

# Remuneration & Nominations Committee Charter

Approved Version: 9.0 | Date: 07/09/2023

Current Version: 9.0 | Date: 07/09/2023

**Company information table**

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**References within this document**

Within this document, a reference to Helia or 'the Company' refers to Helia Group Limited and its subsidiary companies.

References to the Board are to the Boards of Directors of Helia and its subsidiary companies unless a specific Board is specified. All References to amounts are in Australian Dollars (AUD).

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# Helia Group Limited

## Remuneration & Nominations Committee

### Charter

## 1. Introduction

This document is the Charter of the Remuneration & Nominations Committee (the **Committee**), a committee of the Boards of Helia Group Limited (**Helia**), Helia Insurance Pty Limited (**Helia Insurance**) and Helia Indemnity Limited (**Indemnity**) (collectively, the **Company**).

Helia is the authorised non-operating holding company and the designated 'parent entity' of the Helia Level 2 insurance group in Australia under the Australian Prudential Regulation Authority's (APRA) Prudential Standards. As required under APRA Prudential Standard CPS 511 Remuneration, this Charter outlines the roles, responsibilities, and terms of operation of the Committee in respect of the Company. The Charter also outlines how Helia applies requirements of APRA Prudential Standard CPS 511 appropriately throughout the Level 2 insurance group, including in relation to institutions that are not APRA regulated.

On becoming effective, this Charter supersedes all previous Company charters relating to the operation and responsibilities of the Remuneration & Nominations function of the Board, as delegated to any Board committee.

## 2. Objectives

The purpose of the Committee is to assist the Board of the Company by providing effective oversight of frameworks, policies and practices for employees and Directors in relation to Board nomination, people, and remuneration matters, to ensure they:

- a. support the achievement of the Company's strategy and objectives;
- b. encourage behaviors that support the long-term soundness of the Company;
- c. align with the Company's culture, including Risk Culture and values;
- d. align with the Company's Performance and Risk Management Frameworks;
- e. remain competitive and appropriate to changes to external and internal environment

## 3. Operation

The Committee has been established to assist the Board in discharging responsibility of people and remuneration matters, however ultimate accountability for these practices rests with the Board of the Company.

The Committee is responsible for monitoring, reviewing, and providing recommendations relating to the remuneration, succession planning and nomination activities, Board effectiveness, and diversity and inclusion practices of the Company.

## Access and Advice

The Committee is authorised to appoint independent experts to seek advice (including remuneration experts and other experts related to organisational development, succession, nomination, appointment and diversity and inclusion), and will do so independently of management. The Committee is responsible for ensuring that the engagement of any remuneration expert, including any advice received, is independent.

The Committee will have free and unfettered access at all times to risk and financial control employees and any other parties (internal and external) it requires, to effectively carry out its duties.

The Committee has the power to invite any individuals to attend Committee meetings, whether the individual is internal or external to the Company and associated entities.

The Board and other Board Committees will have free and unfettered access to the Committee, and material presented as relevant to them.

Each member of the Committee is entitled to rely on the CEO and Direct Reports to the CEO of the Company for matters that are the responsibility of those executives, as well as to rely on the advice of counsel and other experts, so long as they are not aware of any reasons such reliance would be inappropriate.

The Committee will be available to meet with APRA as required.

## 4. Composition

The Committee must comprise:

- (a) At least three directors;
- (b) Only non-executive directors;
- (c) A majority of independent directors;
- (d) An independent chairperson, who is not the chairperson of the Board.

The Committee will be of sufficient size, independence and technical expertise to discharge its mandate effectively. The Board will decide appointments, rotations and resignations within the Committee.

## 5. Responsibilities

### Remuneration, Succession and Diversity

The Committee will provide oversight of:

#### ***Remuneration Framework and Policy***

- Define, review, and recommend to the Board for approval the Company's remuneration framework and strategy, to ensure alignment with the Company's Remuneration Policy and Guiding Principles;
- Review the Remuneration Policy every three years (or more frequently where warranted due to changes in legislation, regulations, operating policy or as determined by the Committee) and perform an assessment of the Policy's effectiveness to ensure it delivers on its intent and is compliant with legislative and regulatory requirements, and recommend any changes to the Board for approval;
- Consider the outcome of the annual shareholder advisory vote related to the Remuneration Report and feedback of key stakeholders;

- Review and monitor compliance with the Company's Minimum Shareholding arrangements; and
- Review the Company's gender pay equity position and recommend plan of action to rectify any gaps if identified.

### ***Remuneration Arrangements and Outcomes:***

- Review and recommend to the Board annually the remuneration of independent directors and the fee pool (inclusive of superannuation and other benefits) to be recommended to shareholders;
- Review and recommend to the Board for approval annually, remuneration arrangement design including Total Fixed Remuneration and Variable Remuneration<sup>1</sup>, annual goals and objectives, and annual funding/budgets;
- Approve amendments, including any operational and compliance-related changes, to other employee equity plans which are not otherwise recommended to the Board for approval;
- Review and recommend to the Board for approval, annually on an individual basis, remuneration outcomes including Total Fixed Remuneration, Variable Remuneration and termination payments for Band 1 SLT<sup>2</sup> and Directors of the Company (including termination payments made to former Band 1 SLT and Directors within three years of ceasing to be a Band 1 SLT or Director);
- Review and recommend to the Board for approval, annually on a cohort basis, remuneration outcomes including Total Fixed Remuneration and Variable Remuneration for Key Functional employees and Material Risk Takers<sup>3</sup> to ensure the independence of these personnel in carrying out their duties; and
- Recommend to the Board any adjustments to Variable Remuneration outcomes for those individuals and groups as outlined in the Remuneration Policy, including but not limited to, where payment or vesting conditions have not been met in relation to performance expectations, risk, compliance, or misconduct matter, considering adjustment tools including, but not limited to, in-year adjustments, malus and clawback.

### ***Remuneration Disclosure***

- Recommend the annual remuneration report to the Board for approval and inclusion in the Company's annual report.

### ***Succession and Diversity***

- Oversee the development of succession plans in relation to the CEO and other senior management; and
- Review and recommend to the Board annually the Company's Diversity and Inclusion Policy, measurable objectives for achieving diversity and progress in achieving such objectives.

### **Nomination**

The Committee will provide oversight of:

### ***Selection, Appointment and Re-election of Directors:***

- As appropriate, consider and make recommendations to the Board on the process for recruiting a new director, and in relation to candidates for appointment as directors, including evaluating:
  - Competencies and qualifications of the appointee, including their skills, expertise and experience and how these contribute to the overall skills mix and diversity requirements of the Board;

<sup>1</sup> Variable Remuneration henceforth is defined as Short Term Incentive (STI), Short Term Incentive Deferral (STI Deferral) and Long-Term Incentive (LTI), based on plan eligibility.

<sup>2</sup> As defined in the Company's Remuneration Policy.

<sup>3</sup> As defined in the Company's Remuneration Policy.

- o Matters relevant to whether the person meets APRA Prudential Standard CPS 520 Fit and Proper requirement that he or she is "fit and proper" for the role, having regard to the Company's Fit and Proper Policy;
  - o Independence (taking into consideration the requirements of APRA's prudential standards, including APRA Prudential Standard CPS 510 Governance, and the matters contained in the ASX Corporate Governance Principles and Recommendations);
  - o The time commitment required by a director to effectively discharge his or her duties to the Company and the number of existing directorships and other commitments that may demand the attention of the appointee;
  - o The nature of existing positions, directorships or other relationships and the impact that each may have on the appointee's ability to exercise an independent judgment; and
  - o The extent to which the appointee is likely to work constructively with the existing directors and contribute to the overall effectiveness of the Board;
- Make recommendations to the Board on the terms and conditions of appointment to, and removal and retirement from, the Board and preparing a description of the role and capabilities required for a particular Board appointment;
  - Review and, as applicable, recommend to the Board the re-election by shareholders of directors; and
  - Regularly assess the independence of the directors and Committee members to ensure a majority of independent directors on all Committees.

### *Performance, Development and Succession of Directors*

- Review and recommend to the Board the attributes required to discharge competently the Board's duties at both the individual and collective (Board) level; including the size of the Board, specific qualities or skills and the appropriate mix of skills, experience, expertise and diversity, and desired Board composition in respect of the qualities and skills identified;
- Review and recommend to the Board a process for the orientation and professional development of new directors and the continuing professional development of all directors; and
- Develop and implement succession planning for directors, taking into account the skills and expertise needed on the Board in future.

## 6. Meetings

The Committee will meet at least four times per year, or more frequently if required to fulfill its duties.

A quorum will comprise two Committee members. A quorum shall not be present unless there is a majority of independent non-executive directors present at the meeting.

In the absence of the Committee Chairman or appointed delegate, the members will elect one of their number as chairman of that meeting (subject to a quorum).

Non-executive directors of the Company who are not Committee members may attend Committee meetings at any time.

The CEO and Chief People and Culture Officer may attend all Committee meetings by standing invitation, but may be asked to leave at any time.

The Committee may appoint or remove a secretary to the Committee. Where no secretary has been appointed by the Committee, the Chief People and Culture Officer will act as Secretary to the Committee.

The Secretary, in conjunction with the Chairman, shall prepare an agenda for each meeting, which shall be circulated to all Directors prior to the meeting in sufficient time to enable Directors to read the papers and properly prepare for the meeting.

Draft minutes of each Board meeting shall be prepared by the Secretary promptly following the meeting for review by the Chairman. Thereafter, the draft minutes shall be circulated to all Committee members for final review and approval at the next Committee meeting.

Committee meetings may be held by directors communicating with each other through any technological means through which they can participate in discussion, even though they may not be physically present in the same place.

## 7. Reporting to the Board

The Committee shall report to the Board on its meetings, update the Board about matters relevant to the Committee's role and responsibilities that should be brought to the attention of the Board and make appropriate recommendations for approval or action by the Board.

Copies of the minutes of each Committee meeting will be included in the papers for the next full Board meeting after each meeting of the Committee.

## 8. Delegation

Authority is delegated to the Committee Chairman to exercise the authority conferred on the Committee between Committee meetings, subject to the Committee Chairman reporting the details of any exercise of this authority at the next Committee meeting.

## 9. Amending this Charter

The Committee will review this Charter every three years, or more frequently as required, and recommend any changes to the Board for approval.

Version history	
Version number	Approval date
1.0	19 March 2012
2.0	23 May 2012
3.0	26 July 2013
4.0	20 September 2013
5.0	13 March 2014
6.0	27 July 2016
7.0	24 July 2019
8.0	27 July 2022
9.0	7 September 2023