



# Group People & Remuneration Committee Charter

CBHS Health Fund Limited and CBHS  
Corporate Health Pty Ltd  
**(CBHS Group)**

March 2024

# Group People & Remuneration Committee Charter

The Charter of the Group People & Remuneration Committee (**Committee**) set out in this document was approved by the Boards of Directors (**Boards**) of CBHS Health Fund Limited (**CBHS**) and CBHS Corporate Health Pty Ltd (**CBHS Corporate**) (collectively **CBHS Group**) on 4 April 2024.

## 1. Purpose

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

## 2. Establishment

The Committee is established by resolution of the Boards.

## 3. Role

The purpose of the Committee is to assist and make recommendations to the Boards on the CBHS Group's remuneration strategy and policy, frameworks and practices, people and culture strategies and health, safety and wellbeing.

Its key responsibilities include:

- a. reviewing remuneration arrangements for Executive Management<sup>1</sup> and non-executive directors ensuring they promote behaviours that support the CBHS Group's strategy and are informed by market practices and trends, and legislative and regulatory requirements;
- b. reviewing the CBHS Group's remuneration policy at least every 2 years and recommending to the Boards for approval and adoption;
- c. reviewing matters relating to the CBHS Group's key variable remuneration plans;
- d. ensuring that the CBHS Group's remuneration policies and practices are consistent with its business plan, strategic objectives, risk management framework, aligns with prudent risk taking and supports the long-term financial soundness of the CBHS Group;
- e. reviewing and monitoring the effectiveness of the CBHS Group's strategies for executive succession planning, training and talent management;
- f. reviewing and monitoring the CBHS Group's people-related policies and organisational culture strategies, including employee engagement, values and behaviours;
- g. reviewing and monitoring the CBHS Group's Health, Safety and Wellbeing strategy and compliance with all regulatory requirements associated with health and safety; and
- h. if delegated by the Boards, provide recommendations and assistance relating to Board and Board Committee composition and selection and re-election of CBHS Group non-executive directors.

## 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 Boards 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 Executive Management or others to attend meetings and to provide any information or advice that the Committee requires;
- b. accessing the CBHS Group's documents and records;

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<sup>1</sup> Executive Management refers to the Group Chief Executive Officer & Executive Director and their direct executive reports.

- c. obtaining the advice of special or independent advisers or other experts without seeking approval of the Board(s) or Executive Management;
- d. having free and unfettered access at all times to Executive Management and other Board Committees; 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:

### 6.1 Appointment and Remuneration

- a. recommending to the Boards the appointment (including total remuneration of) and, if appropriate, removal of Special Roles<sup>2</sup>.
- b. recommending to the Boards the total remuneration outcomes for the Group CEO and Executive Management having regard to the performance and behaviour of those individuals, the circumstances and performance of the CBHS Group, including where necessary or appropriate, in the view of the Committee, making any adjustments to those outcomes including adjustments based on risk outcomes;
- c. recommending to the Boards the variable remuneration outcomes for Executive Management and other highly paid material risk-takers, other material risk-takers and risk and financial control personnel;
- d. recommending to the Boards annual performance objectives and measures for the Group CEO and Executive Management; and
- e. recommending to the Boards companywide scorecard outcomes.

### 6.2 Remuneration – Non-Executive Directors

- a. reviewing as required the ongoing appropriateness and relevance of the remuneration framework for the Chair 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 Boards for approval any substantive changes to the remuneration framework or remuneration policies for the non-executive directors and the Chair and members of the committees of the boards.

### 6.3 Redundancy and Remuneration Policy

- a. ensuring the CBHS Group maintains a documented redundancy, redeployment and retrenchment policy and remuneration policy outlining the remuneration objectives and the structure of the remuneration arrangements, including, but not limited to the variable components of remuneration subject to malus and, where appropriate, clawback;
- b. working with the Boards and other committees including the Risk Committee and Executive Management to ensure remuneration policies are consistent with the CBHS Group's risk management strategy, promotes effective management of both financial and non-financial risks, sustainable performance and supports the CBHS Group's long term soundness;
- c. conducting regular reviews of the CBHS Group's redundancy, redeployment and retrenchment policy and remuneration policy, including its effectiveness and compliance with regulatory requirements (including APRA prudential standards); and
- d. reporting to the Boards the outcomes of that review and making recommendations to the Boards on any changes to the policies.

### 6.4 Variable remuneration schemes

- a. reviewing and making recommendations to the Boards regarding variable remuneration schemes, if appropriate, for the Group CEO, Executive Management and other employees

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<sup>2</sup> Special Roles include Company Secretary, Chief Financial Officer, Chief Risk Officer and Head of Internal Audit.

taking into consideration legislative, regulatory and market developments, alignment with the CBHS Group's member interests, CBHS Group's risk management framework, business strategy and which encourages behaviours which appropriately mitigate against operational, financial, non-financial, regulatory and reputational risks and do not reward conduct that is contrary to the CBHS Group's values, culture or risk appetite.

#### 6.5 People and Culture Strategies

- a. reviewing organisational culture and engagement matters including engagement survey results and related initiatives undertaken by management.

#### 6.6 Health, Safety and Wellbeing

- a. monitoring CBHS Group's 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;
- d. providing assurance to the Board (as designated "Officers") that relevant applicable regulatory compliance requirements for workplace health and safety are being met;
- e. ensuring that CBHS Group has in place policies, systems and frameworks for the prevention of and response to sexual harassment, sex discrimination and victimisation; and
- f. conducting a review of the policies, systems and frameworks for the prevention of and response to sexual harassment, sex discrimination and victimisation including an assessment of their appropriateness and effectiveness.

#### 6.7 Nominations

- a. if delegated by the Boards, assisting the Boards in discharging its responsibilities relating to Board and Board committee composition, succession planning to ensure an appropriate mix of skills, expertise, diversity and knowledge is maintained and selection of suitable candidates for appointment to the Board, including reviewing nomination and the setting of criteria by which directors are appointed and re-elected; and
- b. appointing the Returning Officer.

#### 6.8 Risk Management

- a. consulting with the Risk Committee and the Chief Risk Officer regarding the interpretation and application of CBHS Group's remuneration policies and annual remuneration outcomes and practices to ensure the CBHS Group's business plan, strategic objectives and risk management framework are appropriately reflected in the application of variable remuneration outcomes and practices.

## 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 directors<sup>3</sup>; and
- c. who should have people and culture experience 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.

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<sup>3</sup> A reference to independent director is a reference to APRA's Prudential Standard CPS 510 Governance.

### 7.3 Secretary

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

## 8. Meeting

### 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 three 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 that contains a statement that they are in favour of the resolution set out in the document. Separate copies of a document may be used for signing by the Committee members if the wording of the resolution and statement is identical in each copy. The resolution is passed when the last Committee member signs. For avoidance of any doubt a circular resolution may be passed by email or by using any other electronic means and will be treated as a document in writing signed by that Committee member.

### 8.2 Quorum

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

### 8.3 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 Boards 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.

## 10. Review

This Charter will be reviewed by the Committee every 3 years, including reviewing and evaluating the effectiveness of the Committee in meeting the individual needs and requirements of the CBHS Group.

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

#### 11. Version

<b>Version Number</b>	<b>Date Approved</b>	<b>Approved By</b>	<b>Changes</b>
V1.0	21.06.2019	CBHS Board	
V1.1	9.12.2020 10.12.2020	CBHS Corporate Board CBHS Board	Update references to the CBHS Group, link to risk-based outcomes, add nominations responsibilities and other minor changes
V2.0	24.02.2022	CBHS Board CBHS Corporate Board	Change to review every 3 years Change to appoint Returning Officer Revise delegations
V3.0	19.03.2024 4.04.2024	People & Remuneration Committee CBHS Board	Minor changes to clauses 1, 2, 3, 5, 6.1, 6.3, 6.4, 6.6, 7.1, 7.2, 8.1, 8.2, 8.3 and 8.4 Addition of new 6.8 (Risk Management)