

HBF Health Limited

People, Culture & Remuneration Committee Charter

1. Role and Authority

- 1.1. This Charter outlines the roles, responsibilities and terms of operation of the Board People, Culture & Remuneration Committee (Committee) of HBF Health Limited (HBF) and should be read with the Board Charter.
- 1.2. The purpose of the Committee is to provide objective review and oversight of:
 - a) the design, operation and monitoring of HBF's people and remuneration frameworks, including policies and practices, so that they:
 - (i) are aligned with HBF's business plan, strategic objectives and risk management framework;
 - (ii) promote the effective management of both financial and non-financial risks, sustainable performance and HBF's long term soundness;
 - (iii) support the prevention and mitigation of conduct risk; and
 - (iv) are designed to attract, retain, and motivate employees.
- 1.3. The Board has delegated to the Committee the responsibilities set out in Attachment 1 and may make other delegations to the Committee from time to time.

2. Committee Composition

- 2.1. The Committee comprises of at least three members, all of whom must be non-executive directors, and the majority of whom must be independent. The Committee will be appropriately composed to enable it to exercise competent and independent judgement when fulfilling its requirements.
- 2.2. The Chair of the Committee must be an independent director and will not be the Chair of the Board.
- 2.3. The Company Secretary (or their nominee) will be the Secretary of the Committee.

3. Committee Meetings

- 3.1. The Committee meets at least quarterly, or more often, if necessary, to fulfill its responsibilities.
- 3.2. A quorum of the Committee will comprise any two members.
- 3.3. All directors will have access to Committee papers and may attend Committee meetings.
- 3.4. Non-executive directors may meet periodically without management present. The Committee may request or invite management or external consultants (including remuneration consultants) to attend all or part of a Committee meeting.

4. Agenda and Minutes

- 4.1. Each Committee meeting will have a structured agenda. The agenda is determined by the Committee Chair, the Executive General Manager People & Corporate Affairs, and the Company Secretary. Any director, the external auditor and internal auditor, may request that a particular item is added to the agenda.
- 4.2. The agenda and supporting documentation will be distributed to Committee members within a reasonable time before each meeting.
- 4.3. Minutes of each Committee meeting will be prepared by the Company Secretary and approved at the next Committee meeting

5. Access to Management and Others

- 5.1. The Committee has free and unfettered access to other Board Committees, the Chief Executive Officer (CEO), the executive management team, external auditor, internal auditor, and any other relevant internal and external party (including risk and financial control personnel), and information and may make any enquiries to fulfill its responsibilities.
- 5.2. Committee members may rely on information, professional or expert advice given, prepared or relied upon by an individual in accordance with section 189 of the *Corporations Act 2001* (Cth).

6. Independent Professional Advice

- 6.1. The Committee has the right to seek independent professional advice (including appointing or terminating the engagement of any independent remuneration consultants), subject to the approval of the Board Chair (or in the Board Chair's absence, the Deputy Chair), at HBF's expense, in respect of any matter related to the discharge of its responsibilities. The Committee has the power to engage third-party experts in a manner that ensures that the engagement, including any advice received, is independent.
- 6.2. Advice received should be distributed to the whole Committee as appropriate.
- 6.3. Committee members are entitled to rely on the expertise of independent experts, so long as they are not aware of any grounds that would make such reliance inappropriate.

7. Reporting

- 7.1. The Committee will obtain comprehensive reporting that will allow it to determine whether remuneration outcomes of all remuneration arrangements align with section 1.2a) of this Charter.
- 7.2. The Committee Chair will report to the Board on the business of the Committee.
- 7.3. The Committee will refer an issue to the Board or another Board Committee where the issue falls within their responsibility, or if it would benefit from having the Board or that Board Committee's consideration.

8. Committee Performance and Charter Review

- 8.1. The Committee conducts an annual review of its own performance and makes recommendations for improvements where necessary.
- 8.2. This Charter will be reviewed by the Committee every two years, or sooner if circumstances require, with any amendments recommended to the Board for approval.

Attachment 1 | Duties & Responsibilities

People

1. Reviewing and recommending to the Board for approval HBF's Code of Conduct.
2. Reviewing any material people related claims or issues involving employee misconduct or breaches of HBF's Code of Conduct and receiving reporting on conduct related inquiries, including workplace harassment, sexual harassment, and bullying.
3. Reviewing and approving HBF's people and talent management strategies for the executive and senior management teams.
4. Assessing the effectiveness and adequacy of HBF's talent management strategies and processes to attract, retain, develop, and motivate employees.
5. Reviewing and recommending to the Board for approval HBF's Diversity, Equity and Inclusion Policy, including measurable objectives for diversity, equity, and inclusion, and monitoring progress towards achieving those objectives.
6. Reviewing periodic reports and metrics in relation to workforce trends and wellbeing, including relevant action plans.
7. Reviewing HBF's gender pay equity position, including plans and progress towards addressing any gaps and receiving reporting from management on HBF's annual Workplace Gender Equity Report.
8. Overseeing and reviewing the succession plans for the CEO's direct reports and other critical roles.

Culture

9. Receiving reports on periodic employee engagement and culture survey results and insights, including employee engagement action plans, and monitoring the effectiveness of the action plans.
10. Recommending to the Board actions that the Committee considers necessary to instil, or reinforce, the desired organisational culture (with matters relating to risk culture referred to the Board Risk Committee).

Remuneration Framework and Policy

11. Reviewing the design and effectiveness of the Remuneration Framework and its compliance with Australian Prudential Regulation Authority's (APRA's) Prudential Standards CPS 510 Governance (CPS 510) and CPS 511 Remuneration (CPS 511).
12. Reviewing and recommending to the Board for approval HBF's Remuneration Framework (including the Remuneration Policy and Variable Plan Rules).
13. Working with the Board and other committees to ensure that HBF's Remuneration Policy is part of, and consistent with, HBF's Risk Management Framework and does not incentivise behaviour that may lead to inappropriate or excessive risk-taking.
14. Reviewing and recommending to the Board for approval the establishment of any new variable remuneration plans.
15. Reviewing and approving HBF's Consequence Management Framework.
16. Reviewing and monitoring the effectiveness of HBF's remuneration strategies having regard to HBF's risk appetite, CPS 510, CPS 511 and CPS 220 – Risk Management, and HBF's Consequence Management Framework.
17. Reviewing and monitoring the effectiveness of remuneration arrangements under the Enterprise Agreement.

Remuneration Arrangements and Outcomes

18. Reviewing and recommending to the Board for approval the performance objectives for the CEO and maintaining visibility of the performance objectives for other employees, in accordance with the Remuneration Policy.
19. Reviewing and recommending to the Board for approval the remuneration arrangements including performance based incentive payments, deferred variable remuneration payments, other rewards and benefits, termination payments, in period adjustments, malus and clawback for Responsible Persons (as defined in CPS 520), specified roles (as defined in CPS 511) and high income earners as follows:
 - a) individually for Responsible Persons, senior managers and high-income earners; and
 - b) on a cohort basis for highly paid material risk-takers, other material risk-takers, risk and financial control personnel, any other persons whose activities may, in the Committee's opinion, affect the financial soundness of HBF and any other person specified by APRA.
20. When forming its recommendations, the Committee will:
 - a) obtain sufficient information to enable remuneration outcomes to be commensurate with performance and risk outcomes; and
 - b) determine whether the variable remuneration arrangement, individually and on a cohort basis:
 - (i) is appropriate to meet its intended purpose and expected remuneration outcomes; and
 - (ii) supports the entity's compliance with paragraph 1.2a) above.
 - c) consider the circumstances and performance of HBF, including where necessary or appropriate any consequence management mechanisms
21. In reviewing and recommending remuneration outcomes for persons in specified roles, the Committee will consult the Board Risk Committee and the Chief Risk Officer.
22. The Committee will provide clear guidance to senior management on its expectations in determining the appropriate level and timing of risk adjustments to the variable remuneration outcomes for persons in specified roles under CPS 511.

Non-Executive Director Fees

23. Reviewing and recommending to the Board changes or increases to the total director fee pool.
24. Reviewing and recommending to the Board for approval the fees for the Board Chair and other non-executive directors, but not exceeding in the aggregate the total director fee pool approved by a General Meeting of HBF's Councillors.
25. Reviewing and recommending to the Board for approval the fee framework for non-executive directors appointed to subsidiary boards.
26. Reviewing non-executive director fee benchmarking.

Annual Remuneration Report

27. Reviewing HBF's remuneration disclosures within the Annual Report to ensure that it reflects the remuneration decisions of the Committee and the Board.

Governance and Regulator Engagement

28. Approving policies and standards that require or are reserved for Committee approval under HBF's Policy Framework.
29. Reviewing and recommending to the Board for approval the ongoing fitness and propriety of non-executive directors, Company Secretaries, and the CEO, in accordance with HBF's Fit and Proper Policy.
30. Overseeing HBF's engagement with APRA and other regulators on remuneration matters and meeting with APRA or any other regulator on request.