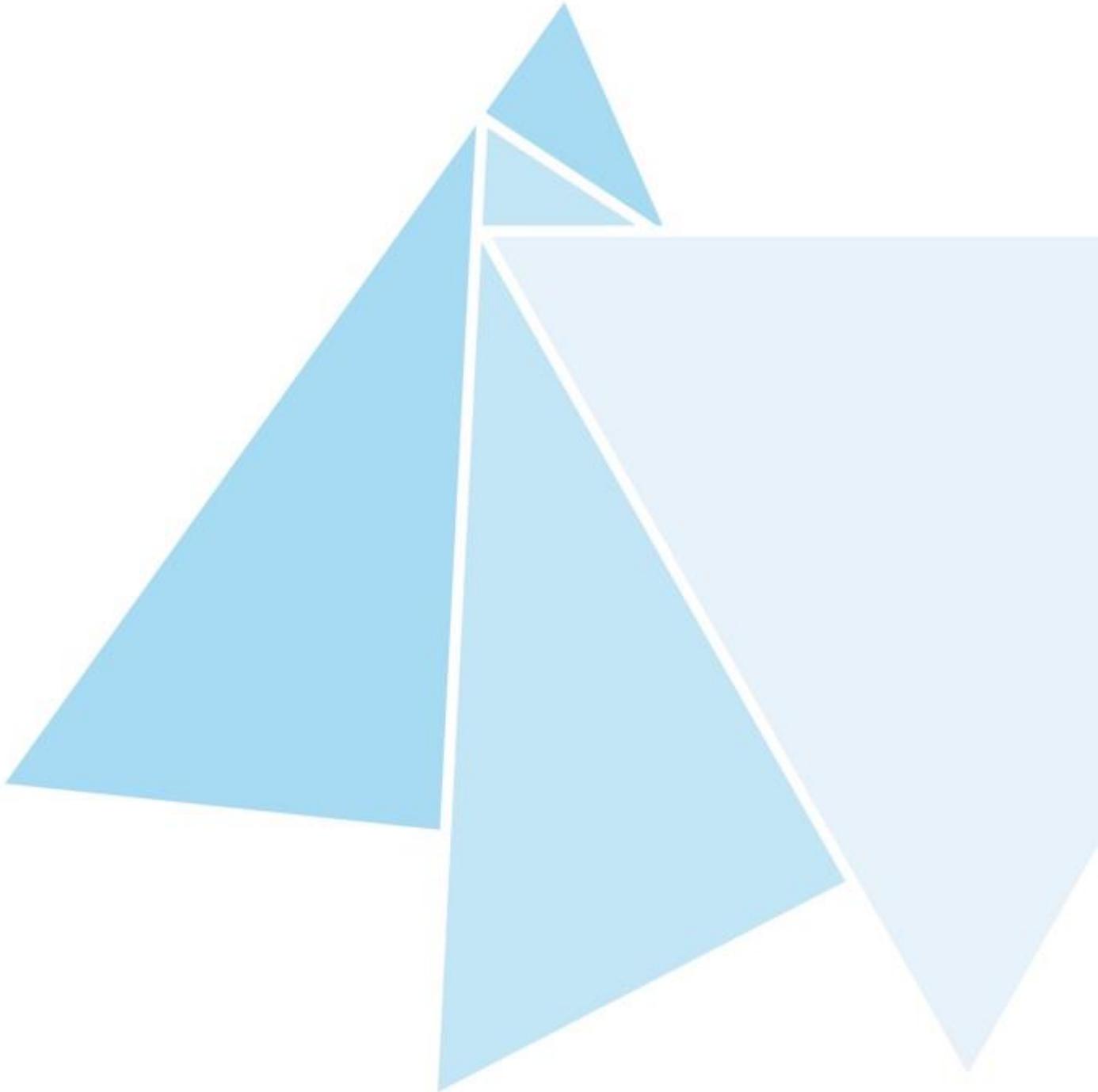


## People Committee Charter

**Victorian Funds Management Corporation** (the "Corporation")



Improving the future prosperity of Victoria

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# 1 Purpose and authority

## 1.1 Purpose

The purpose of this People Committee charter is to specify the role and responsibilities of the People Committee (“**Committee**”).

The Committee is a committee of the Board established to assist the board in fulfilling its statutory and regulatory responsibilities. It is required to exercise the role and responsibilities set out in this charter and any additional tasks requested by the Board from time to time.

# 2 Role of the Committee

## 2.1 Remuneration

The role of the Committee is (in accordance with clause 3.) to assist and advise the Board on remuneration policies and practices for, the Executive, senior management and other employees.

## 2.2 Executive Recruitment

The role of the Committee is also to:

- (a) manage the recruitment procedures for the appointment of the Chief Executive Officer, Chief Investment Officer, General Counsel/Corporation Secretary and make recommendations to the Board regarding:
  - (i) their appointment and
  - (ii) their terms and conditions of employment;
- (b) evaluate the performance of the CEO and report the results of that review to the Board.

## 2.3 General

The role of the Committee also includes:

- (a) reviewing succession planning.
- (b) reviewing training and development initiatives.
- (c) reviewing recruitment practices.
- (d) reviewing VFMC’s approach to diversity and inclusion.
- (e) advising on such other matters as may be referred to the Committee by the Board.

## 2.4 Appointment of directors

Directors are appointed by the Governor in Council, having regard to the expertise necessary for the Corporation to carry out its functions. The Committee will, when requested, assist the Board in making recommendations to the Treasurer regarding appointments to the Board.

## 3 Remuneration Policy and Evaluation Systems

The following guiding principles must be taken into account by the Committee when discharging its functions:

- (a) policies and procedures for the recruitment of employees must be consistent with any guidelines applicable to the Corporation under the Public Administration Act 2004 and other relevant workplace guidelines or directives that are applicable to the Corporation ("Government Guidelines");
- (b) the remuneration policy adopted by the Corporation must be consistent with Government Guidelines issued to the Corporation from time to time;
- (c) the remuneration policy should ensure fair and competitive remuneration packages for employees;
- (d) to give effect to the remuneration policy, performance evaluation of CEO and senior management is to be undertaken at least annually;
- (e) executive employee remuneration must take into account comparator organisations and annual market adjustments, together with the internal VFMC Performance and Development Review. The review is to be based on appraisal processes consistent with best practice;
- (f) annual performance incentive payments for executives will be determined having regard to any applicable Government Guidelines and may be payable or determined annually.
- (g) individual Contracts of Employment are offered to executives and staff. Executive contracts should be consistent with Government Guidelines issued to the Corporation from time to time; and
- (h) no compensation for termination of a contract will be paid except in accordance with terms of a Contract of Employment and applicable Government Guidelines. Where necessary, this will include the approval of the Treasurer and/or the Premier in writing. Where termination of a contract is a result of an employee's position being made redundant, a redundancy package is to be made in terms consistent with the prevailing Victorian Government policy on Redundancy Payments and other applicable Government Guidelines.

## 4 Membership

### 4.1 Composition and size

The Committee will consist of at least three and up to six members, all of whom are non-executive directors.

### 4.2 Chairperson

The Chair of the Committee will be appointed by the Board.

The chairperson of the Committee must be a non-executive director.

If, for a particular Committee meeting, the Committee chairperson is not present within 10 minutes of the nominated starting time of the meeting, the Committee may elect a chairperson for the meeting.

### 4.3 Secretary

The Corporation Secretary is the secretary of the Committee.

## 5 Committee meetings and process

### 5.1 Meetings

Meetings and proceedings of the Committee are governed by the provisions in the VFMC Act regulating meetings and proceedings of the Board in so far as they are applicable and not inconsistent with this charter.

### 5.2 Frequency and calling of meetings

The Committee will meet as frequently as required to perform its functions but not less than two times a year. The chairperson must call a meeting of the Committee if requested by any member of the Committee.

### 5.3 Quorum

At least half the number of directors appointed constitutes a quorum for meetings of the Committee.

### 5.4 Attendance by management advisers and other directors

The Committee chairperson may invite the Chief Executive Officer, Human Resources Director and other senior managers and directors who are not members of the Committee and external advisers to attend meetings of the Committee as required.

### 5.5 Agenda and documents

The chairperson of the Committee will determine the meeting agenda after appropriate consultation.

The corporation secretary will distribute the agenda and any related documents to all Committee members and other attendees before each proposed meeting.

### 5.6 Minutes

The secretary will keep minutes to record the proceedings and resolutions of Committee meetings. Minutes of all meetings will be provided to the subsequent Board and Committee meetings.

The chairperson of the Committee, or delegate, will report to the Board after each Committee meeting, including recommendations on any specific decisions or actions the Board should consider.

### 5.7 Access to information and advisers

The Committee will have the appropriate resources to discharge its duties and responsibilities, including engaging counsel, accountants or other external consultants as it considers appropriate. This may include requesting management or engaging external remuneration consultants to provide information to the Committee. The Committee will determine the compensation payable to independent advisers, and the Secretary will assist the Committee in securing the service determined necessary. The Committee shall have unrestricted access to personnel, records and senior management as appropriate.

## 6 Committee's performance evaluation

The Committee will review its performance on a two yearly basis. The performance evaluation will have regard to the extent to which it has met its responsibilities in terms of this charter.

## 7 Review and publication of the charter

The Committee will review its charter on a two yearly basis and report to the Board any changes it considers should be made. The charter may be amended by resolution of the Board and appropriate instrument of delegation (if required).

The key features of this Charter will be published in the Corporation's annual report and the Charter will be published on the VFMC website.

## 8 Adopted by the Board

This Charter was approved by the Board on 2 September 2015.