

## Remuneration & Capability Committee Charter

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1. The role of the Remuneration & Capability Committee (Committee) is documented in this Board approved Charter.
2. The primary role of the Committee is to build, sustain and oversee the remuneration, capability and culture framework and strategies of the organisation.

### Scope

3. The scope of the Committee covers GMHBA Limited, including all private health insurance businesses, health related businesses and wholly controlled entities.

### Objectives

4. The objectives of the Committee are to assist the Board in fulfilling its responsibilities for:
  - Determining and reviewing compensation arrangements for directors and senior management.
  - Succession planning that results in the finding, evaluation and appointment of suitable candidates in order to maintain the appropriate balance of skill, experience and expertise on the Board.
  - Succession planning that results in the finding, evaluation and appointment of suitable candidates for the Chief Executive Officer and executive management in order to maintain an appropriate balance of skill, experience and expertise in the executive management team.
  - Reviewing workforce capability and performance.
  - Appointment and removal of directors.
  - Appointment and removal of the Chief Executive Officer.

### Composition

5. The Board shall annually confirm the membership of the Committee, which will comprise the Board Chairman and at least two and not more than three other directors, all of whom will be non-executive directors and free from any relationship which might in the opinion of the Board be construed as a conflict of interest.
6. Committee members may elect one of their number as the Chairman of the Committee. The Chief Executive Officer, the executive(s) responsible for nomination and remuneration initiatives (currently the General Manager, Health, People & Community) and the Company Secretary have a standing invitation to Committee meetings.

### Duties and Responsibilities - Remuneration

7. The duties and responsibilities of the Committee in relation to remuneration are to:
  - Ensure that a Remuneration Policy is established and maintained, conduct an annual review of the Policy and make an assessment of its effectiveness and compliance.
  - Ensure that remuneration practices reflect the organisation's values, needs and aspirations.
  - Annually review and make recommendations to the Board on the compensation arrangements for the Chief Executive Officer and senior management.
  - At least every two years review the compensation arrangements for directors.
  - Periodically review the effectiveness of the company's default fund superannuation arrangements.

### Duties and Responsibilities – Capability and Culture

8. The duties and responsibilities of the Committee in relation to capability and culture are to:

#### **8.1. Board Capability**

- Annually consider the size and mix of the Board and recommend changes.
- Make recommendations to the Board as required on the necessary and desirable competencies of directors including the development of criteria for directorship.

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- Manage the development of a director succession plan for annual review.
- Manage the process of director recruitment.
- Oversee the process of new director orientation.
- At least every two years review Board, Committee and individual director performance review procedures and make recommendations on those procedures to the Board.
- Manage the process of annual Board performance review.
- Consider and make recommendations relating to the professional development of directors.

### 8.2. CEO and Executive Capability

- Manage the process of the annual performance review of the Chief Executive Officer.
- Ensure that other executives and senior managers undertake a robust performance assessment and review.
- Annually review executive and senior manager succession plans.
- Periodically review learning and development objectives and initiatives with a focus on leadership development.

### 8.3. Organisational culture

- Annually review results of Employee Alignment and Engagement Surveys.
- Annually receive a summary of performance review outcomes from across the organisation.
- Annually review workforce composition & diversity.
- Periodically review employee retention and wellbeing objectives and initiatives, and review staff grievances of any significance.
- Set context and strategy around the Enterprise Bargaining Agreement process.
- Receive a post implementation review of the Enterprise Bargaining Agreement negotiations (every three years).
- Monitor the environment and process by which performance management takes place across the organisation.
- Monitor compliance with the GMHBA Group Code of Conduct Policy for directors and employees.

### Duties and Responsibilities - General

9. The general duties and responsibilities of the Committee are to:
- Maintain an awareness of developments in the area of corporate governance and recommend changes to the size, roles and members of the Board and Committees.
  - Act as instructed by the Board from time to time.

### 10. Governance

- Develop an annual work plan.
- Annually review the Committee Charter.
- Annually evaluate the performance of the Committee.

### Meetings

11. The Committee will hold at least four meetings a year and such additional meetings as the Committee Chairman shall require in order to fulfil its duties.
12. The Committee Chairman is required to call a meeting of the Committee if requested to do so by any Committee member, Chief Executive Officer or the Board.

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13. The Company Secretary will act as Committee Secretary and will be responsible, in conjunction with the Committee Chairman and relevant executives for preparing and circulating the agenda and meeting materials to Committee members at least four working days prior to the meeting.
14. The Chief Executive Officer or Company Secretary will prepare minutes of each Committee meeting together with any major reports considered at those meetings, as well as a summary to be submitted to the next Board meeting for information, taking into account the confidential nature of some matters. Any matters deemed confidential can be dealt with by the Board in absence of management.
15. A quorum shall consist of two members of the Committee.

### Access

16. The Committee shall have direct and unfettered access to executives, and executives shall have direct access to the Committee via the Committee Chairman.
17. The Committee may consult or retain independent experts where they consider it necessary to carry out their duties in accordance with whatever arrangements are approved by the Board from time to time.

### Other Matters

18. Where able to do so, Committee members will:
  - assist with bringing to the Committee information they may come across as to best practice in nomination, remuneration and organisation culture and leadership practices and procedures; and
  - alert the Committee to any relevant emerging risks or changes to environment in which the Company operates that may affect remuneration or capability decisions.

Approved December 2019