



People and Remuneration Committee Charter

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DOCUMENT CONTROL

Document Owner

Name	Position
Isobel Rogerson	Company Secretary

Change Record

Author	Date	Change
Isobel Rogerson	20/08/10	Re-formatted to new ME Bank policy and committee charter format. Reference to Board Committees Standing Rules included. Include provisions to reflect requirements of APS510 – Governance Remove references to Industry Super Holdings and its obligations not relevant to ME Bank
Isobel Rogerson	29/03/12	Updated to include additional responsibilities of the Committee in respect of human resources management including succession planning, talent management, governance and elements of the Bank's Corporate Responsibility Program Make clearer reference to alignment of remuneration with risk management
Isobel Rogerson	19/04/13	Annual review
Isobel Rogerson	25/02/14	Annual review. Update responsibility to review remuneration disclosures.
Isobel Rogerson	04/03/15	Annual review. Include responsibilities in respect of the oversight of the Bank's organisational culture and capability.
Isobel Rogerson	27/04/16	Annual review. Update for new brand, minor administrative matters

Approval

Name	Position	Evidence
Board		Minutes of meeting 5 April 2012
Board		Minutes of meeting 6 June 2013
Board		Minutes of meeting 6 March 2014
Board		Minutes of meeting 2 April 2015
Board		Minutes of meeting 5 May 2016

PEOPLE AND REMUNERATION COMMITTEE CHARTER

1. Standing Rules

The Standing Rules for ME Board Committees apply to the People and Remuneration Committee (Committee) and are incorporated into this Charter, unless expressly varied in this Charter.

2. Purpose

- 2.1. The purpose of the Committee is to:
- (i) make recommendations in respect of ME's Remuneration Policy and program;
 - (ii) make recommendations in respect of the remuneration arrangements for the Chief Executive Officer (CEO), Executives, non-executive directors, Finance, Risk and Internal Control Personnel, and any other employee or group of employees whose roles may affect the financial soundness of the Bank;
 - (iii) monitor compensation, including superannuation levels, and policy guidelines;
 - (iv) ensure there is a robust and effective process for evaluating the performance of the Board, its committees, and individual directors;
 - (v) assist the Board in relation to executive (including the CEO) succession planning to meet the Bank's longer term strategic goals; and
 - (vi) providing a formal forum for communication between the Board and management on people matters.
- 2.2. The Committee may make recommendations to the Board in connection with the fitness and propriety of directors.

3. Composition

- 3.1. The Board shall appoint members to, and remove them from, the Committee from time to time.
- 3.2. The Committee is to comprise at least three non-executive directors of the ME Board, with a majority of independent directors.
- 3.3. One of the independent directors shall be appointed by the Board as Chair of the Committee.
- 3.4. Notwithstanding the previous clause, if the Chair of the Committee is absent from a meeting, the Committee members present will appoint another independent director as Chair for that meeting.

4. Authority and Powers

- 4.1. The Committee discharges its responsibilities in accordance with the authority delegated to it by the Board as well as any powers conferred by statute, regulation or regulatory authority requirements.
- 4.2. The responsibilities delegated to this Committee are contained in the Authorities and Delegations Policy, this Charter and any other resolution of the Board as made from time to time.
- 4.3. The Committee is not responsible for supervising the performance of executives and does not become involved in day to day operations and management functions.
- 4.4. The Committee may delegate its discretions and responsibilities. The Committee will record a copy of all delegations in its minutes.
- 4.5. The Committee has free and unfettered access to Risk and Financial Control personnel, and other internal and external parties, in carrying out its duties.
- 4.6. The Committee can request reports for the purpose of ensuring that the Committee is able to discharge its responsibilities. In addition, regular reports may be supplemented by 'issue driven' reports that will be prepared on a needs basis (at the request of the Board or the Chair of the Committee, or as recommended by management).
- 4.7. The Committee may engage third party experts on a basis which is independent of management to ensure that the engagement and any advice received is independent.

5. Responsibilities

- 5.1. The Committee is responsible for:

Remuneration

- (i) conducting regular reviews of, and making recommendations to the Board on, the Remuneration Policy, including reviewing the Policy's effectiveness and compliance with any APRA prudential standards in place from time to time;
- (ii) making recommendations to the Board in respect of ME's Remuneration Policy and program;
- (iii) making recommendations to the Board in respect of the remuneration for:
 - (a) the CEO;
 - (b) direct reports of the CEO;
 - (c) other persons whose activities may in the Committee's opinion affect the financial soundness of ME;
 - (d) any other person specified by APRA; and

- (e) non-executive directors, within the limits of the remuneration pool for non-executive directors; and
- (iv) monitoring compensation levels and policy guidelines, including the alignment of remuneration with risk related key performance indicators, where appropriate;
- (v) Reviewing at least annually the Bank's public remuneration disclosures.

Succession Planning and Talent Management

- 5.2. Reviewing the Bank's management succession planning for the CEO, Executives and any other key employees as identified from time to time.

Culture and capability

- 5.3. Review and oversee any matters affecting the capability and organisational culture of the business, including developing a values based leadership culture.
- 5.4. Review the results of annual employee engagement surveys, and monitor the progress of any management actions undertaken in response to those surveys.

Diversity

- 5.5. Reviewing the make up of the Bank's workforce by gender and any other criteria determined by the Committee from time to time.

Workplace Health and Safety

- 5.6. Reviewing and monitoring the effectiveness of the Bank's Workplace Health and Safety practices.
- 5.7. Making recommendations to the Board regarding the Bank's Workplace Health and Safety practices.

Governance

- 5.8. Reviewing and approving the process for the oversight and evaluation of the performance of the Board, Board committees, and directors.
- 5.9. Reviewing and approving the process for the evaluation of the performance of individual directors.

Other

- 5.10. The Committee will review the Charter at least annually.
- 5.11. The Committee will examine any matters referred to it by the Board.
- 5.12. Members of the Committee will be available to meet with APRA on request.
- 5.13. The Committee is not responsible for approval of the remuneration pool for non-executive directors, as this is a decision of the shareholders.

6. Meetings

- 6.1. The Committee will meet at least 5 times annually.
- 6.2. The Committee may at its discretion schedule additional meetings with management.
- 6.3. The Committee may request members of management, including the Chief Risk Officer, to attend part, or all, of any meeting. The Committee may, if appropriate, meet without management present.
- 6.4. Representatives of management, including the CEO, may not be present at those parts of a meeting which the Committee is discussing that person's remuneration or any other matters in which that person might have a personal interest.
- 6.5. All other members of the Board may attend the Committee's meetings as observers, and upon request can receive copies of the Committee's papers.
- 6.6. A Committee meeting may be called or held using any technology consented to by all members.
- 6.7. Minutes of the meetings will be distributed to the Board.

7. Reporting

- 7.1. The Committee will report to the Board at the next Board meeting through a verbal report from the Chair and, if available, the circulation of minutes, on those of its activities and decisions that should be brought to the attention of the Board.
- 7.2. The Chair will report to the Chair of any other Board sub-committee, at the earliest possible time, any matters that in the opinion of the Committee should be brought to the attention of the other Board sub-committee, particularly in respect of any risk management related matters.
- 7.3. The Committee may refer any relevant matters to another Board committee for consideration and determination by that committee.