

BY-LAW

PEOPLE, CULTURE AND REMUNERATION COMMITTEE

**A BY-LAW PURSUANT TO THE CONSTITUTION OF THE ROYAL
AUSTRALASIAN COLLEGE OF PHYSICIANS FOR THE ESTABLISHMENT AND
MAINTENANCE OF A COMMITTEE OF THE COLLEGE TO BE KNOWN AS THE
PEOPLE, CULTURE AND REMUNERATION COMMITTEE**



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1 INTRODUCTION

- 1.1 The Board of Directors (“Board”) of The Royal Australasian College of Physicians (“College”) has constituted this People, Culture and Remuneration Committee (“Committee”) to assist in the consideration of relevant workplace health and safety, people, culture and remuneration strategy and issues within the College.
- 1.2 The Committee will be a committee of the Board and will be accountable to the Board.
- 1.3 This By-Law sets out the responsibilities of the Committee, its membership, and the manner in which the Committee’s activities should be conducted.
- 1.4 The Committee will operate in accordance with this By-Law and the Governance of College Bodies By-Law. Where there is any conflict between the two, the terms of this By-Law will take precedence.

2 OBJECTIVES

The objective of the Committee is to assist the Board to discharge its responsibilities to College Members by ensuring that the College:

- 2.1 has appropriate policies and procedures in place to comply with work, health, and safety (WHS) and employment laws and regulations;
- 2.2 has appropriate strategies in place to attract, retain and develop key management personal including the Chief Executive Officer and other executives;
- 2.3 has appropriate strategies in place to develop the capability and culture of the organisation to deliver the objectives of the College.

3 ACCOUNTABILITIES AND RESPONSIBILITIES

The accountabilities and responsibilities of the Committee include:

- 3.1 ensuring that policies, procedures, and practices are in place to discharge the College’s obligations with WHS and employment laws and regulations;
- 3.2 recommending to the Board processes for the recruitment (and termination, as necessary) of the roles of the Chief Executive Officer and the Company Secretary, noting that employment decisions in relation to both these roles always remains with the Board;
- 3.3 reviewing, and recommending to the Board for approval at the beginning of each calendar year, the performance objectives and key performance indicators (“KPIs”) of the CEO;
- 3.4 reviewing and recommending to the Board for approval following the end of each calendar year the assessment of the actual performance of the CEO against those objectives and KPIs;
- 3.5 reviewing and recommending to the Board for approval following the end of each calendar year any remuneration adjustments for the CEO including the payment



of any performance-based bonuses;

- 3.6 approving, on the recommendation of the CEO, the commencing remuneration package of any new SLT member;
- 3.7 approving, on the recommendation of the CEO and following the end of each calendar year, any remuneration adjustments for members of the College's Senior Leadership Team ("SLT") including payment of any performance-based bonuses;
- 3.8 ensuring that strategies for succession planning for the CEO and the SLT are in place;
- 3.9 ensuring the College has in place appropriate strategies to assess and develop the capability and culture of the organisation to deliver the objectives of the College, and to monitor the effectiveness of those strategies; and
- 3.10 recommending to the Board, the Board evaluation process to be conducted each year and the recommended provider of that service where an external evaluator is proposed.

4 MEMBERSHIP

- 4.1 The Committee will comprise three Directors of the College being:
 - The President of the College (ex officio), who will chair the Committee; and
 - Two other Directors appointed by the Board.
- 4.2 The Chief Executive Officer will be an ex-officio member of the Committee and will participate in the business of the Committee other than when conflicted.

5 PROCEDURES

- 5.1 The Committee may invite such other persons to attend Committee meetings as it sees fit and consult with other persons and seek any information it considers necessary to fulfil its responsibilities, including engaging external consultants.
- 5.2 The Committee will hold at least two meetings per year.
- 5.3 A quorum will comprise two Committee members (excluding the Chief Executive Officer).
- 5.4 The College's Company Secretary will be the Committee secretary, unless the Committee or the Board determines otherwise, who will take minutes of all meetings and keep records of all meetings.

Approved by the Board on the 5th day of June 2020



| Terms of Reference History as from 5 December 2014 | | |
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| Commencement of Terms of Reference | | |
| These Terms of Reference were approved by the Board on 5 December 2014 and commenced on that date. | | |
| Subsequent amendments to Terms of Reference | | |
| Item | Amendment | Commenced |
| 1. | Amendment to Clause 4. from membership comprising three to four Directors, and the addition of clause 4.4 for membership to include one other Director appointed by the Board | 12 February 2016 |
| 2. | Amendment to Clause 5.2 to change from two meetings required a year to one and the addition of the responsibilities to be discussed at that meeting | 12 February 2016 |
| 3. | Amendment to Clause 3.1 – 3.4 to include “and recommend to the Board for approval” | April 2016 |
| 4. | Replace Clause 3.5 with Clause 3.5 (a) | April 2016 |
| 5. | Addition of Clause 3.5 (b) – “to report to the Board the methodology applied to set the remuneration of the members of the SLG each year” | April 2016 |
| 6. | Addition of Clause 3.5 (c) - “to raise with the Board any concerns the Committee has with the process to determine the remuneration of the SLG or the quantum of remuneration recommended for the SLG as a whole or for any individual member of the SLG” | April 2016 |
| 7. | Amendment to Clause 3.6 to include “recommend to the Board for approval...” | April 2016 |
| 8. | Amendment to Clause 5.3 to increase the quorum from two to three Committee members | April 2016 |
| 9. | Extensive rewrite to expand scope of the Remuneration Committee to include people, culture and WHS, change the membership and to reduce procedural prescription. | June 2020 |