



CEFC People and Culture Committee Charter

Clean Energy Finance Corporation

A body corporate established under s8 of the *Clean Energy Finance Corporation Act 2012* (Cth) (the **CEFC Act**)

CEFC People and Culture Committee Charter

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1 Purpose and Authority

1.1 Purpose

The purpose of this People and Culture Committee Charter is to set out the role, responsibilities, membership and operation of the People and Culture Committee (**Committee**).

The principal purpose of the Committee is to assist the Board in fulfilling its corporate governance and oversight responsibilities in relation to establishing people, culture and compensation strategies, policies and initiatives for the CEFC that:

- (a) attract and retain exceptional talent and motivate and support employees to pursue the growth and success of the CEFC in alignment with the CEFC's values
- (b) assure that human capital considerations are central to and integrated into the CEFC's strategy and business plans
- (c) support the CEFC's risk management framework; and equitably and responsibly reward employees, having regard to the performance of the CEFC, individual performance and statutory and regulatory requirements.

1.2 Authority

The Committee is a committee of the board of the CEFC (**Board**) established in accordance with section 43 of the *Clean Energy Finance Corporation Act 2012 (Cth)* (**CEFC Act**) and is authorised by the Board to assist it in fulfilling its statutory and regulatory responsibilities. It has the authority and power to exercise the responsibilities set out in this Charter and under any separate resolutions of the Board granted to it from time to time.

2 Role of the Committee

The role of the Committee is to assist the Board to discharge its corporate governance responsibilities through:

- (a) Oversight of people and strategies to foster quality of management practices
- (b) The setting of key performance areas for the Chief Executive Officer (**CEO**) and the regular review of the CEO's performance
- (c) Oversight of executive and staff remuneration and benefits to recognise contributions to the business by staff and to reward these appropriately
- (d) Oversight of staff policies and procedures, including superannuation, diversity, and a code of conduct
- (e) Compliance with applicable laws and regulations.

3 People and Culture Committee responsibilities

3.1 Oversight of the CEFC People and Culture strategy

In respect of the oversight of the CEFC People and Culture strategy, the Committee will:

- (a) oversee the establishment and maintenance of effective human resources, performance management and remuneration systems
- (b) satisfy itself of the existence, currency and adequacy of human resources policies and procedures, including in relation to superannuation, diversity/EEO, and a code of conduct, and their effectiveness in meeting the strategic goals of the business
- (c) review and assess the talent management and succession planning strategies

- (d) review and assess the capability needs and the proposed training and development priorities to support the attainment of the strategic goals of the business
- (e) review and assess the cultural strategy and its alignment and success in meeting the strategic goals of the business.

3.2 Appointment of the Executive Team

In respect of the appointment of the Executive Team, the Committee is responsible for:

- (a) making recommendations to the Board in relation to the appointment or termination of the CEO and the Executive Team
- (b) reviewing the Executive Team succession plans and processes, including for the CEO and the Executive Team, being conscious to maintain an appropriate balance of skills, experience and expertise.

3.3 Executive Team performance and remuneration

The Committee is responsible for developing, reviewing and making recommendations to the Board on:

- (a) the CEFC's policy on remuneration for the CEO and the Executive Team, any changes to the policy and the implementation of the policy (including any Ministerial approvals required)
- (b) corporate goals and objectives relevant to the remuneration of the CEO and the Executive Team, and the performance of the CEO (and the Executive Team in consultation with the CEO) in light of these objectives
- (c) the total remuneration package for the CEO (including base pay, incentive payments, superannuation and other retirement rights), any changes to the remuneration package and recommending proposed awards after evaluating the CEO's performance against criteria set out in the CEFC's remuneration policy
- (d) the total remuneration packages for members of the Executive Team (including base pay, incentive payments, superannuation and other retirement rights), any changes to remuneration packages and recommending proposed awards after evaluating their performance against criteria set out in the CEFC's remuneration policy and after consideration of any recommendations by the CEO in relation to his/her direct reports
- (e) the CEFC's policies on recruitment, selection of, retention and termination of the CEO and senior executives and any changes to those policies
- (f) specific individual contractual arrangements for the Executive Team.

The Committee will consider whether a proportion of senior executives' remuneration is structured in a manner designed to link rewards to corporate and individual performance (reflecting short and long-term performance objectives appropriate to the CEFC's circumstances and goals).

3.4 Non-senior staff remuneration responsibilities

The Committee will:

- (a) review and confirm the methodology used to assess staff performance, remuneration and associated benefits including any short-term incentives
- (b) review and recommend to the Board the size of the variable reward pool (if any) as part of the CEFC's annual budget estimates based on consideration of pre-determined business performance indicators and the financial soundness of the CEFC
- (c) review and note annually the remuneration trends across the CEFC, including gender pay equity

- (d) identify areas of risk in managing and remunerating staff, and assuring itself that management are effectively controlling the risks be aware of and advise the Board on any major changes in employee benefit structures throughout the CEFC
- (e) approve remuneration arrangements of individuals or groups of individuals which are significant because of their sensitivity, precedent or disclosure implications.

3.5 Committee member remuneration responsibilities

The Committee is responsible for making recommendations to the Board in relation to remuneration that may be payable to committee members in accordance with section 44 of the CEFC Act.

- (a) Board Committee members who are Board members:

The Committee will make recommendations to the Board in relation to whether Board members who are members of one or more Board committees are to be remunerated and/or paid allowances in relation to his or her committee membership(s).

If the committee member is to be paid for their committee membership, the remuneration will be that which is determined by the Remuneration Tribunal. If no determination of that remuneration by the Tribunal is in operation, the committee member is to be paid the remuneration that is prescribed by the regulations, subject to the Remuneration Tribunal Act 1973 (Cth)¹.

If a committee member is to be paid an allowance, the allowance(s) will be that as prescribed by the regulations, subject to the Remuneration Tribunal Act 1973 (Cth)².

- (b) Board Committee members who are not Board members:

The Committee will make recommendations to the Board in relation to whether Board committee members who are not members of the Board are to be remunerated and/or paid allowances in relation to his or her committee membership, and if so, what the quantum and nature of any such remuneration and/or allowances shall be³.

4 CEFC Code of Conduct and Ethics

4.1 Code of Conduct and Ethics

The Committee is responsible for oversight of the CEFC Code of Conducts and Ethics.

Committee members will abide by the Board-approved CEFC Code of Conduct and Ethics which helps Board and Committee members and employees of the CEFC to understand their responsibilities to uphold the CEFC's goals and values and to conduct business in accordance with applicable laws and regulations.

4.2 Conflicts of interest

A Committee member must, in accordance with the PGPA Act, give the other Committee members notice of any material personal interest in a matter that relates to the affairs of the CEFC.

A Committee member who has a material personal interest in a matter that is being considered at a Committee meeting must, in accordance with the PGPA Act, not be present while that matter is being considered at the meeting or vote on the matter unless the non-interested members approve the interested director to vote and be present.

¹ Refer to s44(1) of the CEFC Act.

² Refer to s44(2) of the CEFC Act.

³ Refer to s44(4) of the CEFC Act.

4.3 Liaising with the Audit and Risk Committee

The Committee will liaise with the Audit and Risk Committee in relation to the CEFC's remuneration related reporting in the financial statements Annual Report and any other financial reports required under the *Public Governance, Performance and Accountability Act 2013 (Cth)* (**PGPA Act**) or the CEFC Act.

5 Committee membership

5.1 Composition of the Committee

The Committee will consist of at least three members. The Committee may be constituted wholly by Board members or partly by Board members and partly by other persons.

5.2 Chair

The chair of the Committee is appointed by the Board.

The chair of the Committee must preside at all meetings at which he or she is present. If the chair of the Committee is not present at a meeting, the other members present must appoint one of themselves to preside.

5.3 Secretary

The Committee will appoint a person as the Committee Secretary.

6 Committee meetings and process

6.1 Convening meetings

The Committee will meet as frequently as required to undertake its role effectively.

The chair of the Committee is vested with the authority to call meetings of the Committee and must call a meeting if requested by any member of the Committee or the Executive Director, People and Culture.

6.2 Quorum

Two members constitute a quorum for meetings of the Committee.

6.3 Attendance by Management and advisers

The Committee chair may invite the CEO, Chief Financial Officer, other members of the Executive Team and external advisers to attend all or part of any meeting of the Committee, subject to exclusion from all or any part of the meeting as deemed appropriate by the chair of the Committee from time to time.

Any Board member who is not a member of the Committee will have a standing invitation to attend meetings of the Committee.

No executive may be in attendance while their own remuneration is under consideration.

Committee members may participate in meetings by telephone or any other means of communication. A Committee member who participates in such a way is taken to be present at the meeting and to form part of any quorum for the meeting.

6.4 Agenda and documents

The chairperson of the Committee will determine the meeting agenda after consultation with the Executive Director – People and Culture.

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

6.5 Minutes

The Committee Secretary will be responsible for taking minutes at the meeting and will maintain a minute book to record the proceedings and resolutions of the Committee's meetings.

The chair of the Committee, or delegate, will report to the Board after each Committee meeting and make appropriate recommendations to the Board for decision. Minutes of Committee meetings will be included in the papers for the next Board meeting after each Committee meeting.

6.6 Circular resolutions

The Committee may consider and make a decision on any matter without a meeting if all of the Committee members entitled to vote on the proposed decision are provided with the proposed resolution and a simple majority of those Committee members entitled to vote (Majority) sign a document containing a statement that they are in favour of the resolution set out in the document. The document may be signed in counterparts (including by electronic means) and the resolution is passed when the last Committee member entitled to vote that constitutes a Majority signs the document.

If a decision is made in accordance with the above procedure, the Committee is taken to have made a decision at a meeting.

The Committee must notify all Committee members following a resolution being passed and keep a record of all decisions made without a meeting.

6.7 Access to advisers

Each member of the Committee may engage counsel, accountants and/or other experts, at the expense of the CEFC, as it considers appropriate to assist the Committee discharge its duties and responsibilities. Any member of the Committee seeking external advice must consult with the Chair of the Board, CEO and/or Company Secretary who will facilitate obtaining that external advice. The policy of the Board and the Committee is that external advice will be made available to all members of the Board and Committee, unless the Chair of the Board determines otherwise.

7 Committee performance evaluation

The Board will review the performance of the Committee from time to time as it deems appropriate, but in any event no less than biennially.

The Board will periodically review this Charter and approve any amendments as it considers appropriate.