



People and Remuneration Committee Charter

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DOCUMENT CONTROL

Document Owner

Name	Position
Isobel Rogerson	Company Secretary

Change Record

Author	Date	Change
Isobel Rogerson	20/08/10	Re-formatted to new ME Bank policy and committee charter format. Reference to Board Committees Standing Rules included. Include provisions to reflect requirements of APS510 – Governance Remove references to Industry Super Holdings and its obligations not relevant to ME Bank
Isobel Rogerson	29/03/12	Updated to include additional responsibilities of the Committee in respect of human resources management including succession planning, talent management, governance and elements of the Bank's Corporate Responsibility Program Make clearer reference to alignment of remuneration with risk management
Isobel Rogerson	19/04/13	Annual review
Isobel Rogerson	25/02/14	Annual review. Update responsibility to review remuneration disclosures.
Isobel Rogerson	04/03/15	Annual review. Include responsibilities in respect of the oversight of the Bank's organisational culture and capability.
Isobel Rogerson	27/04/16	Annual review. Update for new brand, minor administrative matters
Isobel Rogerson	30/05/17	Annual review

Approval

Name	Position	Evidence
Board		Minutes of meeting 5 April 2012
Board		Minutes of meeting 6 June 2013
Board		Minutes of meeting 6 March 2014
Board		Minutes of meeting 2 April 2015
Board		Minutes of meeting 5 May 2016
Board		Minutes of meeting 8 June 2017

PEOPLE AND REMUNERATION COMMITTEE CHARTER

1. Purpose

- 1.1. The Committee's purpose is to provide counsel, guidance and oversight of strategic people, cultural and remuneration matters – including strategies, policies and frameworks – which have an enterprise impact and support the Bank in achieving its short and long term business objectives while meeting its social licence to operate.
- 1.2. The Committee may make recommendations to the Board in connection with the fitness and propriety of directors.

2. Composition

- 2.1. The Board shall appoint members to, and remove them from, the Committee from time to time.
- 2.2. The Committee is to comprise at least three non-executive directors of the ME Board, with a majority of independent directors.
- 2.3. One of the independent directors will be appointed by the Board as Chair of the Committee.
- 2.4. Notwithstanding the previous clause, if the Chair of the Committee is absent from a meeting, the Committee members present will appoint another independent director as Chair for that meeting.
- 2.5. Members of the Committee will be appointed by resolution of the Board.
- 2.6. The membership of the Committee will be reviewed annually by the Board, or at any other time at the discretion of the Board.
- 2.7. The Company Secretary will establish an induction program for new members. The Chair has responsibility for ensuring that new members are provided with the induction program.
- 2.8. The Company Secretary will be responsible for keeping membership records.

3. Authority and Powers

- 3.1. The Committee discharges its responsibilities in accordance with the authority delegated to it by the Board as well as any powers conferred by statute, regulation or regulatory authority requirements.
- 3.2. The responsibilities delegated to this Committee are contained in the Authorities and Delegations Policy, this Charter and any other resolution of the Board as made from time to time.
- 3.3. The Committee is not responsible for supervising the performance of executives and does not become involved in day to day operations and management functions.
- 3.4. The Committee may delegate its discretions and responsibilities. The Committee will record a copy of all delegations in its minutes.
- 3.5. The Committee has free and unfettered access to management including Risk and Financial Control personnel, and other internal and external parties, in carrying out its duties.
- 3.6. The Committee can request reports for the purpose of ensuring that the Committee is able to discharge its responsibilities. In addition, regular reports may be supplemented by 'issue driven' reports that will be prepared on a needs basis (at the request of the Board or the Chair of the Committee, or as recommended by management).
- 3.7. The Committee may engage third party experts on a basis which is independent of management to ensure that the engagement and any advice received is independent.
- 3.8. The Committee may, as determined by the Chair, make decisions by circulating resolution. Details of the management of individual circular resolutions are stated in the correspondence to the members on the resolution.

4. Responsibilities

- 4.1. The Committee is responsible for:

Culture, capability and engagement

- 4.2. Reviewing and overseeing any matters affecting the capability and organisational culture of the business with the intention of creating a positive and engaging high performance culture.
- 4.3. Encouraging values-based leadership to enable the strategy and create a diverse and inclusive workplace.
- 4.4. Reviewing the results of employee engagement surveys, and monitoring the progress of any management actions undertaken in response to those surveys.
- 4.5. Reviewing learning and development strategies, frameworks and programs which support employee development and deliver improved personal and organisational performance.
- 4.6. Receiving updates on the Bank's internal communications strategy.

Recruitment practises and ongoing performance management

- 4.7. Reviewing the Bank's recruitment, retention and termination practises to ensure they attract and retain high calibre talent with the capability to lead the Bank to achieve its targets.
- 4.8. Overseeing the annual talent review process for Executives and senior leaders, including the development of succession plans for Executives (and any other key employees as identified from time to time), to foster an appropriate balance of skills, experience and expertise to lead the Bank to achieve its targets.
- 4.9. Reviewing Executive development plans.

Organisational structure and job design

- 4.10. Receiving updates on proposed changes to organisational structure to support the workplace of the future, including job redesign.

Diversity and inclusion

- 4.11. Approving targets for achieving diversity and inclusion, and monitoring the Bank's progress to meeting them.
- 4.12. Overseeing the development and application of the Bank's Diversity and Inclusion approach.

Workplace and employee relations

- 4.13. Reviewing the Bank's workplace and industrial relations strategies, policies and processes in light of relevant legislation.
- 4.14. Overseeing and providing guidance to management in the negotiation of Enterprise Agreements.

Workplace Health and Safety

- 4.15. Reviewing and making recommendations on improving the effectiveness of the Bank's Workplace Health and Safety practices, to provide employees with a working environment which is both healthy and safe, including being free from harassment, discrimination and bullying.

Remuneration

- 4.16. Conducting regular reviews of, and making recommendations to the Board on, the Remuneration Policy, including reviewing the Policy's effectiveness and compliance with any regulatory requirement or guidance in place from time to time;
- 4.17. Making recommendations to the Board in respect of ME's Remuneration program and workplace conditions;
 - (i) making recommendations to the Board in respect of the remuneration for:
 - (a) the CEO;
 - (b) direct reports of the CEO;
 - (c) other persons whose activities may in the Committee's opinion affect the financial soundness of ME;
 - (d) any other person specified by APRA; and
 - (e) non-executive directors, within the limits of the remuneration pool for non-executive directors;
 - (ii) monitoring compensation levels and policy guidelines, including the alignment of remuneration with risk related key performance indicators, where appropriate;
 - (iii) reviewing at least annually the Bank's public remuneration disclosures;
 - (iv) reviewing the Bank's remuneration and conditions, including incentives, by gender.

Governance

- 4.18. Reviewing and approving the process for the oversight and evaluation of the performance of the Board, Board committees, and directors.
- 4.19. Reviewing and approving the process for the evaluation of the performance of individual directors.

Other

- 4.20. The Committee will review the Charter at least annually and any changes to the Charter must be approved by the Board.
- 4.21. The Committee will examine any matters referred to it by the Board.
- 4.22. Members of the Committee will be available to meet with APRA on request.
- 4.23. The Committee is not responsible for approval of the remuneration pool for non-executive directors, as this is a decision of the shareholders.

5. Meetings

- 5.1. The Committee will meet at least 5 times annually.
- 5.2. The Committee may at its discretion schedule additional meetings with management.
- 5.3. The Committee may request members of management, including the Chief Risk Officer, to attend part, or all, of any meeting. The Committee may, if appropriate, meet without management present.
- 5.4. Representatives of management, including the CEO, may not be present at those parts of a meeting where the Committee is discussing that person's remuneration or any other matters in which that person might have a personal interest.
- 5.5. All other members of the Board may attend the Committee's meetings as observers, and upon request can receive copies of the Committee's papers.
- 5.6. The Chair will be responsible for setting a calendar of business to ensure that the Committee fulfils its duties and responsibilities.
- 5.7. The Chair and Company Secretary will be responsible for setting the agenda for each meeting. Any Committee member may make suggestions for the agenda.
- 5.8. Committee papers will be provided to members in reasonable time prior to the meeting to allow members to prepare for the meeting.
- 5.9. A quorum of the Committee is to comprise a minimum of two non-executive directors.
- 5.10. A Committee meeting may be called or held using any technology consented to by all members.
- 5.11. Minutes of the meetings will be distributed to the Board.

6. Conflicts of Interest

- 6.1. The Board has established the Board Disclosure of Interests and Handling Conflicts of Interest Procedures for handling matters that may give rise to a conflict between the interests of a Director and those of ME.
- 6.2. Any Committee member with a real or perceived conflict of interest in a matter before the Committee may not vote on the matter being considered unless the other members agree that the interest should not disqualify the member with the conflict from voting.

7. Voting

- 7.1. A resolution of the Committee must be passed by a majority of the votes cast by the Committee members entitled to vote on the resolution.
- 7.2. Each Committee member present in person or by alternate is entitled to vote and has one vote.
- 7.3. If on any resolution an equal number of votes are cast for and against the resolution, the Chair has no casting vote.

8. Reporting

- 8.1. The Company Secretary will prepare minutes of the meetings for approval at the next meeting. The Chair will sign the minutes.
- 8.2. The minutes will record all decisions made by the Committee.
- 8.3. The minutes will be included in the papers for the next meeting, and will include a schedule of matters outstanding.
- 8.4. The Committee will report to the Board at the next Board meeting through a verbal report from the Chair on those of its activities and decisions that should be brought to the attention of the Board.
- 8.5. The Chair will report to the Chair of any other Board committee, at the earliest possible time, any matters that in the opinion of the Committee should be brought to the attention of the other Board committee, particularly in respect of any risk management related matters.
- 8.6. The Committee may refer any relevant matters to another Board committee for consideration and determination by that committee.