain and motivate senior executives;
  - ii. the need to ensure that the incentives for executive directors and other senior executives encourage them to pursue the growth and success of the entity without rewarding conduct that is contrary to the entity's values or risk appetite;



- iii. the need to ensure that the incentives for non-executive directors do not conflict with their obligation to bring an independent judgement to matters before the Board;
  - iv. the implications for its reputation and standing in the community if it is seen to pay excessive remuneration to directors and senior executives; and
  - v. its commercial interest in controlling expenses.
- d) The Company is committed to establishing a formal, rigorous and transparent process for developing its remuneration policy and for fixing the remuneration packages of directors and senior executives.
- e) The Committee is committed to being an efficient and effective mechanism to bring the focus and independent judgement needed on remuneration decisions.

### 3. MEMBERSHIP

Committee members will be appointed by the Board and may be removed by the Board at any time. The Committee will comprise of at least three members, which must be non-executive directors, with a majority of independent directors. The Committee Chairperson will be an independent director. In determining independence, the Committee will consider and disclose Recommendation 2.3 of the ASX Principles.

The Committee will be of sufficient size and independence to discharge its mandate effectively.

### 4. MEETINGS

- The Committee will meet at least twice a year or more frequently if required.
- The required quorum is two Committee members.
- Notice of each meeting will be given to the Committee, the Company Secretary and any additional person required, within a reasonable period prior to the meeting.
- The Committee may invite other persons as necessary.
- The Company Secretary or their nominee will act as the Secretary for the meeting and will minute the meeting and resolutions, which will be circulated to all Committee members.
- Resolutions will be adopted by simple majority. In the case of a tie in votes, the Chairperson, in addition to his/her vote, has the casting vote.
- The Committee will ensure no member of management, including the executive Directors, may participate in deliberations in respect to their own remuneration.
- The Committee Chairperson will report on the actions of the Committee to the Board on a regular basis.



## 5. RESPONSIBILITIES

### 5.1 BOARD

The Board has the responsibility to disclose:

- the Remuneration and People Committee Charter and members of the Committee on the Company website; and
- as at the end of each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings.

### 5.2 EXECUTIVE REMUNERATION

The Committee will:

- a) Make recommendations to the Board with regard to the Company's remuneration and incentives framework;
- b) Review and recommend to the Board the CEO's total individual remuneration package including, where appropriate, short and long-term incentive plans;
- c) Review and recommend to the Board, the remuneration for the EMT members, including, where appropriate, long term and short term incentive plans; and
- d) Review and recommend to the Board the Company's:
  - annual overall remuneration budget; and
  - budgeted annual remuneration review increases (if any);
  - including all cash, equity and other benefits to be received by the Company's employees as remuneration.
- e) Review and recommend to the Board:
  - any short and long term incentive plans introduced by the Company;
  - the terms of any such plans, including performance hurdles applicable to the CEO and the EMT;
  - eligibility criteria for the plans; and
  - proposed offers under any of the Company's plans.
- f) Review the CEO and EMT members' performance assessment processes (including objectives or KPIs for the year) and the annual results of those assessments, including development plans;



- g) When required, review superannuation arrangements for the Company's EMT and other employees; and
- h) Review and recommend to the Board the Remuneration Report prepared in accordance with Corporations Act 2001 (Cth) for inclusion in the Company's annual Directors' Report.

### 5.3 Talent Management and Succession Planning

- a) Review and recommend to the Board succession plans for the CEO and EMT members;
- b) Review processes relating to the identification of high potential employees; and
- c) Review and consider proposed training and development priorities, with a particular focus on the strategic priorities for the Company and the capability and needs of emerging and key talent.

### 5.4 Diversity and Inclusion

- a) Review and report to the Board, at least annually, on gender diversity at all levels of the Group including whether there is any gender or other inappropriate bias in remuneration for directors, senior executives or other employees;
- b) Review and make recommendations to the Board on the Group's measurable objectives for achieving gender diversity, including strategies or changes to these objectives;
- c) Review and report to the Board on the Group's progress in achieving its Diversity and Inclusion objectives; and
- d) Regularly review and recommend to the Board the Diversity and Inclusion Policy for the Group.

### 5.5 People Strategies and Policies

- a) Review the Company's recruitment, retention and termination strategies;
- b) Review the Company's employee engagement survey and results, and monitor management's action plan in response to this survey;
- c) Review the Company's people management strategy and principles including learning and development, benefits programs, performance management processes and career development initiatives; and
- d) Review and consider management's strategies and policies to address grievances, bullying, harassment and discrimination in the workplace, including periodically reviewing the Code of Conduct.



## 5.6 Non-executive Directors' Remuneration

Review and make recommendations to the Board on remuneration and other benefits to be paid to non-executive directors of the Company including the process by which any pool of directors' fees approved by security holders is allocated to directors and reviewing superannuation arrangements for Directors

## 5.7 Engaging External Remuneration Consultants

When required or deemed appropriate, the Committee will engage remuneration consultants in line with its formal protocols at the Company's expense.

## 5.8 Annual General Meeting and Other Mechanisms for Stakeholder Engagement

- a) The Committee Chairperson will attend the Company's Annual General Meeting and be prepared to respond to any security holder questions on the Committee's activities; and
- b) The Committee will engage (or instruct management to engage) with key stakeholders so they are consulted and briefed on remuneration strategies, structure and policies as required or deemed appropriate.

## 6. ACCESS TO RESOURCES AND INDEPENDENT ADVISERS

The Committee is to have access to the Company's risk and financial personnel and other parties (internal and external), and may seek the advice of the Group's auditors, solicitors and other independent advisers so it can adequately monitor and review the operation of the remuneration policy and otherwise discharge its responsibilities under this Charter.

## 7. DOCUMENT OWNERSHIP AND REVIEW

The Committee will regularly review this Charter to ensure it remains appropriate to the Company and its ongoing effectiveness and consistency with the Committee's authority, objectives and responsibilities.

Any amendments to the Charter or membership are to be approved by the Board.

The Group Company Secretary is responsible for the up-keeping, distribution and publication of this document.

## 8. MATERIAL REVISIONS

| Version | Approval Date | Effective Date | Details                             |
|---------|---------------|----------------|-------------------------------------|
| 1.0     | 26 June 2016  | 26 June 2016   | Policy approved by AUB Group Board. |
| 2.0     | 30 June 2020  | 1 July 2020    | Policy approved by AUB Group Board. |