



People caring for people

Ramsay Health Care Limited  
ACN 001 288 768

# Remuneration Committee Charter

Approved by the Board of  
Ramsay Health Care Limited  
on 31 March 2016

# Remuneration Committee Charter

	Page
<b>1 Introduction</b>	<b>3</b>
<b>2 Remuneration Committee</b>	<b>3</b>
2.1 Composition	3
2.2 Meetings	4
2.3 Access to advice & support	<b>4</b>
<b>3 Duties &amp; responsibilities</b>	<b>5</b>
3.1 Executive remuneration policy	5
3.2 Executive directors & senior management	5
3.3 Executive cash-based incentive plans	5
3.4 Equity based plans	5
3.5 Non-executive director remuneration	5
3.6 Disclosure	6
3.7 Approvals	6
<b>4 Review</b>	<b>6</b>

# Remuneration Committee Charter

## 1 Introduction

This is the Remuneration Committee charter for Ramsay Health Care Limited (**Company**). The charter governs the procedures of the Remuneration Committee (**Committee**) and outlines the procedures and guidelines in relation to the remuneration of directors and senior executives of the Company<sup>1</sup>.

## 2 Remuneration Committee

The functions of the Committee are to review and make recommendations to the Board in respect of:

- non-executive remuneration policy;
- executive remuneration and incentive policy;
- the remuneration of Key Management Personnel (**KMP**) (as defined in the *Corporations Act 2001*), the Company Secretary and all Senior Executives reporting directly to the Chief Executive Officer;
- executive incentive plans;
- equity based incentive plans;
- superannuation arrangements;
- remuneration by gender and strategies or changes required to address any pay gap identified;
- recruitment, retention, performance measurement and termination policies and procedures for non-executive directors, the chief executive officer and any other executive director, the Company Secretary and all senior executives reporting directly to the Chief Executive Officer; and
- the disclosure of remuneration in the Company's public materials including ASX filings and the annual report.

Further, the Committee is entitled to direct any special investigation that the Committee considers appropriate and to consult any independent expert that the Committee considers appropriate to carry out its duties. The Company bears the costs of any such investigation or consultations.

The Committee is entitled to call on and use any employee of the Company to the extent that the Committee considers appropriate to carry out the Committee's role and responsibilities.

### 2.1 Composition

The Committee must comprise:

- at least three members;
- only non-executive directors;
- a majority of independent directors; and
- an independent director as Chair.

The Board will appoint the members of the Committee with due regard to the provisions of the *Corporations Act 2001*.

#### 2.1.1 Removal or resignation

If a member of the Committee retires, is removed or resigns from the Board, that member ceases to be a member of the Committee. The Board will appoint the successor.

#### 2.1.2 Committee may invite

The Committee may invite any executive management team member or any other individual to attend a meeting of the Committee, as they consider appropriate.

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<sup>1</sup> ASX Corporate Governance Council, Principles of Good Corporate Governance and Best Practice Recommendations (3rd edition), Recommendation 8.1 and 8.2.

The chief executive officer will be the principal liaison between executive management and the Committee on remuneration matters and will be invited to attend meetings when the Committee considers appropriate.

Any invitation to attend a meeting of the Committee is subject to the invitee not having a material personal interest in the matter being considered.

### **2.1.3 Secretary**

The Company Secretary is the secretary of the Committee.

## **2.2 Meetings**

### **2.2.1 Frequency**

The Committee will meet as frequently as required in order to fulfil its role. Any Committee member or the Company Secretary may call a Committee meeting.

### **2.2.2 Calling meetings & notice**

A notice of each meeting confirming the date, time, venue and agenda must be forwarded to each member of the Committee a reasonable time before the date of the meeting. The notice for members will include relevant supporting papers for the agenda items to be discussed.

### **2.2.3 Report to board**

The Committee chair, or delegate, will report to the Board following each meeting. The Committee will report to the Board regularly on the matters set out in section 2 of this document.

The Committee will prepare for approval by the Board any report on the matters set out in section 2 that may be:

- required by any listing rule, legislation, regulatory body or other regulatory requirement; or
- proposed for inclusion in the annual report.

### **2.2.4 Minutes**

Minutes of proceedings and resolutions of Committee meetings will be kept by the secretary. Minutes will be distributed to all Committee members and the chair of the Board, after the Committee chair has given the preliminary approval. Minutes, agenda and supporting papers will be made available to any director upon request to the secretary, providing no conflict of interest exists.

### **2.2.5 Quorum & voting**

A quorum is at least two Committee members. In the absence of the Committee chair or appointed delegate, the members will elect one of their number as chair for that meeting.

Each member will have one vote and the chair of the Committee will not have a second or casting vote.

## **2.3 Access to advice & support**

2.3.1 In carrying out its role and responsibilities, the Committee has access to, and may receive advice from employees within the Company and from appropriate external advisers and remuneration consultants.

2.3.2 The Committee may meet with external advisers and/or consultants without management being present.

2.3.3 The Committee is responsible for the engagement of external remuneration consultants and for setting the parameters around the interaction between consultants and executive directors.

2.3.4 All engagements of and interaction with external remuneration consultants must comply with the Company's Protocol for the engagement and utilisation of remuneration consultants (as amended from time to time).

2.3.5 Where a remuneration recommendation is obtained from an external consultant, the Committee will take appropriate measures to ensure recommendations are free from undue influence and will procure an undue influence declaration from the consultant.

## 3 Duties & responsibilities

In order to fulfil its responsibilities to the Board, the Committee will:

### 3.1 Executive remuneration policy

- review and make recommendations to the Board regarding the Company's policy for determining executive remuneration and any amendments to that policy proposed from time to time by management;
- review the on-going appropriateness and relevance of the executive remuneration policy and other executive benefit programs;
- oversee the implementation of the remuneration policy within the Company;

### 3.2 Executive directors & senior management

- consider and make recommendations to the Board on the entire specific remuneration for the chief executive officer and, after considering the chief executive officer's recommendations, any other executive director, (including base pay, incentive payments, equity awards, retirement rights, service contracts) having regard to the executive remuneration policy, and determine whether any shareholder approvals are required and that any equity-based executive remuneration is made in accordance with shareholder approvals;
- review and make recommendations to the Board regarding the proposed remuneration (including incentive awards, equity awards and service contracts) for the company secretary and all senior executives reporting directly to the chief executive officer;

### 3.3 Executive cash-based incentive plans

- review and make recommendations to the Board regarding the design of all executive cash-based incentive plans;
- review and make recommendations to the Board regarding the total proposed payments under each executive cash-based incentive plan;

### 3.4 Equity based plans

- review and make recommendations to the Board regarding the design of all equity based plans;
- keep all plans under review in the light of legislative, regulatory and market developments;
- for each equity based plan, determine each year whether awards will be made under that plan;
- review and make recommendations to the Board regarding total proposed awards under each plan;
- in addition to considering awards to the company secretary or any senior executives reporting directly to the chief executive officer, review and make recommendations to the Board regarding proposed awards under each plan on an individual basis for executives as required under the rules governing each plan or as determined by the Committee;
- review, make recommendations to the Board and keep under review performance hurdles for each equity based plan;

### 3.5 Non-executive director remuneration

- review and recommend to the Board the level of remuneration for non-executive directors. The level of director remuneration is to be set so as to attract the best candidates for the Board while maintaining a level commensurate with boards of a similar size and type;
- review and recommend to the Board the form (e.g., cash, equity) and proportions in which remuneration for non-executive directors should be received;
- where necessary recommend that the Board seek an increase in the amount of remuneration for non-executive directors approved by shareholders; and
- the Committee may request management or external consultants to provide necessary information upon which the Board may make its determination.

### **3.6 Disclosure**

The Committee will ensure that the Company fully satisfies its disclosure obligations from time to time in relation to remuneration matters.

### **3.7 Approvals**

Before implementing any of the following proposals the Board will ask the Committee to review the proposal and make a recommendation to the Board in relation to it:

- any change to the remuneration or contract terms of the chief executive officer and any other executive director, the company secretary and all senior executives reporting directly to the chief executive officer;
- the design of any new equity plan or executive cash-based incentive plan, or the amendment of any existing equity plan or executive cash-based incentive plan;
- the total level of award proposed from equity plans or executive cash-base incentive plans; and
- any termination payment to the chief executive officer, any other executive director, the company secretary or any senior executive reporting directly to the chief executive officer. A termination payment to any other departing executive must be reported to the Committee at its next meeting.

## **4 Review**

The Committee will conduct reviews of the Charter every two years or more frequently to ensure that the Charter continues to reflect the current processes and guidance utilised when assessing the appropriate remuneration of the KMPs. The Board will need to approve any amendments to the Charter that stem from the review.



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