

People, Remuneration and Governance Committee CHARTER

1. This People, Remuneration and Governance Committee has been established by the Board of Aware Super Pty Ltd (**Trustee**), in its corporate capacity and as trustee of Aware Super (**Fund**).
2. The Committee's responsibilities apply to the Aware Super Group. For the purpose of this Charter, a reference to the **Aware Super Group** means:
 - a. the Trustee and each of its wholly owned entities;
 - b. a managed fund, regulated superannuation fund or trust whose trustee or responsible entity is the Trustee or its wholly owned entity; and
 - c. an entity (including a fund, unit trust or corporation) which is wholly owned by an entity specified in paragraph (b) above, including Aware Financial Services Australia Limited (ACN 003 742 756) (**Aware Financial**),
 but does not include any entities that are (or hold) investments of the Fund to which members have exposure.
3. To the extent that a responsibility or obligation in this Charter relates to Aware Financial acting in its capacity as responsible entity of a registered managed investment scheme or as an Australian financial services licensee, such responsibility or obligation will remain with the board of Aware Financial and this Charter will not apply.

Purpose, Role and Authority of the Committee

4. The purpose of the People, Remuneration and Governance Committee (**Committee**) is to assist the Board in fulfilling its statutory, regulatory and corporate governance responsibilities on matters for the Aware Super Group in respect of the following:
 - a. the oversight and implementation of the Trustee's Remuneration Framework which applies to all persons covered by the Group Remuneration Policy, including to:
 - i. ensure fair, effective and responsible remuneration policies and practices are established in order to attract, retain, reward and motivate appropriately qualified and skilled executives and staff;
 - ii. ensure the Fund's remuneration strategies support the achievement of the Fund's strategic objectives and Risk Management Framework, including aligning to the Fund's risk appetite and risk culture;
 - iii. ensure the Trustee's remuneration policies and practices align to regulatory obligations outlined in APRA's Prudential Standard, CPS 511 (**CPS 511**) Remuneration, the *Financial Accountability Regime Act 2023* (Cth) (**FAR**) and any other remuneration governance regimes and regulatory or legal requirements applicable to Aware Super;

- b. the appointment of directors to Aware Super Group entities and members/consultants to board committees, including the remuneration payable for these positions;
 - c. the oversight of the Trustee's framework for appointment of representatives to the governing bodies of the Fund's directly held assets;
 - d. the oversight of people and culture matters and practices relating to the Aware Super Group, including succession planning, talent management, consequence management and work health and safety; and
 - e. the oversight of Executive remuneration arrangements and outcomes of employees who hold roles determined to be Specified Roles as defined under CPS 511 or are Accountable Persons under FAR. 'Specified Roles' includes:
 - i. the Chief Executive Officer and other members of Senior Management; and
 - ii. Individuals with roles defined as Material Risk Takers, Highly Paid Material Risk Takers, Risk and Financial Control Personnel.
5. The Committee is empowered to investigate any matter, with full access to all books, records, company operations, and people. The Committee has the authority to engage independent accounting, legal, compliance, risk management or other professional advisers as it determines necessary to carry out its duties.
6. The Board has delegated authority to the Committee as set out in the Section entitled 'Responsibilities' and may make other delegations to the Committee from time to time.
7. The existence of the Committee and functions delegated to it by the Board, does not purport to diminish the ultimate responsibility of the Trustee.

Membership

8. The Committee shall comprise at least three members of the Board, at least one of whom will be a member representative and at least one of whom will be an employer representative. All members of the Committee must be non-executive directors. At least one member of the Committee will be a member of the Audit, Risk and Compliance Committee.
9. All Committee members should have experience in setting remuneration and sufficient industry knowledge to allow for effective alignment of remuneration with regulatory obligations, the Fund's strategic objectives and prudent risk-taking (or otherwise be committed to undertaking training in these areas). The appointment of members of the Board to the Committee will be skills based and, where possible after considering skills, the objective will be to have a balance of member and employer representative directors on the Committee.

10. The chair of the Committee (**Committee Chair**) will be as appointed by the Board on the recommendation of the Board Chair, with the assistance of the People, Remuneration and Governance Committee. The Committee Chair must be an appropriately qualified director of the Board. The Board Chair may be a member of the Committee, but not Chair the Committee, except where the Board Chair is the only independent director on the Board.
11. The appointment and removal of Committee members is the responsibility of the Board, on the recommendation of the People, Remuneration and Governance Committee.
12. A Committee member may resign as a member of the Committee upon reasonable notice in writing to the Board Chair.
13. If a Committee member ceases to be a director of the Board their appointment as a member of the Committee is automatically terminated with immediate effect.
14. The role of the Committee Secretary will be performed by a member of the Trustee's Legal and Company Secretary team.
15. With the assistance of the People, Remuneration and Governance Committee, the Board will from time to time review the membership of the Committee to determine its adequacy for current circumstances and make changes to the membership as appropriate.
16. Members must be available to meet with APRA on request.

Responsibilities

Remuneration of employees and other persons

17. The Committee is responsible for:
 - a. overseeing the design, operation and monitoring of the Trustee's Remuneration Framework;
 - b. reviewing the Trustee's Remuneration Framework (including the Group Remuneration Policy) at least annually, including an assessment of the general effectiveness of the remuneration framework and compliance with FAR and other relevant law and Prudential Standard CPS 511 *Remuneration*;
 - c. recommending to the Board for approval any material changes to the Trustee's Remuneration Framework (including the Group Remuneration Policy);
 - d. reviewing annually and monitoring the Remuneration Framework including where there has been a material change to the size, business mix, and complexity of business operations;
 - e. ensuring that a triennial effectiveness review of the Trustee's Remuneration Framework is undertaken in line with regulatory requirements.
 - f. based on the findings of the compliance and triennial effectiveness review of the Trustee's Remuneration Framework, the Committee will take appropriate and timely action to address the findings, which includes recommending to the Board for approval any material changes to the Trustee's Remuneration Framework (including Group Remuneration Policy) and remuneration framework and practices that may result from reviews conducted by the Committee;

- g. within the scope of the Trustee's Remuneration Framework, including the Group Remuneration Policy:
- i. recommending to the Board for approval the application of the aggregate remuneration pools for all employees annually, including the annual remuneration guidelines, bonus schemes and the application of any discretion of performance-based remuneration components;
 - ii. recommending to the Board for approval annually, the Performance Scorecard, remuneration arrangement and material weighting of non-financial measures for all employee incentive plans;
 - iii. recommending to the Board for approval of the remuneration arrangements, performance assessment outcomes (including risk KPIs) and remuneration outcomes¹ for the CEO, Group Executive team, Specified Roles as defined within CPS 511, Accountable Persons (other than directors) as defined under FAR and any other roles determined by the Committee whose role may affect the financial soundness of the Trustee;
 - iv. evaluating remuneration arrangements and outcomes in line with the Risk in Remuneration Guidelines, and ensuring consultation is undertaken with the Audit, Risk and Compliance Committee and the Chief Risk Officer to enable risk outcomes to be appropriately reflected in remuneration outcomes for persons in Specified Roles;
 - v. evaluating whether variable remuneration arrangements, individually and on a cohort basis is appropriate to meet its intended purpose and expected remuneration outcomes, and supports the Trustee's compliance with CPS 511;
 - vi. obtaining reporting from management to enable the determination of whether remuneration outcomes of all remuneration arrangements align with the Fund's remuneration objectives and regulatory requirements. This includes providing guidance to management on the reporting required;
- h. reviewing and approving the material terms and conditions of employment applicable to employees including the appropriate industrial instrument being recommended by management. This may include, but may not be limited to, individual employment contracts and / or collective agreements;
- i. reviewing and approving key human resources policies that relate to material employee benefits, entitlements or conditions as appropriate on matters presented by management from time to time and delegate to management the formulation and implementation of non-material human resources policy; and
- j. reviewing and approving the Trustee's pay equity position (including gender pay equity) and plan of action to rectify gaps identified.

¹ This includes any fixed and variable remuneration outcomes or remuneration deferrals, including any adjustments for conduct and consequence management or otherwise.

18. For the purpose of reviewing the Trustee's Remuneration Framework (including the Group Remuneration Policy), and determining the persons whose activities may affect the financial soundness of the Trustee's business operations, the Committee should have regard to whether the Trustee's Remuneration Framework covers the following groups of people:
- a. 'responsible persons' (as that term is defined in APRA's Superannuation Prudential Standard 520 – Fit and Proper);
 - b. Accountable Persons under FAR;
 - c. persons whose primary role is risk and financial control (including risk management, compliance, internal audit, financial control and actuarial control roles); and
 - d. persons who receive a significant proportion of performance-based remuneration through mechanisms such as bonuses or commissions.

Additional responsibilities for director remuneration

19. The Committee is responsible for:
- a. in accordance with the Trustee Constitution, and after taking into account the advice of an independent external expert on market remuneration of comparable organisations, reviewing and making recommendations to the Board on the fees and remuneration arrangements for the Trustee's directors;
 - b. reviewing the level of remuneration paid to directors in the Aware Super Group (other than the Trustee) and members/consultants of board committees who are not Trustee directors, and making recommendations to the Board after first taking into account the views of an independent external expert.

Board composition, appointments and performance

20. The Committee is responsible for:
- a. managing the search process for the Trustee independent director and recommending the preferred candidate for appointment to the Board for approval;
 - b. recommending to the Board for approval the appointment of the Board chair;
 - c. overseeing the process for appointment of member and employer representative directors to the Board;
 - d. recommending to the Board for approval the composition and membership of the Board's committees;
 - e. recommending to the Board for approval the appointment of the CEO;
 - f. approving the appointment of directors to licensed Aware Super Group entities (other than the Trustee), with a delegation to the CEO to determine appointments to non-licensed Aware Super Group entities;
 - g. overseeing, and recommending to the Board for approval, the framework for appointment of representatives to assets directly held by the Fund and approving appointments in accordance with the NED Ecosystem Policy & Procedure.

21. The Committee is responsible for:

- a. reviewing and recommending to the Board the appropriate size, composition and diversity of the Board;
- b. monitoring and recommending to the Board the skills, knowledge, experience and attributes required by Trustee Directors (contained in the Board Skills Matrix);
- c. ensuring processes are in place for annual evaluation of the performance of the Board, its committees and the directors in accordance with prudential requirements;
- d. assisting the Board with the review of the performance of the CEO against regulatory requirements and guidelines approved by the Board;
- e. establishing and implementing a formal policy on board renewal in accordance with APRA's SPS 510-Governance; and
- f. establishing and implementing policies and processes for the nomination, appointment and removal of directors in accordance with SPS 510 – Governance.

Governance

22. The Committee is responsible for:

- a. reviewing key board governance documents and recommending any changes to the Board for approval, including the Fit & Proper Policy, Directors Training Policy, Board Renewal Policy, Directors Code of Conduct and Governance Framework; and
- b. reviewing the Trustee Constitution to ensure it is appropriate (including changes to governance arrangements triggered by merger activity or new legislation) and recommending any changes to the Board for approval.

23. Any authority held by the Committee to make or recommend an appointment under this Charter will also be taken to include the authority to make or recommend a termination from that office.

People and culture

24. The Committee is responsible for receiving and considering reports on:

- a. significant or material people and culture related strategies and programs;
- b. the organisational approach to talent management and succession planning;
- c. succession planning and talent management for the CEO and their direct reports;
- d. consequence management approach and implementation;
- e. material matters relating to workplace, health and safety, including recommendations to the Board where appropriate;
- f. material or systemic employee grievances;
- g. the organisation's approach to employee performance review, assessment and management; and

- h. the results of organisation wide employee surveys and considering improvements to employee's experience and working environment as appropriate,
- and making recommendations to the Board on the matters covered in those reports as appropriate.

Meeting Procedure

- 25. The Committee will meet at least four times annually and additionally as required to undertake its role effectively.
- 26. The Committee Chair may, and the Committee Secretary must upon request from any Committee member, convene a meeting of the Committee to be held at such time and place as the Committee Chair chooses and the meeting will not be invalidated by reason only of lack of convenience if a quorum is formed.
- 27. A quorum shall be two Committee members.
- 28. Meetings will ordinarily be held at the offices of the Trustee, but may by agreement of all Committee members, be held by video or teleconferencing so long as all Committee members can be heard by the others.
- 29. Persons with relevant expertise and skills who are not members of the Board may be invited to attend Committee meetings as consultants. Consultants will advise and assist the Committee in its deliberations but are not Committee members. The appointment of consultants will be approved by the Board.
- 30. Attendance at Committee meetings will be by invitation only. The Committee may invite any executive or other staff member to attend all or part a meeting of the Committee. There is an open invitation for all directors to attend all meetings of the Committee.
- 31. Decisions of the Committee will be decided by a majority of votes and each Committee member shall have one vote. Consultants and other attendees invited that are not a standing member of the Committee do not have a vote. In the case of an equality of votes, the Chair does not have a second or casting vote. If the tie cannot be resolved the matter will be escalated to the Board.
- 32. The Committee shall be responsible for the conduct of its proceedings and shall ensure that its meetings are minuted.
- 33. The Committee may request the human resources manager, internal auditor or Chief Risk Officer to provide any information or carry out any task that may be necessary to enable the Committee properly to carry out its functions and meet its objectives.

Reporting

- 34. The Committee (via the Committee Chair) will:
 - a. regularly report to the Board on all matters relevant to the Committee's role and responsibilities;

- b. refer an issue to the Board or another Board Committee where the issue falls within the Board or that Board Committee's responsibility, or if it would benefit from having the Board or that Board Committee's consideration.
- 35. The minutes of each meeting are to be made available to all Committee members and to the Board.

Powers

- 36. The Committee and its members will, at all times, have free and unfettered access to other Board Committees and relevant personnel and parties (internal and external), including to risk and financial control personnel, as relevant to the Committee's responsibilities or purpose.
- 37. The Committee may request any information within the Trustee's possession (or that the Trustee may reasonably obtain) that is relevant to the Committee's responsibilities or purpose.
- 38. The Committee may seek at the Trustee's expense professional assistance or advice from appropriate external advisers that it considers necessary or appropriate to enable it to perform its responsibilities under this Charter.
- 39. The Committee may delegate certain tasks or responsibilities to particular Committee members, a sub-committee, management committee(s) or specified person(s) in management as it considers necessary or appropriate to assist it in carrying out its responsibilities. Where responsibility for making decisions is delegated, the Committee must ensure it maintains adequate oversight.

Performance Review

- 40. The Committee shall make an evaluation of its performance at least once every two years to determine whether it is functioning effectively by reference to current best practice. The result of this evaluation will be reported to the Board.
- 41. The Committee may make recommendations to the Board in relation to the Committee's responsibilities or functions.

Reviews and Changes to this Charter

- 42. The Committee will review this Charter annually or as often as it consider necessary.
- 43. The Board may change this Charter (including the responsibilities of the Committee) from time to time by resolution, taking into account the recommendations of the Committee.

Frameworks and Policies Approved by the Committee

Business Development Variable Remuneration Plan
Consequence Management Framework
Disciplinary Policy*
Diversity and Inclusion Strategy
Drug and Alcohol Policy*
Financial Planner Manager Variable Remuneration Plan
Financial Planner Variable Remuneration Plan
Flexible Working Policy*
Grievance and Complaints Policy*
Health & Fitness Reimbursement Policy*
Higher Duties Payment Policy*
Investments Team Variable Remuneration Plan
Leave Policy*
Notifiable Infectious Diseases Policy*
Purchase of Additional Annual Leave Policy*
Recruitment and Selection Policy*
Senior Manager Variable Remuneration Plan
Surveillance Policy*
Wellbeing Health and Safety Policy*
WHS Incident Reporting & Management Policy
Workplace Behaviour Policy*

*Material changes approved by the Committee. Immaterial changes approved by Executive.

Revision History

Version	Reason for amendment	Date approved	Approving Committee/Board
1	Updated Charter	23 September 2021	Aware Super Board
2	Updated Charter in preparation for incoming regulatory changes Prudential Standards CPS 511 Remuneration	30 March 2023	Aware Super Board

3	Merger of Governance & Nominations Committee and People & Remuneration Committee	26 June 2024	Aware Super Board
4	Updated Charter for review of latest legal/regulatory updates and updates to operating model	4 December 2024	Aware Super Board