

# People and Remuneration Committee Charter

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Regis Healthcare Limited (**Company**)

ACN 125 203 054

Adopted by the board on 18 September 2014

# Committee charter

## 1 Membership of the Committee

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The Committee must consist of:

- only non-executive directors;
- a minimum of 3 members;
- a majority of independent directors; and
- an independent director as chair.

The Board may appoint additional non-executive directors to the Committee or remove and replace members of the Committee by resolution. Members may withdraw from membership by written notification to the Board.

Directors have a standing invitation to attend meetings of the Committee. Other non-committee members, including members of management, may attend all or part of a meeting of the Committee at the invitation of the Committee chair.

The Company Secretary, or his or her delegate, must attend all Committee meetings as minute secretary.

## 2 Administrative matters

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### 2.1 Meetings

The Committee will meet as often as the Committee members deem necessary in order to fulfil their role.

### 2.2 Quorum

The quorum is at least 2 members.

### 2.3 Convening and notice of meeting

Any Committee member may, and the Company Secretary must upon request from any member, convene a meeting of the Committee. Notice will be given to every member of the Committee of every meeting of the Committee. There is no minimum notice period and acknowledgement of receipt of notice by all members is not required before the meeting may be validly held.

### 2.4 Chair

In the absence of the Committee chair, the Committee members must elect one of their members as chair for that meeting. The chair does not have a casting vote.

## **2.5 Access to resources and independent advisers**

The Committee is to have access to adequate internal and external resources. The Committee may seek the advice of the Company's auditors, solicitors or other independent advisers (including external consultants and specialists) as to any matter pertaining to the powers or duties of the Committee or the responsibilities of the Committee, as the Committee may require.

## **2.6 Minutes**

Minutes of meetings of the Committee must be kept by the Company Secretary (or his or her delegate) and, after approval by the Committee chair, be presented at the next Board meeting. All minutes of the Committee must be entered into a minute book maintained for that purpose and will be open at all times for inspection by any director.

## **2.7 Reporting**

It is intended that a copy of the minutes of the Committee meeting will be included in the Board papers for the Board meeting next following a meeting of the Committee.

The Committee chair will, if requested, provide a brief oral report to the Board as to any material matters arising out of the Committee meeting. All directors may, within the Board meeting, request information from members of the Committee.

# **3 Role and responsibilities - People**

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## **3.1 Responsibilities**

The People related responsibilities of the Committee are to review and make recommendations to the Board in relation to:

- (a) Employee engagement, talent management and employee relations strategies including:
  - (1) Succession planning and talent development for Executives, Senior management and critical roles;
  - (2) Strategies and policies in relation to attracting, retaining, developing, motivating and terminating employees;
  - (3) Industrial relations strategies.
- (b) Organisational culture, including reviewing engagement survey results and related initiatives undertaken by management.
- (c) Diversity and inclusion, including on an annual basis, reviewing the effectiveness of the Board Diversity Policy by:
  - (1) assessing the Company's progress towards the achievement of the measurable objectives and any strategies aimed at achieving the objectives; and
  - (2) reporting to the Board recommending any changes to the measurable objectives, strategies or the way in which they are implemented.

- (3) reviewing the relative proportion of women and men on the Board, in senior management positions and in the workforce at all levels of the Group, and submit a report to the Board, which outlines the Committee's findings and provides the Board with the Company's most recent indicators as required by the Workplace Gender Equality Act 2012.
- (d) Such other People related matters as referred by the Board.

## 4 Role and responsibilities - Remuneration

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The Remuneration responsibilities of the Committee are as follows:

- (a) Review and recommend to the Board arrangements including, contract terms, annual remuneration, performance targets, biennial benchmarking salary review and participation in the Company's incentive plans for:
  - (1) the executive directors (including the CEO) and;
  - (2) the executives reporting to the CEO.
- (b) Conduct regular reviews of, and monitor the implementation of, the Company's remuneration framework to confirm it:
  - encourages and sustains a culture aligned with the Company's values; and
  - supports the Company's strategic objectives and long-term financial soundness.
- (c) Review and recommend senior management participation in the Company's incentive plans.
- (d) Review major changes and developments in the Company's remuneration for senior management.
- (e) Review major changes and developments in the remuneration policies and superannuation arrangements for the Group.
- (f) Review and recommend to the Board major changes and developments to the Company's employee equity incentive plans.
- (g) Recommend to the Board whether offers are to be made under any or all of the Company's employee equity incentive plans in respect of a financial year.
- (h) In respect of the Company's employee equity incentive plans in place from time to time:
  - review and determine the performance hurdles applicable to the plan;
  - review and approve the proposed terms of, and authorise the making of, offers to eligible employees of the Group, including determining the eligibility criteria applying in respect of an offer, in respect of a financial year;
  - review and approve, within the parameters of the plans and the ASX Listing Rules, amendments to the terms of existing plans;
  - review and approve the terms of any trust deed applying in relation to the plans and of any amendment to any such trust deed, including

- authorising the execution of any such trust deed or amending deed on behalf of the Group; and
  - administer the operation of the plans, including but not limited to determining disputes and resolving questions of fact or interpretation concerning the various plans.
- (i) Assess and make recommendations to the Board on incentive award outcomes for the executives reporting to the CEO based on performance against the applicable performance hurdles and any other factors that the Committee determines to be relevant (including whether the Board should consider exercising any discretion);
  - (j) Look to ensure that risk behaviours and outcomes and any other relevant factors are reflected in the executive remuneration outcomes.
  - (k) Review and make recommendations to the Board on remuneration by gender and recommend strategies or changes to address any pay bias.
  - (l) Review and recommend to the Board the remuneration arrangements for the Chairman and the non-executive directors of the Board, including fees, travel and other benefits.
  - (m) Review and recommend to the Board the remuneration report prepared in accordance with the Corporations Act 2001 (Cth) for inclusion in the annual directors' report.
  - (n) Approving the appointment of remuneration consultants for the purposes of the *Corporations Act 2001 (Cth)*.
  - (o) Be satisfied that the Committee, the Board and management have available to them sufficient information and external advice to ensure informed decision-making regarding remuneration.
  - (p) Review and facilitate shareholder and other stakeholder engagement in relation to the Company's remuneration policies, practices, reports and disclosures.

## 5 Remuneration policy

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- (a) Executive remuneration and incentive policies and practices must be performance based and aligned with the Company's purpose, values, strategic objectives and risk appetite.
- (b) In discharging its responsibilities, the Committee must have regard to the following policy objectives:
  - to ensure the Company's remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders and having regard to relevant Company policies;
  - to attract and retain skilled executives;
  - to structure incentives that are challenging and linked to the creation of sustainable shareholder returns, without rewarding conduct that is contrary to the Company's values or risk appetite;
  - to appropriately incentive positive risk behaviour and improved investor and resident outcomes, encourage sound risk management

- of both financial and non-financial risks, and discourage unnecessary and excessive risk taking;
- to allow for proper adjustments to be made, including where care or compliance failures occur; and
  - to ensure any termination benefits are justified and appropriate.
- (c) In the discharge of the Committee's responsibilities, no executive should be directly involved in determining their own remuneration.
- (d) The Committee must at all times have regard to, and notify the Board as appropriate of, all legal and regulatory requirements, including any shareholder approvals which are necessary to obtain.

## 6 Review

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The Board will, at least once in each year, review the membership and charter of the Committee to determine its adequacy for current circumstances and the Committee may make recommendations to the Board in relation to the Committee's membership, responsibilities, functions or otherwise.