

People and Culture Committee of the Board **CHARTER**

Approved by the Board on 23 June 2020

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1 Objectives

- 1.1 The primary objective of the Port Authority of New South Wales (Port Authority) People and Culture Committee (Committee) is to assist the Port Authority Board in fulfilling its corporate governance responsibilities by reviewing, providing guidance, approving or making recommendations in regard to:
- a) Overall remuneration strategy and remuneration policies for the Chief Executive Officer and Executive Management;
 - b) Performance of the Chief Executive Officer and Executive Management;
 - c) Employment terms and conditions of the Chief Executive Officer and Executive Management;
 - d) Human resources management practices, including succession planning, talent development and staff engagement;
 - e) Diversity and culture programs;
 - f) Workplace relations and industrial relations issues; and
 - g) Other matters delegated to the Committee by the Board.

2 Authority

- 2.1 The Committee is authorised, within the scope of its responsibilities, to:
- a) Seek information it requires from any Port Authority employee or contractor; and
 - b) Take independent legal, financial, remuneration or other professional advice or assistance, at the reasonable expense of the Port Authority. Unless a conflict exists or to do so would be inconsistent with the Committee's duties, the Committee is to request such information, professional advice or assistance permitted under this clause via the Chair of the Board.

3 Membership

- 3.1 The Committee shall comprise no less than three and no more than four Non-executive Directors of the Board.
- 3.2 Committee members and the Committee Chair shall be appointed by the Board.
- 3.3 Regular attendees to Committee meetings shall be the Chief Executive Officer, Head of People and Culture and Company Secretary, who shall be the minute secretary of the Committee. The Committee may invite other persons to attend its meetings as required.
- 3.4 Any Director who is not a member of the Committee will have the right to attend any meeting of the Committee.

4 Meetings

- 4.1 The Committee shall meet at least four times in each financial year. The Chair will determine the procedure for meetings of the Committee.
- 4.2 A quorum shall be two Committee members.
- 4.3 All decisions of the Committee shall be determined on the basis of a majority vote of members. In any instance of a tied vote, the matter shall be referred to the Board.
- 4.4 When the Committee must reach a decision between meeting dates, this decision may be made by circular resolution. In carrying out a vote by circular resolution, the Chair of the Committee has an obligation to attempt to contact all Committee members. A circular resolution will be passed only when the majority of Committee members vote in the affirmative.

5 Organisation

- 5.1 The Company Secretary or delegate will be responsible for keeping all minutes of all meetings of the Committee. Once the draft minutes of each meeting have been reviewed by the Chair of the Committee, they shall be submitted to the Board for information.
- 5.2 The Chair of the Committee will inform the Board of the activities of each meeting of the Committee at the Board meeting immediately following the meeting of the Committee.

6 Duties and Responsibilities

- 6.1 The key functions of the Committee are to review and approve, or where specified, recommend to the Board for approval, the remuneration, recruitment, retention, superannuation and termination policies and procedures for the CEO and senior executives, including the amount of performance payments. More specifically the duties are as follows:
 - a) Review the remuneration strategy of the Port Authority, ensuring it addresses retention and industry remuneration comparisons, links performance with rewards, and is aligned to long term strategic objectives;
 - b) Review the competitiveness of the Port Authority's executive management remuneration programs to ensure:
 - The attraction and retention of Executive Management; and
 - The motivation of Executive Management to achieve the Port Authority's strategic objectives;
 - c) Be consulted by the CEO in the recruitment of Executive Management, once a preferred candidate has been identified and prior to any offer being made;
 - d) Review trends in senior executive compensation, including reviewing and taking into account decisions made under the NSW Public Sector Wages Policy or by any other relevant public and private sector benchmarks, in recommending to the Board appropriate remuneration for executives;

- e) Discuss and agree annual key performance indicators (KPIs) for the CEO and make recommendations in this regard to the Board;
 - f) Discuss and approve annual key performance indicators (KPIs) for the Executive Team;
 - g) Review the performance of the CEO and Executive Team against approved KPIs;
 - h) Review and recommend to the Board for approval the salary, bonus and other compensation for the CEO, ensuring that reward is linked to performance;
 - i) Review and approve the salaries, bonuses and other compensation for the Executive Management, ensuring that reward is linked to performance;
 - j) Review as appropriate from time to time the employment contracts of the CEO and Executive Management; and
 - k) Review periodic reports from management on matters relating to Port Authority employee appointments, practices, including but not limited to approving recruitment, executive development, remuneration packaging guidelines, superannuation, and termination policies.
- 6.2 Another key function of the Committee is to review progress of management in developing talent, monitoring staff engagement and diversity, negotiating workplace relations and succession planning including:
- a) Training and development requirements of the CEO and Executive Management;
 - b) Periodic reports from management on matters relating to human resources metrics such as leave balances, diversity, and employee retention rates;
 - c) Periodic reports from management on matters related to workplace agreement negotiations;
 - d) Employee engagement surveys;
 - e) CEO and Executive Management succession plans; and
 - f) Discussion and promotion of programs aimed at increasing diversity and staff engagement.
- 6.3 The Committee is also charged with reviewing any other matters delegated by the Board.

7 Reporting

- 7.1 The Committee will:
- a) Record minutes of each meeting and circulate them to the Board;
 - b) Refer all recommendations of the Committee in relation to the CEO's contract, performance, salary, bonus and other compensation to the Board for approval;
 - c) Prepare an annual report to the Board, a summary of which is to be published in the corporate governance section of the Annual Report, outlining work performed by the Committee; and

- d) Ensure the Charter of the Committee is posted on the Port Authority website.

8 Conflicts of interest

- 8.1 Members of the Committee agree at Committee meetings to comply with the 'conflict of interest' requirements of the Port Authority Board Charter, which are:
 - a) Committee members are required to disclose potential conflicts for recording in the Port Authority's conflicts register. Committee members are required to update this register on an ongoing basis as circumstances change; and
 - b) In relation to specific Committee decisions, the Committee complies with Clause 2, Schedule 10 of the Stated Owned Corporations Act 1989. A Committee member cannot take part in discussions or vote on a matter in which that Committee member has a material personal interest; unless the Committee resolves that the interest does not disqualify the Committee member.

9 Review of Charter

- 10.1 At least once a year the Committee will review this Charter. This review will include consultation with the Board. Any substantive changes to this Charter will be recommended by the Committee and formally approved by the Board.