



**RUNGE LIMITED**

**ACN 010 672 321**

**HUMAN RESOURCES & REMUNERATION COMMITTEE  
CHARTER**

**Adopted by the Board on 30 October 2008**

**Amended by Resolution of the Board on 28 April 2011**



## **Human Resources and Remuneration Committee Charter**

### **1. ESTABLISHMENT OF THE COMMITTEE**

This document sets out the specific responsibilities delegated by the Board to the Human Resources and Remuneration Committee of Runge Limited ACN 010 672 321 (“**the Company**”) and provides support for the manner in which the Committee will operate.

### **2. OBJECTIVES AND PURPOSE**

The primary objective of the Human Resources and Remuneration Committee is to assist the Board to discharge its responsibilities with regard to the following areas:

- enabling the Company to attract and retain executives and directors who will create value for shareholders and who will support the Company’s mission;
- fairly and responsibly rewarding Senior Executives having regard to the performance of the Company, the performance of the Senior Executive and the general pay environment including incentive schemes;
- ensuring that the Company has appropriate remuneration policies and monitoring their implementation including with respect to Senior Executives, and Non-executive Directors; and
- ensure that reporting disclosures related to remuneration meet all relevant legal requirements.
- Reviewing and monitoring the effectiveness of the Company’s Human Resources policies.

### **3. COMMITTEE’S RESPONSIBILITIES**

The Committee’s responsibilities include:

- assisting the Board in setting the Senior Executive remuneration and incentive, recruitment, retention and termination policies;
- making recommendations to the Board for reviewing and approving the remuneration of executive directors; and
- reviewing and approving the remuneration and incentives of Senior Executives as defined by the Board from time to time.
- Reviewing and recommending to the Board superannuation arrangements.
- Report to the Board on the Committee’s view of the overall management of the people within the organisation.
- Recommend remuneration package for non-executive directors to the Board.

### **4. STRUCTURE OF COMMITTEE MEMBERSHIP**

The structure of the Committee is as follows:

- The Committee shall be appointed by the Board and comprise not less than three directors or such number as determined by the Board.
- A majority of members of the Committee must, as far as possible, be independent non-executive directors.



**runge**

- The current members are:
  - Neil Hatherly - Chairman
  - Vince Gauci
  - David Meldrum
  - Executive General Manager – Talent & Organisational Development
- The Committee must be chaired by an independent director.

## **5. EXPERTISE OF COMMITTEE MEMBERSHIP**

Committee members, where possible, must:

- have a sound knowledge of the Company's businesses, organisation structure and related executive/employee remuneration policies and practices.
- be able to demonstrate relevant knowledge at a senior management level of company recruitment, remuneration, development and reward programmes and the setting of performance objectives, and related industry practices.
- have an appropriate understanding of the law and ASX disclosure requirements in respect of executive and Director remuneration.
- have an appropriate understanding of corporate governance matters particularly in relation to Board and Director responsibilities and ASX best practice.
- have sound knowledge and experience in Human Resources policies and practices.

## **6. COMPANY SECRETARY**

The Company Secretary or his nominee will act as Secretary to the Committee, unless otherwise determined by the Committee.

## **7. LIAISON**

The Managing Director and Executive General Manager – Talent & Organisational Development will be the principal liaison between executive management and the Committee on Human Resources and Remuneration matters.

## **8. PROCEEDINGS**

*Frequency:*

- The Committee will meet as frequently as required but must not meet less than once each year.
- The Secretary to the Committee or any member may call a meeting of the Committee.

*Attendance:*

- Members of the Board, Company management or independent consultants may attend all or part of each meeting at the invitation of the Chairman, voting at Committee meetings being restricted to Committee members.



- The Executive General Manager – Talent & Organisational Development will **runge** attend the meetings and, in consultation with the Chairman, be responsible for arranging the meeting schedule and the agenda.

*Quorum:*

- A quorum for a meeting shall be a minimum of two (2) Committee members, one (1) of which is an independent non-executive director Committee member. All meetings shall be conducted subject to an agenda circulated by the Chair or his nominee and incorporating any matters raised by other members of the Human Resources and Remuneration Committee or referred by the Board.

*Chair:*

- In the absence of the Chair, the remaining members will elect one of their number as Chair of the meeting.

*Minutes:*

- The Secretary shall maintain minutes of all meetings of the Remuneration Committee. The minutes shall be signed by the Chairman.

*Non-Consensus:*

- Where the Committee is unable to reach consensus on a matter, the Chairman of the Committee will report this to the Chairman of the Board. The Chairman of the Board will determine whether it is appropriate that the matter be resolved by the Board or by obtaining independent advice.

## 9. AUTHORITIES

*Access:*

- The Committee has unrestricted access to executive management, all employees and all company records and to financial and legal advisers.

*Independent Advice:*

- The Committee, or any individual member, with the approval of the Chairman of the Board, is entitled to obtain independent professional or other advice at the expense of the Company where they consider it necessary to carry out their duties.

## 10. REPORTING

The Chairman of the Human Resources and Remuneration Committee shall report to the Board subsequent to each Committee meeting, matters to be discussed will generally cover:

- Results of remuneration setting for all relevant Directors and Senior Executives;
- Performance criteria;
- Comments and recommendation on the nature, use and effectiveness of Human Resources Policies and Practices;
- Minutes and formal resolutions; and
- Other key activities and major issues of which the Board should be informed.

*Annual General Meeting and Annual Report*

- The Chairman or their nominee must attend the Annual General Meeting and be available to respond to any shareholder questions on the Committee's activities and areas of responsibility, including the Remuneration Report.
- The process of evaluating the performance of Senior Executives and whether an evaluation of Senior Executives has taken place and if so whether this process has been followed, will be disclosed in the annual report.
- The Human Resources and Remuneration Committee is responsible for review and approval of the Remuneration Report and of disclosures in the Company's annual report regarding the Committee, its activities and performance.

**11. TERMS OF REFERENCE REVIEW**

The Committee must conduct an annual review of its performance and effectiveness, inviting comments from all members of the Board, at a meeting to be decided each calendar year. It must recommend to the Board any suggested changes in the duties and responsibilities of the Committee and the terms of reference.

**12. PRIVACY**

The Committee recognises that all personal information provided to members is subject to applicable privacy legislation.

**13. DEFINITIONS**

A Senior Executive is a member of the senior management team (as distinct from the Board), being those who have the opportunity to materially influence the integrity, strategy and operation of the Company and its financial performance.

General staff are all staff who is not a senior executive.