



People & Remuneration Committee Charter

CBHS Health Fund Limited
(**CBHS**)

June 2019

People & Remuneration Committee Charter

The Charter of CBHS' People & Remuneration Committee (**Committee**) set out in this document was approved by the Board of Directors of CBHS Health Fund Limited (**Board**).

1. Purpose

The purpose of this People & Remuneration Committee Charter is to set out the authority delegated to the Committee by the Board and to set out the role, responsibilities, membership and operation of the Committee.

2. Establishment

The People & Remuneration Committee has been established by resolution of the Board.

3. Role

The role of the Committee is to assist and make recommendations to the Board on CBHS' remuneration strategy and policy, people and culture strategies and health, safety and wellbeing.

Its key responsibilities include:

- a. reviewing remuneration arrangements for senior executives and non-executive directors;
- b. reviewing CBHS' remuneration policy;
- c. reviewing matters relating to CBHS' key incentive plans;
- d. ensuring that CBHS' remuneration policies and practices are consistent with its remuneration strategy objectives, risk management framework, aligns with prudent risk taking and supports the long-term financial soundness and business strategies of CBHS;
- e. monitoring the effectiveness of CBHS' strategies for executive succession planning, training and talent management;
- f. reviewing CBHS' people and organisational culture strategies, including employee engagement, values and behaviours; and
- g. monitoring CBHS' Health, Safety and Wellbeing strategy and performance.

4. Authority

The Committee has the authority and power to exercise the role and responsibilities set out in this Charter and under any separate resolutions approved by the Board from time to time.

5. Access to Information and Advisers

The Committee has direct and unlimited access to all resources necessary to discharge its responsibilities. This includes:

- a. requiring senior management or others to attend meetings and to provide any information or advice that the Committee requires;
- b. accessing CBHS documents and records;
- c. obtaining the advice of special or independent advisers or other experts without seeking approval of the Board or management;
- d. having free and unfettered access at all times to senior management, risk and financial control personnel and other parties (internal and external); and
- e. the authority to conduct or direct any investigation required to fulfil its responsibilities including engaging such external advisers as it deems necessary to carry out its functions.

6. Responsibilities

The Committee is responsible for reviewing and making recommendations to the Board on:

6.1 Remuneration – Senior Executives

- a. the total remuneration packages for the Group CEO, Key Management Personnel and other individuals as specified by the Committee on an annual basis, having regard to the performance and behaviour of those individuals, the circumstances and performance of CBHS, including where necessary or appropriate, in the view of the Committee, making an adjustments to those packages; and
- b. annual performance objectives and measures for the Group CEO and senior executives; and

6.2 Remuneration – Non-Executive Directors

- a. reviewing the ongoing appropriateness and relevance of the remuneration framework for the Chairman and the non-executive directors including relevant benchmarking and the process by which any pool of directors' fees approved by CBHS members is allocated to directors; and
- b. recommending to the Board for approval any changes to the remuneration framework or remuneration policies for the non-executive directors and the Chairman and members of the committees of the boards.

6.3 Remuneration Policy

- a. ensuring CBHS maintains a documented remuneration policy outlining the remuneration objectives and the structure of the remuneration arrangements, including, but not limited to, the performance-based components of remuneration;
- b. working with the Board, other committees and management to ensure remuneration policies are consistent with CBHS' risk management strategy, prudential risk taking and supports CBHS' long term financial soundness;
- c. conducting regular reviews of the CBHS' remuneration policy, including its effectiveness and compliance with regulatory requirements (including APRA prudential standards); and
- d. reporting to the Board the outcomes of that review and making recommendations to the Board on any changes to the policy.

6.4 Incentive schemes

- a. reviewing and making recommendations to the Board regarding incentive schemes, if appropriate, for the Group CEO, senior executives and other employees taking into consideration legislative, regulatory and market developments, alignment with CBHS member interests, CBHS' risk management framework and business strategy.

6.5 People and Culture Strategies

- a. CBHS' remuneration policies for the Group CEO, senior executives and other employees and any changes to those policies;
- b. CBHS' executive succession planning;
- c. CBHS' training, education and development programs and policies; and
- d. organisational culture and engagement matters including engagement survey results and related initiatives undertaken by management.

6.6 Health, Safety and Wellbeing

- a. monitoring CBHS' health and safety performance reports in relation to the management of identified health and safety risks;
- b. analysis of trends; and progress towards agreed key performance measures and business targets;
- c. assessing and reviewing the Health, Safety and Wellbeing strategy and providing recommendations to the Board; and
- d. providing assurance to the Board (as designated "Officers") that relevant applicable regulatory compliance requirements for workplace health and safety are being met.

7. Membership

7.1 Composition and Size

The Committee is appointed by the Board and shall consist of at least three members:

- a. all of whom must be non-executive directors;
- b. a majority of whom are independent directors¹; and
- c. who should have human resource expertise and a sufficient understanding of the health insurance industry so as to discharge the Committee's mandate effectively.

7.2 Chair

The Chair of the Committee must be an independent director and must not be the Chair of the Board. The Chair of the Board can be a member of the Committee.

7.3 Secretary

The Company Secretary is the secretary to the Committee, however, either the Company Secretary or the Assistant Company Secretary may attend the meetings of the Committee.

8. Meetings

8.1 Frequency and Scheduling

The Committee meetings will be conducted in accordance with the provisions of CBHS' Constitution and APRA's Prudential Standards. The Committee will meet a minimum of four times each year or otherwise as frequently as required to undertake its role effectively.

Meetings will be scheduled for an upcoming calendar year towards the end of each calendar year. Unscheduled meetings may be convened by the Chair where required (including using technology as permitted by the Constitution).

In cases where circumstances make it impractical to convene and hold a meeting, the Committee may pass resolutions by each member signing a circular resolution.

8.2 Quorum

Two committee members constitute a quorum for meetings of the Committee.

8.3 Third Party Attendances

Third parties may attend meetings by invitation.

8.4 Minutes and Reporting

The minutes of Committee meetings must be circulated at the next Board meeting immediately following the Committee meeting (unless, because of time constraints, this is not practicable, and the minutes can only be reasonably circulated at a later Board meeting).

The Committee through its Chair will:

- a. report to the Board on its activities at the next Board meeting on a regular basis and no later than the next Board meeting following a Committee meeting; and
- b. ensure that the Board is aware of material matters considered by the Committee.

9. Performance

The Committee will ensure that its performance against the Charter is formally reviewed at least annually in accordance with processes established by the Board and the Company Secretary will report the findings of that review to the Committee. The Chair of the Committee will report the findings of that review to the Chair of the Board.

¹ A reference to independent director is a reference to APRA's Prudential Standard CPS 510 Governance.

10. Review

This Charter will be reviewed by the Committee annually, including reviewing and evaluating the effectiveness of the Committee in meeting the individual needs and requirements of CBHS.

Proposed changes to the Charter will be submitted to the Board for approval. The Committee may approve non-material or administrative amendments to this Charter and report these to the Board.

This Charter is to be made available on the CBHS website at www.cbhs.com.au

11. Version

Version Number	Date Approved	Approved By	Changes
V1.0	21.06.2019	CBHS Board	