



# Remuneration and Human Resources Committee Charter

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Vicinity Limited  
Vicinity Centres RE Limited as Responsible Entity for  
Vicinity Centres Trust  
together Vicinity Centres

Adopted by the Boards on 18 August 2015

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# Charter of the Remuneration and Human Resources Committee

Vicinity Limited ACN 114 757 783 (**Company**) and Vicinity Centres Trust ARSN 104 931 928 (**Trust**) comprise a stapled security structure listed on the Australian Securities Exchange (ASX:VCX). Vicinity Centres RE Limited ACN 149 781 322 (**Responsible Entity**) is the responsible entity of the Trust and the responsible entity/ trustee of various other trusts.

In this Charter the Group refers collectively to the Company, the Trust and all their respective controlled entities.

The Boards of the Company and the Responsible Entity (together, the **Board**) have established the Remuneration and Human Resources Committee (**Committee**). The membership of the Committee, the responsibilities and functions delegated to it and administrative and reporting matters associated with it are set out in this document.

This charter is adopted by the Board on 18 August 2015.

## 1. Purpose

- 1.1 The role of the Committee is to advise and make recommendations to the Board on matters relating to:
- a. evaluation of the performance of the Chief Executive Officer and Managing Director (CEO);
  - b. the remuneration of the CEO;
  - c. the performance and remuneration outcomes for the executives reporting directly to the CEO (the Executive Committee) on recommendation from the CEO;
  - d. reviewing the general remuneration principles and framework in use for all Group employees
  - e. the remuneration report prepared in accordance with the Corporations Act 2001 (Cth) for inclusion in the annual directors' report; and
  - f. management programs in use to optimise the contributions of the Group's human resources to support and further corporate objectives, particularly related to succession and development planning, attraction and retention, performance management, diversity, and culture and engagement programs.

## 2. Membership of the Committee

- 2.1 The Committee must comprise:
- a. at least three members;
  - b. only non-executive Directors;
  - c. a majority of independent Directors (as assessed by the Board); and
  - d. an independent Chairman (as assessed by the Board).
- 2.2 The Board may appoint and remove members of the Committee.
- 2.3 Members may withdraw from membership by written notification to the Board.
- 2.4 The Secretary of the Committee will be as determined by the Chairman of the Committee.

## 3. Meetings

- 3.1 The Committee will meet as often as the Committee members deem necessary in order to fulfil their role, although it is intended that the Committee meet no less than four times in each year.
- 3.2 The provisions of the Company's Constitutions dealing with Directors' meetings apply to meetings of the Committee.
- 3.3 The Secretary will convene a meeting on receipt of a request by a member of the Committee.

- 3.4 The quorum for the Committee will be at least three members.
- 3.5 A decision is made by the Committee if it is supported by a majority of members who are present at the meeting.
- 3.6 Notice of meetings and all relevant material will be provided to Committee members by the Secretary within a reasonable period in advance of each meeting.
- 3.7 Directors of the Board who are not members of the Committee will be given notice and may attend Committee meetings. Such Directors may request copies of the relevant material, and will be provided with such material upon request.
- 3.8 All minutes of the Committee must be securely and confidentially maintained (hard or electronic copies) for that purpose and will be open at all times for inspection by any Director.
- 3.9 The Committee may invite any members of management, independent remuneration consultants or advisors, external auditors, or any other person to attend all or part of a meeting of the Committee. Such persons must not be present at meetings or participate in any decisions in relation to their own remuneration or specific remuneration policies applicable to them.
- 3.10 The Chairman of the Committee will attend the Annual General Meeting of the Company and be available to answer questions regarding the annual Remuneration Report.

#### **4. Powers of the Committee**

- 4.1 The Committee is to have access to adequate internal and external resources. The Committee may seek the advice of the Group's auditors, solicitors or such other independent advisers and experts as to the any matter pertaining to the powers or duties of the Committee or the responsibilities of the Committee, as the Committee may require. Where the Committee seeks advice independently of management, the Committee should engage those advisors directly and request that any advice be provided directly to the Committee (or Chairman of the Committee).
- 4.2 To ensure that the Committee has access to members of the Group's management and advisers, sufficient to perform its role, the Committee can:
  - a. invite those persons to Committee meetings;
  - b. request those persons provide relevant information or explanations to the Committee;
  - c. interview those persons; and
  - d. in each case, with or without management (or particular members of management) being present.

#### **5. Duties and responsibilities of the Committee remuneration**

- 5.1 In the area of remuneration the key responsibilities of the Committee are to:
  - 5.1.1 Review and approve for recommendation to the Board the general remuneration strategy and framework for employees of the Group, including remuneration, recruitment, retention and termination policies and procedures for senior management.
  - 5.1.2 Review, determine and approve for recommendation to the Board, remuneration and employment contract arrangements for the CEO and Executive Committee, including:
    - a. quantum of remuneration;
    - b. structure of the "at risk" remuneration package (i.e. short term and long term incentive plan design and participation); and
    - c. other principal employment terms.
  - 5.1.3 In fulfilling this role as set out in items 5.1.2 above, the Committee will have regard to the Group's remuneration principles and framework, which are aimed at:
    - a. motivating executive management to pursue the goals of the Group within an appropriate control framework;
    - b. demonstrating a clear relationship between key executive performance and remuneration; and
    - c. ensuring due consideration to law, corporate governance and market factors.
  - 5.1.4 Review and recommend to the Board the design, administration and operation of new equity or cash-based short term or long term employee incentive plans (Incentive Plans) or any material changes to existing Incentive Plans.

- 5.1.5 In respect of any Incentive Plans that are in put in place the Committee has the power to:
- a. review and approve, within the parameters of the Incentive Plans , administrative amendments to the terms of existing Incentive Plans;
  - b. authorise the CEO and EGM People and Culture jointly, and following consultation with the relevant employing Executive Committee member, to make decisions regarding one off, non-recurring equity allocations, equity forfeiture or lapsing of equity for employees other than Executive Committee members, within the rules of any Incentive Plans as approved by the Board provided that:
    - i. such allocations are permitted by the Rules of the relevant Incentive Plan; and
    - ii. the CEO and EGM People and Culture provide to the Committee a quarterly report summarising any such decisions and the quantum of equity that has been consequently granted, forfeited and/or lapsed;
  - c. review and approve the terms of any trust deed applying in relation to the Incentive Plans and of any amendment to any such trust deed (obtaining any necessary approvals), including authorising the execution of any such trust deed or amending deed on behalf of the Group;
  - d. administer the operation of the Incentive Plans, including but not limited to determining disputes and resolving questions of fact or interpretation concerning the Incentive Plans; and
  - e. authorise the plan trustee to purchase securities to satisfy obligations under Incentive Plans,
- in each case the Committee will report any actions taken in respect of Incentive Plans to the Board at the following Board meeting.
- 5.1.6 Recommend to the Board whether offers are to be made under any or all of the Group's Incentive Plans in respect of a financial year including determining the eligibility criteria applying in respect of an offer, in respect of a financial year.
- 5.1.7 Review and recommend to the Board proposals regarding equity allocations and forfeiture or lapsing of equity for employees other than Executive Committee members, which are outside the rules of any Incentive Plans as approved by the Board or which require exercise of Board discretion. Review and recommend to the Board proposals regarding equity allocation, forfeiture or lapsing of equity for the Executive Committee.
- 5.1.8 Recommend to the Board the issue of new securities under the Incentive Plans.
- 5.1.9 Review and recommend to the Board for approval the exercise of any discretion as are required to be made under the rules of any Incentive Plan.
- 5.1.10 Review and recommend to the Board for approval any termination payments for the CEO or Executive Committee.
- 5.1.11 Consider other matters or special projects which the committee deem are necessary or are referred to the Committee by the Board.
- 5.1.12 Review and recommend to the Board the remuneration arrangements for the Chairman and the non-executive directors of the Board (including base fees and committee fees, travel and other benefits).
- 5.1.13 Review performance assessment processes and results for the Executive Committee as completed by the Chief Executive Officer.
- 5.1.14 Assist the Chairman of the Board in the annual performance review of the CEO
- 5.1.15 Review and approve human resources and remuneration policies within the overall remuneration strategy and framework approved by the Board.
- 5.1.16 Be satisfied that the Board and management have available to them sufficient information and external advice to ensure informed decision-making regarding remuneration.
- 5.1.17 Review and facilitate securityholder and other stakeholder engagement in relation to the Group's remuneration policies and practices.

## **6. Remuneration policy**

- 6.1 In discharging its responsibilities with respect to remuneration policy, the Committee will operate with the remuneration and human resources frameworks established by the Board.

- 6.2 The Committee must at all times have regard to, and notify the Board as appropriate of, all legal and regulatory requirements, including any securityholder approvals which are required in respect of remuneration matters.

## **7. Duties and responsibilities of the Committee – Non-executive Director remuneration**

- 7.1 In discharging its responsibilities with respect to Non-executive Director remuneration, the Committee will make recommendations to the Board regarding the remuneration framework for Directors, including in relation to:
- a. the level of fees payable to each non-executive Director within the maximum aggregate level of remuneration approved by security holders;
  - b. any changes to the maximum aggregate level of remuneration approved by security holders;
  - c. the manner in which fees may be taken; and
  - d. any other applicable arrangements, including for example, fees in relation to retirement benefits, payment of fees for special exertions, Director expense claims and ad hoc committee fees.
- 7.2 Review and recommend to the Board for approval minimum shareholding guidelines or policies for non-executive directors.

## **8. Duties and responsibilities of the Committee – Human Resources**

- 8.1 In the area of Human Resources, the key responsibilities of the Committee are to:
- 8.1.1 Oversee policy and management programs to optimise the contributions of the Group's People and Culture function to support and further corporate objectives, particularly related to attraction and retention, performance management, diversity, and culture and engagement programs.
  - 8.1.2 Review and recommend to the Board the Group's overall human resources strategy and key priorities, including diversity objectives.
  - 8.1.3 Review and recommend to the Board objectives for achieving gender diversity, including for inclusion in the Group's Annual Report and financial report.
  - 8.1.4 Review and monitor the Group's human resources processes, including diversity processes.
  - 8.1.5 Review and report to the Board where required on the Group achievements against gender diversity objectives.
  - 8.1.6 Review and monitor the processes for managing the development of, and succession for, executives and other high potential employees.

## **9. Strategic and reputational risk management**

- 9.1 To assist with the process of ensuring that strategic and reputational risks for the Group are being identified and managed, the Committee will work with the Board and the other committees and management in respect of matters coming to the attention of the Committee that relate to strategic or reputational risks for the Group.

## **10. Reporting**

- 10.1 The Committee Chair will provide a verbal report of the actions of the Committee to the Board at the next Board meeting following a meeting of the Committee.
- 10.2 All Directors may, within the Board meeting, request information of members of the Committee.

## **11. Review of Committee and Charter**

- 11.1 The Committee will regularly assess its effectiveness with a view to ensuring that its performance accords with best practice. The Board will, at least once a year, review the Committee's Charter and membership and may by resolution alter the membership, the responsibilities and functions of the Committee, or any administrative or reporting matters associated with the Committee.
- 11.2 The Committee may also review and recommend to the Board the formal adoption of a revised charter for future operations of the Committee.