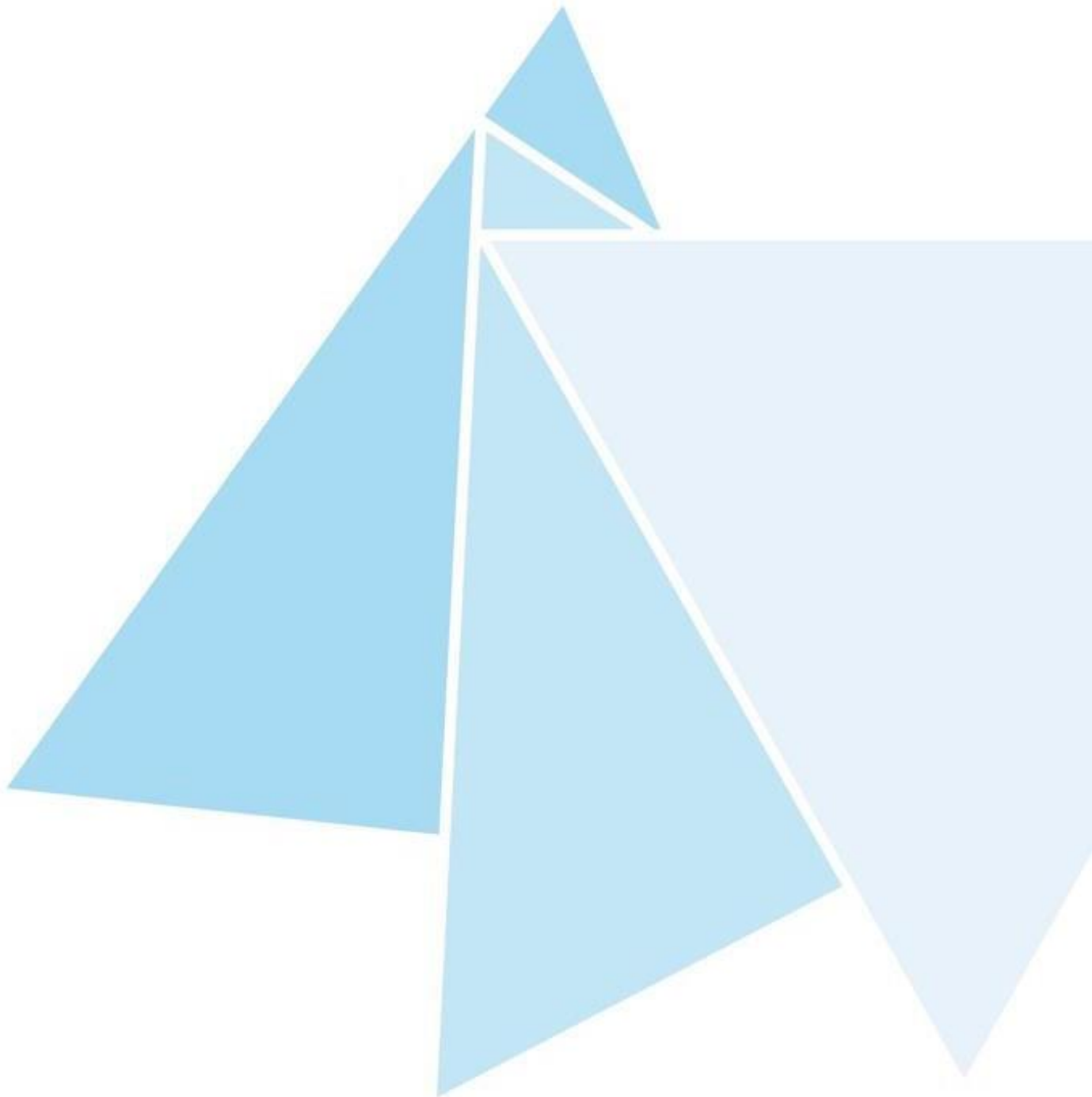


People Committee Charter

Victorian Funds Management Corporation (the 'Corporation')

28 October 2021



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, responsibilities, membership and operation of the People Committee ('**Committee**').

1.2 Authority

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.

The Committee has the authority and power to exercise the responsibilities set out in this charter and under any separate delegations from the Board granted to it from time to time. In carrying out its functions the Committee should exercise independent judgement and be objective in its deliberations, decisions and advice.

2 Role of the Committee

2.1 Role

The role of the Committee is to assist and advise the Board on:

- a fair and competitive remuneration framework, taking into account government guidelines;
- succession planning;
- training and development initiatives;
- recruitment practices;
- VFMC's approach to diversity and inclusion;
- oversight of systems to manage the safety and wellbeing of employees; and
- advising on such other matters as may be referred to the Committee by the Board.

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, and to make recommendations to the Board regarding:
 - (i) their appointment;
 - (ii) their terms and conditions of employment, including oversight of compliance with government executive remuneration requirements; and
- (b) review the performance of the CEO and report the results of that review to the Board; and
- (c) endorse the distribution of the investment incentive plan (IIP), based on recommendations from the Chief Executive Officer; and

- (d) approve executive appointments and remuneration, based on recommendations from the Chief Executive Officer.

2.3 VFMC Remuneration Strategy

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

- (a) the remuneration strategy adopted by the Corporation must:
- (i) be consistent with the relevant Government guidelines issued to the Corporation from time to time; and
 - (ii) avoid any unintended consequences such as gender inequity.
- (b) the remuneration strategy adopted by the Corporation should enable fair and competitive remuneration packages for employees, benchmarked to the appropriate talent market;
- (c) remuneration recommendations for executive positions will take into account comparator organisations and annual market adjustments together with internal performance management; and
- (d) variable remuneration awarded will be managed in line with the IIP Policy.

3 Membership

3.1 Composition and size

The Committee will consist of:

- only non-executive directors; and
- at least three and no more than five members.

Membership is determined by the Board Chair in consultation with the Board. Members of the Committee should be appointed for an initial term of up to three years, subject to a formal review of performance, may be appointed for a further term, generally of three years, but for no more than nine years in total. Membership of the Committee is to be reviewed by the Board on a periodic basis, and at least every three years.

3.2 Chair

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

The chair of the Committee must be a non-executive director. If, for a particular Committee meeting, the Committee chair is not present within 10 minutes of the nominated starting time of the meeting, the Committee may elect a chair for the meeting.

3.3 Commitment of Committee members

Committee members must devote the necessary time and attention for the Committee to carry out its responsibilities.

3.4 Secretary

The Corporation Secretary is the secretary of the Committee.

4 Committee meetings and process

4.1 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.

4.2 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 chair must call a meeting of the Committee if requested by any member of the Committee.

4.3 Quorum

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

4.4 Attendance by management advisers and other directors

Other Members of the Board are invited to the Committee meetings under a standing invitation.

The Chief Executive Officer and Head of People are expected to attend each scheduled meeting of the Committee, though they are not members of the Committee.

The chair may invite other senior managers, and external advisers to attend meetings of the Committee as required.

4.5 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 corporation secretary will assist the Committee in securing the service determined necessary. The Committee will have unrestricted access to management and records as appropriate.

4.6 Agenda and documents

The chair will approve each meeting's agenda.

The Corporation Secretary will distribute the agenda and any related documents to all Committee members 7 days prior to each proposed meeting.

4.7 Minutes

Draft minutes will be prepared by the corporation secretary promptly following a meeting for review by the chair of the Committee and will then be made available to the Committee. The draft minutes will be tabled at the next Committee meeting for final review and approval.

4.8 Reporting to the Board

The chair of the Committee, or delegate, will report to the Board after each Committee meeting about the Committee's activities and any recommendations made by the Committee to the Board. Minutes of Committee meetings will be included for noting in the papers for the next Board meeting after each Committee meeting.

5 Committee's performance evaluation

The Committee will self-assess its performance on annually and report the results to the Board. In performing this review the Committee may consider performance collectively and individually and will be formally reviewed by the Board every 3 years. The performance evaluation will have regard to the extent to which it has met its responsibilities in terms of this charter.

The Committee's performance and membership will be formally reviewed by the Board at least once every three years.

6 Review and publication of the charter

The Committee will review its charter on 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.

7 Adopted by the Board

This Charter was approved by the Board on 28 October 2021.