



People & Remuneration Committee Charter

CBHS Health Fund Limited
(**CBHS**)

June 2020

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 purpose of the Committee is to assist the Board in fulfilling its responsibilities relating to human resources matters and compliance with employment laws and regulations. It does this by ensuring that CBHS has appropriate people strategies and systems in place and by monitoring their implementation and effectiveness.

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 and accountants 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 to:

- a. ensure that appropriate people strategies and effective systems, policies and practices are in place;
- b. recommend for Board approval, the entry into any people related policies or approval of any material changes to existing people related policies, which relate to legislation under which either directors carry personal legal responsibility or in which the Company carries material liability or reputational damage, in the event that the relevant legislation giving rise to the policy is breached;
- c. ensure that key strategic 'people' risks have been identified and are built into the CBHS risk management system;
- d. ensure compliance with all relevant Human Resources and WH&S legislation and regulations and report regularly to the Board on these matters;
- e. review annually and make recommendations to the Board in relation to:
 - the remuneration package of the Group CEO;
 - the annual incentive payment for the Group CEO; and
 - the KPIs of the Group CEO

- f. approve the aggregate of annual remuneration adjustments for direct reports of the Group CEO;
- g. approve the Performance Payment Structure for direct reports of the Group CEO together with the resulting aggregate payment to the direct reports following the end of each financial year;
- h. ensure that the annual remuneration review process for general staff is fair, transparent and appropriate;
- i. review annually the organisational outcome of the annual performance review and development process;
- j. review annually the CBHS capability/succession plan for employees/team leaders/managers and executives;
- k. consider any other matters referred to the Committee by the Board; and
- l. report to the Board on its activities and ensure any identified concerns or risks are brought to the Board's attention.

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; and
- b. 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 director¹ 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).

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

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.

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	07.06.2019 21.06.2019	People & Remuneration Committee CBHS Board	Revised Charter to reflect APRA Prudential Standards
V2.0	19.06.2020 25.06.2020	People & Remuneration Committee CBHS Board	