



# REMUNERATION COMMITTEE CHARTER

## SERVCORP LIMITED

ACN 089 222 506

July 2017

 **SERVCORP**

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## REMUNERATION COMMITTEE CHARTER

### 1 Purpose of the Committee

- 1.1 The Board has delegated certain responsibilities to the Remuneration Committee (“Committee”) which will require formal reporting back to the Board. The ultimate responsibility for remuneration policy matters rests with the Board.
- 1.2 The primary function of the Remuneration Committee is to assist the Board in adopting remuneration policy and practices that:
  - (a) supports the Board’s overall strategy and objectives;
  - (b) attracts and retains key employees;
  - (c) links total remuneration to financial performance and the attainment of strategic objectives.
- 1.3 The Committee should consider the interests of all stakeholders, to achieve balance between shareholder and executive rewards. The Committee shall ensure the Company is committed to the principles of accountability and transparency.

### 2 Membership of the Committee

- 2.1 The Board shall appoint the Committee Chairperson and Committee members.
- 2.2 The Committee shall consist of a minimum of three non-executive Directors.
- 2.3 A quorum shall be any two members.
- 2.4 The term of appointment as a member shall be for a period of three years. Committee members will be eligible for re-appointment subject to the composition requirements of the Committee.
- 2.5 Executive Directors are not eligible to be members of the Committee.
- 2.6 Ceasing to be a Director of the Board leads to automatic termination of membership of the Committee.
- 2.7 Membership of the Committee shall be disclosed in the annual report.

### 3 Chairperson

- 3.1 The Chairperson of the Board cannot be the Chairperson of the Committee.
- 3.2 The Chairperson is responsible for planning and facilitating effective discussions at meetings.
- 3.3 The Chairperson shall report significant findings and recommendations of the Committee to the Board after each Committee meeting.

## **4 Authority and reporting**

- 4.1 The Committee reports to the Board. The Committee will ensure that the Board is provided with sufficient information to allow informed decision making.
- 4.2 The Committee does not have executive powers with regard to its findings and recommendations.
- 4.3 The Committee has unrestricted access to all records and to officers and employees of Servcorp.
- 4.4 The Committee is authorised by the Board to obtain outside legal or other independent professional advice as necessary to assist the Committee.
- 4.5 If the Committee enters into an arrangement or commissions advisors on matters relating to remuneration these arrangements will be disclosed in the Corporate Governance section of Servcorp's annual report.
- 4.6 The Committee shall consider at each meeting whether any significant matters should be brought to the attention of the Board. The Committee minutes and an update from the Committee Chairperson shall be provided at the following Board meeting.
- 4.7 The Committee may also submit reports to the Board as and when required throughout the year.

## **5 Meetings and attendance**

- 5.1 The Committee should meet at least two times per year. Additional meetings may be held as the work of the Committee demands.
- 5.2 The Chairperson will call a meeting of the Committee if requested by a member of the Committee, the Chairperson of the Board, or by the Chief Executive Officer.
- 5.3 Should the Chairperson be absent from a meeting, the members of the Committee present at the meeting have the authority to choose one of their number to chair that particular meeting.
- 5.4 Servcorp's Company Secretary shall be appointed as Secretary of the Committee.
- 5.5 Servcorp non-executive Directors who are not Committee members may attend Committee meetings.
- 5.6 As deemed necessary the Chairperson may invite executive Directors, senior members of management, or external advisors to attend meetings of the Committee.
- 5.7 Proceedings of all Committee meetings shall be minuted and signed by the Chairperson of the Committee.
- 5.8 Minutes of Committee meetings shall be tabled at Servcorp Board meetings.
- 5.9 Attendance by members at Committee meetings shall be disclosed in the annual report.

## **6 Responsibilities**

- 6.1 The Committee's primary responsibility is developing, maintaining and monitoring remuneration policy of the Company including:
- (a) making recommendations to the Board on appropriate remuneration, in relation to both the amount and its composition, for the Chief Executive Officer and senior executives who report to the Chief Executive Officer;
  - (b) developing and recommending to the Board short-term and long-term incentive programs such as bonus schemes and Company share schemes;
  - (c) monitoring superannuation arrangements for the Company.
- 6.2 The Committee is also responsible for:
- (a) reviewing recruitment, development, retention and termination strategies and procedures;
  - (b) ensuring the total remuneration policy and practices are designed with proper consideration of accounting, legal and regulatory requirements for both local and foreign jurisdictions;
  - (c) reviewing the Remuneration Report for the Company and ensuring that publicly disclosed information meets all legal requirements and is accurate.

## **7 Review of the Charter**

- 7.1 The Charter shall be reviewed annually by the Committee to ensure it remains consistent with the Committee's authority, objectives and responsibilities.
- 7.2 Changes to the Charter shall be recommended by the Committee and approved by the Board.

## **8 Publication of the Charter**

- 8.1 Key features of this Charter are to be outlined in the Corporate Governance section of the annual report to shareholders.
- 8.2 A copy of this Charter is available on the Servcorp website [www.servcorp.com.au](http://www.servcorp.com.au).

## Current Remuneration Committee Membership

Non-executive Chairperson	The Hon. Mark Vaile
Non-executive Directors	Mr Rick Holliday-Smith
	Mr Bruce Corlett

Approved by the Servcorp Limited Board on 26 July 2017

Last reviewed on 26 July 2017