

## NOMINATION & REMUNERATION COMMITTEE CHARTER

Effective: 25 June 2021

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### Purpose

1. The Nomination & Remuneration Committee (**Committee**) is a committee of the Board of the Australian Postal Corporation (**Australia Post**). This Charter sets out the authority delegated by the Board to the Committee and the Committee's responsibilities, powers, composition and operation.
2. The primary function of the Committee is to assist the Board in fulfilling its governance responsibilities in relation to Board performance and composition, succession planning and remuneration for the Group Chief Executive Officer & Managing Director (GCEO & MD), incentive plans, and remuneration policy and reporting, and within the scope of its responsibility endorse certain matters for Board approval.

### Responsibilities

3. The Committee has the following responsibilities:

#### NOMINATION

##### Board Performance

- 3.1 coordinate a Board performance review required to be undertaken annually in accordance with section 2.21 of the GBE Guidelines.
- 3.2 ensure that the annual Board performance review includes an assessment of a Board Skills Matrix, which sets out the skills, knowledge, experience and diversity that the Board currently has or is looking to achieve in its membership (having regard to Australia Post's strategic objectives, legal requirements and to the highest standards of corporate governance).

##### Board Composition

- 3.3 in accordance with section 2.9(a) of the GBE Guidelines, coordinate the preparation of an Annual Board Plan, covering board composition, upcoming vacancies and ongoing skill and diversity requirements of the Board – and considering any assessment of the Board's performance in accordance with section 2.21 of the GBE Guidelines.
- 3.4 review and endorse for Board approval the composition of Board Committees.
- 3.5 inform Shareholder Ministers as soon as practicable regarding any vacancy on the Board or in the role of the GCEO & MD, in accordance with section 2.9(b) of the GBE Guidelines.

##### Succession planning

- 3.6 establish and maintain appropriate succession arrangements for the GCEO & MD with consideration for sections 2.11 and 2.12 of the GBE Guidelines, and make recommendations to the Board about the same.

## **REMUNERATION**

### **Group Chief Executive Officer and Managing Director**

- 3.7 review and make recommendations to the Board regarding remuneration levels for the GCEO & MD in accordance with the parameters set by the Remuneration Tribunal.
- 3.8 seek agreement of the proposed remuneration for the GCEO & MD from the Remuneration Tribunal where it falls outside of previously agreed parameters.
- 3.9 review and make recommendations to the Board regarding corporate goals, objectives and short-term incentive programs relevant for the GCEO & MD.
- 3.10 assess the performance of the GCEO & MD in light of the objectives determined.

### **Executive Team**

- 3.11 provide counsel and guidance to the GCEO & MD on performance and remuneration for Executive General Managers.

### **Incentive Plans and Remuneration Policy**

- 3.12 provide counsel and guidance on Australia Post's approach to the performance review of employees and structure of incentive plans.
- 3.13 review and endorse for Board approval the Group Remuneration Policy.

### **Remuneration Report**

- 3.14 review and endorse for Board approval the Remuneration Report. and seek assurance from the Audit & Risk Committee that the statutory tables included within have been agreed as part of the external audit process.

### **Compliance**

- 3.15 assist the Board in its oversight, and the Audit & Risk Committee in its monitoring, of Australia Post's compliance with applicable legal and regulatory requirements as they relate to each of the above responsibilities.
- 3.16 review and endorse for Board approval any material policies of relevance to the Committee's function including remuneration, reporting, performance and incentives to assist the Audit & Risk Committee in fulfilling its responsibilities under the Group Policy Governance Framework.

## Powers

4. The Committee is authorised to:
  - seek information it requires from any Australia Post employee and/or any external party; and
  - obtain outside legal or other professional advice at the Group's expense (in which case the Committee Chair will notify the Board Chair that such advice is being obtained), and initiate special investigations as deemed necessary.
5. The Committee is authorised to appoint and terminate an independent remuneration consultant at Australia Post's expense. The appointment must be approved by the Chair before work commences; recommendations must be provided directly to the Chair; and the Consultant must provide a declaration of independence (no undue influence) from the executives.

## Structure and Composition of the Committee

### Membership

6. The Committee will have a minimum of four members, comprising entirely of non-executive directors. At the effective date of the Charter, the Committee comprises all non-executive directors.

### Appointment

7. The Board shall appoint, replace or remove members to and from the Committee, and review the composition of the Committee at least annually.

### Chair

8. Given the obligations imposed on the Chair of the Board under the GBE Guidelines, the Chair of the Board will chair the Committee. Where the Committee Chair is unavailable for a meeting, another Committee member will act in that capacity as chosen by the Committee members present.

## Operation of the Committee

### Secretariat

9. All records, including agenda, minutes and any reports or recommendations will be prepared and kept by the Corporate Secretary.
10. Meeting agenda and papers will be provided prior to the meeting and minutes will be prepared in a timely manner.
11. All directors will be able to access Committee meeting papers and minutes on the secure digital Board Portal.

**Frequency of meetings**

12. The Committee will meet as frequently as is necessary to undertake its role effectively and in any event at least four times per year.

**Notice of meeting**

13. Special meetings may be called at the request of any Committee member. A notice of each meeting confirming the date, time, venue and agenda will be forwarded to each member of the Committee as soon as practicable prior to the meeting date.
14. Committee meetings are permitted to be held in person, by any technological means as consented to by the Chair of the Committee.

**Attendees**

15. The GCEO & MD is entitled and expected to attend Committee meetings where appropriate. The GCEO & MD will be excused when his/her remuneration or performance is discussed.
16. Non-Committee members such as executives and/or external parties who the Chair and members of the Committee think fit may be invited to attend all or part of a Committee meeting but should not participate if they have an interest in the matter under consideration.
17. It is expected that the Executive General Manager, People & Culture will attend meetings where appropriate.

**Quorum for meetings**

18. A quorum to transact the affairs of the Committee is three members or a majority of the Committee, whichever is greater.

**Committee member interests**

19. Members of the Committee will not participate in discussions and will not vote on any issues in respect of which there is an actual, potential or perceived conflict of interest.

**Formal mechanism for reporting key matters**

20. The Chair of the Committee shall report the findings and recommendations of the Committee to the Board after each Committee meeting, or as appropriate.

**Review and Assessment of the Committee****Review of charter**

21. This Charter should be reviewed and updated at least annually and changes required should be recommended to the Board for approval.

22. The Charter will be accessible through the Australia Post website.

**Review of performance**

23. In order to ensure that the Committee is fulfilling its duties, it:

- undertakes an annual self-assessment of its performance against the requirements of this Charter and provides that information to the Board; and
- provides any information the Board may request to facilitate its review of the Committee's performance and its members.