

# Board People and Remuneration Committee Charter



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## 1. Introduction

The People and Remuneration Committee (the Committee) is a committee of the Board of Insurance and Care NSW (icare).

This Charter sets out the Committee's objectives, authority, composition and tenure, roles and responsibilities, reporting and administrative arrangements.

The icare Board has established the Committee to:

- endorse and recommend to the Board the approval of icare's people strategies including remuneration, culture, talent, leadership and diversity strategies;
- monitor the implementation of the Board approved people strategies; and
- ensure that icare maintains robust and relevant people policies and practices.

The Committee will make recommendations to the Board and report on its activities.

## 2. Authority

All decisions in relation to the functions of icare are to be made by or under the authority of the Board. The Board may authorise the Committee to make decisions on behalf of the Board in relation to certain matters. In this case, a decision made by the Committee is taken to be a decision made by the Board. The Board will review decisions made by the Committee and, at its discretion, may overturn, amend or refer the decision back to the Committee for further consideration.

The Board authorises the Committee, within the scope of its responsibilities, to perform the activities identified in this Charter. To meet its obligations the Board authorises the Committee to:

- obtain any information it needs from any employee and/or external party (subject to their legal obligation to protect information);
- discuss any matters with the external auditor, or other external parties (subject to confidentiality considerations);
- request the attendance of any employee at Committee meetings; and
- obtain external legal or other professional advice, as considered necessary to meet its responsibilities. The payment of costs for that advice by icare is subject to the prior approval of the People and Remuneration Chair.

The Committee's authority covers icare and the entities on whose behalf it acts or to which it provides services, and includes the Workers Compensation Nominal Insurer, NSW Self Insurance Corporation, Home Building Compensation Fund, Lifetime Care and Support Authority, Workers Compensation (Dust Diseases) Authority, Sporting Injuries Compensation Authority, Building Insurers' Guarantee Corporation and Home Building Compensation Fund.

## 3. Responsibilities

The Committee is directly responsible and accountable to the Board for the exercise of its responsibilities, which may be revised or expanded in consultation with, or as requested by, the Board from time to time. In carrying out its responsibilities, the Committee shall at all times recognise that primary responsibility for oversight of the management of icare rests with the Board.

In fulfilling their responsibilities, all Committee members are bound to act honestly, fairly, and in accordance with the law, icare's values and icare's Code of Conduct and Ethics.

The Committee's responsibilities are set out below.

### 3.1 People Strategy

- Review and recommend for Board approval the workplace health and safety strategy and framework.
- Review and monitor the implementation of the people strategies including but not limited to culture, talent, leadership and diversity strategies.
- Oversee the development and implementation of the performance management framework.
- Oversee the development and implementation of an effective accountability framework for the Group Executive Team (GET) which complements the Performance Management Framework cascaded through the organisation.
- Review and monitor the performance assessment and results for the CEO and Group Executives.
- Provide advice, as required, to the Board regarding the Directors' obligations in relation to people matters and report on due diligence activities.

### 3.2 Remuneration

- Review and monitor the implementation of the remuneration framework and associated policies, including attracting, retaining, and managing the performance of icare staff.
- Oversee the executive management succession plan, including retention strategies for critical roles and high potential executives.
- Determine and recommend to the Board for approval the remuneration package and related payments for the CEO.
- Review and approve individual remuneration packages for the members of the GET in line with strategic direction and plans, except for the CEO.
- Review and recommend to the Board for approval the annual review of remuneration for members of the GET, except for the CEO.
- Review and approve termination arrangements for members of the GET, except for the CEO.
- Provide advice, as requested by the Board, on remuneration matters.

### 3.3 Policies

- Approve all policies delegated to the Committee for approval under the Policy Governance Framework and otherwise review and recommend all other relevant policies to the Board which require Board approval.
- Monitor the effectiveness of people policies.
- Evaluate the latest legislative, regulatory or industry developments, trends, and NSW Government policies in relation to remuneration, employment, work health and safety, and people and workplace matters likely to have a significant impact on icare.
- Monitor current industrial relations strategies, including awards and enterprise bargaining agreements.

### 3.4 Responsibilities of Committee members

Members of the Committee are expected to:

- make themselves available as required to attend and participate in meetings;
- contribute the time needed to study and understand the papers provided;
- apply good analytical skills, objectivity and good judgement;

- abide by the relevant ethical codes that apply to employment within the General Government Sector, including the icare values and icare's Code of Conduct and Ethics; and
- express opinions frankly, ask questions that go to the fundamental core of the issue and pursue independent lines of enquiry.

## 4. Composition and Tenure

The Committee will consist of at least three, [and no more than five members], appointed by the Board. At least three members must be Non-Executive Directors of the Board. Additional members need not be Non-Executive Directors of the Board. The Board will appoint the Chair. The Chair is counted as one member of the Committee. The Chair must be a member of the Board.

Members will be appointed for an initial term of no less than three years (which may be terminated earlier by mutual agreement) and not exceeding five years, after which they will be eligible for extension or re-appointment for a further term(s) subject to a formal review of their performance (noting that the total term on the Committee will not exceed eight years).

### Induction

New Committee members will receive relevant information and briefings on their appointment to assist them to meet their Committee responsibilities.

## 5. Disclosures of Interest and Management of Conflicts of Interest

Disclosures of interest made to the Board will be taken as declared to the Committee.

To ensure the appropriate management of any actual, potential or perceived conflict of interest, the Committee and its members will comply with the policies and procedures provided in the icare Board Charter (Section 13).

Where the CEO, senior management of icare or observers at Committee meetings are deemed to have a real or perceived conflict of interest, it may be appropriate that they are excused from Committee deliberations and decisions on the issue where a conflict of interest exists.

No employee, including the Chief Executive Officer (CEO), can be directly involved in decisions relating to their own remuneration.

## 6. Meetings

The Committee will meet at least four times a year, and more regularly if required. Members can attend in person, by telephone or by video conference. All attendees are responsible and accountable for maintaining the confidentiality of the information they receive during the course of these meetings.

The Committee may, if it thinks fit, transact any of its business by the circulation of papers among all members. A resolution in writing that is approved in writing (including email confirmation) by a majority of those members is taken to be a decision of the Committee. Circular resolutions require a quorum of members and the resolutions will be included as a paper for noting at the next meeting.

The Chair is required to call a meeting if requested to do so by the Board, another Committee member or as recommended by the Group Executive People and Culture.

If the Chair is absent from a meeting and no acting Chair has been appointed, the Committee members present may choose one of them to act as Chair for that meeting.

The Committee may request that other persons attend meetings or participate for certain agenda items. In this respect the Committee will have free and unfettered access to the senior management of icare, including but not limited to the CEO, Group Executive People and Culture, General Counsel, and any

other parties (internal or external) required by the Committee to fulfil its role. Where Committee members seek direct access to any of these parties to discuss substantive matters, Committee members should advise the Chair and the CEO.

The Committee can hold private sessions as it requires separately with the CEO, Group Executive People and Culture and General Counsel without other management personnel being present.

A Governance Calendar, including the meeting dates and agenda items, will be agreed by the Committee and the icare Board 12 months in advance. The Governance Calendar will cover all of the Committee's responsibilities as detailed in this Charter.

## 7. Quorum of Meetings

A quorum will consist of a majority of Committee members and must include at least two Non-Executive Directors. All decisions of the Committee must be agreed by a minimum of two Non-Executive Directors. Where agreement cannot be reached by the minimum of two Non-Executive Directors, the Chair may escalate the matter to the Board to make the decision.

The Chair or person presiding at a meeting of the Committee has a deliberative vote and, in the event of an equality of votes, has a second or casting vote.

## 8. Secretariat

The Head of Board Governance or their delegate, will provide secretariat support to the Committee. The Head of Board Governance or their delegate, will ensure the agenda for each meeting and supporting papers are circulated at least one week before the meeting. Draft minutes of each meeting will be prepared by the Head of Board Governance or their delegate, and provided to the Chair for review within two weeks of the meeting. A further draft incorporating any changes made by the Chair will be circulated to the Committee for approval at the following meeting.

## 9. Access to Information, Records and Advice

Each member is entitled to have free and full access to all Committee records, (including but not limited to minutes, papers, agendas, tabled documents, and presentations) created during their term(s) as a member.

Committee members will at all times have free and unfettered access to advisers and access to resources and information the Committee considers relevant to its responsibilities. The Committee may seek independent professional advice, at icare's expense, if it is considered necessary for the proper performance of the Committee's responsibilities. The Chair of the Committee and the CEO will facilitate the procurement of any such advice.

## 10. Reporting

The Committee's minutes will be made available to the Board, and the Committee will, through its Chair, regularly update and make recommendations to the Board on matters falling within the scope of its roles and responsibilities. As part of this reporting, the Board will be made aware of matters before the Committee that may materially impact the financial condition or affairs of icare, including the entities it manages.

The Committee will liaise with the Board Audit Committee in relation to the remuneration related reporting in the financial statements and Annual Report.

The Committee may, at any time, report to the Board any other matter it deems of sufficient importance to do so. In addition, at any time an individual Committee member may request a meeting with the Board.

## 11. Dispute Resolution

Members of the Committee and icare's management should maintain an effective working relationship and seek to resolve differences by way of open discussion. However, in the event of a disagreement between the Committee and management, the Chair of the Committee may, as a last resort, refer the matter to Board.

## 12. Assessment Arrangements

The Committee, in consultation with the Chair of the Board, is to assess its performance annually, including the performance of the Committee Chair and each member. The assessment activities may include but is not limited to surveys, one-to-one feedback sessions with the Chair and Committee members, and discussions with appropriate input sought from the Chief Risk Officer (or equivalent role), management and any other relevant stakeholders. This may form part of the Board's evaluation assessment of the Board and all other Committees. The Committee is committed to supporting a culture of continuous improvement in its performance, collectively and individually.

## 13. Charter Review

This Charter is to be reviewed biennially (including consultation with the Chair of the Board) to ensure that it remains consistent with the Board's and Committee's objectives and responsibilities. Any substantive changes to this Charter will be agreed by the Committee and recommended for approval to the icare Board.