



Australian Government



Northern Australia Infrastructure Facility

# People and Remuneration Committee Charter

September 2020

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## Contents

1. Definitions	3
2. Background	3
3. Role of Committee	3
4. Responsibilities of Committee	3
4.1 Key Responsibilities	3
4.2 Duties	4
4.3 Conflicts of Interest	4
4.4 Compliance with laws	4
5. Composition of Committee	4
5.1 Committee Members	4
5.2 Participation of Non-Members	5
5.3 Committee Secretary	5
6. Meetings	5
7. Review of Performance	5
8. Review of Charter and Remuneration Policy	6

## Document Review and Approval

VERSION	AUTHOR	REVISION	APPROVAL	APPROVAL DATE	NEXT REVIEW DATE
1.0	General Counsel	Original	Board	November 2019	July 2020
2.0	Chief of Staff	People and culture inclusion	Board	December 2019 TBC	December 2020
3	Acting Head of HR	Annual Review	Board	September 2020	September 2021

# 1. Definitions

In this Charter, the following terms have the following meanings unless the context otherwise requires:

**Board** means the board of directors of NAIF;

**CEO** means the Chief Executive Officer of NAIF;

**Committee** means the members of the NAIF People and Remuneration Committee from time to time;

**Director** means a director of the Board;

**Efic** means Export Finance Australia (previously the Export Finance Insurance Corporation);

**Employee** means an employee of NAIF (including full time and part time employees), but does not include for the purposes of this Charter, a Director or the CEO except as otherwise provided.

**Investment Mandate** means the Northern Australia Infrastructure Facility Mandate Direction 2018 (as amended or replaced from time to time);

**Member of the Executive** means a person working in the executive leadership team and reporting directly to the CEO.

**NAIF** means the Northern Australia Infrastructure Facility;

**NAIF Act** means the Northern Australia Infrastructure Facility Act 2016 (as amended or replaced from time to time);

**NAIF Worker** means persons employed by or operating under any employment or similar contract with NAIF, including full time or part time Employees, agents, consultants, contractors and Export Finance Australia personnel working on NAIF matters under the Service Level Agreement.

**People Leader** means the person to whom the relevant Employee immediately reports.

**PGPA** means the Public Governance, Performance and Accountability Act 2013 (as amended or replaced from time to time);

**Remuneration Policy** means the NAIF Remuneration Policy as updated, amended or replaced from time to time under this Charter or otherwise;

**Human Resources (HR) Team** means a person working within the Human Resources function of NAIF.

## 2. Background

Under s 14(3) of the NAIF Act, the Board has the power to do all things necessary or convenient to be done for or in connection with the performance of its functions.

Pursuant to s 14(3) of the NAIF Act, the Board has resolved to establish a People and Remuneration Committee to assist it in its deliberations regarding Employee remuneration retention, culture and related organisational activities.

This Charter sets out the role and responsibilities of the Committee and related matters.

## 3. Role of Committee

The PRemCO is a sub-committee of the Executive Board and its primary role is to provide strategic advisory oversight of NAIF's people and remuneration policies, frameworks, initiatives and strategies to assist in enabling NAIF to fully and effectively perform its functions to ensure the success of NAIF.

## 4. Responsibilities of Committee

### 4.1 Key Responsibilities

The Committee is responsible for

- (a) reviewing and assessing strategic HR and workforce management issues and conveying them as necessary to the Board
- (b) championing implementation of enterprise HR initiatives and assisting with their communication
- (c) discussing opportunities to improve implementation including piloting initiatives, identifying risk and opportunities and ways to manage them
- (d) supporting organisational cultural change
- (e) advising on relevant HR matters, and
- (f) providing a governance platform for the implementation of actions relating to workforce planning activities

The Committee will make enterprise people decisions on the advice of members in the best interests of NAIF, subject to Board endorsement. All decisions will be reported to the Board on a regular basis. The Board retains the right to amend any PRemCo decisions.

Under the NAIF Act, the remuneration of Directors and the CEO is determined by the Commonwealth Remuneration Tribunal. Accordingly, other than as set out in this Charter, the role and responsibilities of the Committee will not extend to consideration of the remuneration of Directors and the CEO.

Key activities of the Committee include considering and providing recommendations and advice to the Board in relation to the following:

- the terms of the Remuneration Policy and this Charter including amendments to align with legislative changes, best practice considerations and audit recommendations
- the yearly budget for Employee salary increases and Short Term Incentive (STI) pool determination based on recommendations from the CEO and ED HR in accordance with the Remuneration Policy
- reviewing the CEO's key performance indicators and advising the Board on the CEO's performance against those indicators
- recommendations made under any internal or external audit in relation to Employee remuneration issues, policies or practices
- remuneration and related reporting requirements in the NAIF annual report or otherwise
- diversity objectives and strategies to meet those objectives
- equality in remuneration
- supporting cultural and other wellbeing initiatives across NAIF
- any matters relevant to carrying out the roles of the Committee as set out in clause 3 above, and
- such other matters as the Board determines from time to time.

## 4.2 Duties

In discharging their responsibilities, Committee members have a duty to act in the best interests of NAIF as a whole, irrespective of personal, professional, commercial or other interests, loyalties or affiliations.

## 4.3 Conflicts of Interest

Committee members and other participants in Committee meetings must identify and manage any conflicts of interest in accordance with NAIF's Conflicts of Interest Policy and the requirements of the PGPA.

## 4.4 Compliance with laws

The Committee must undertake its responsibilities in compliance with all laws, regulations and policies, including the NAIF Act, the PGPA and the Remuneration Policy.

# 5. Composition of Committee

## 5.1 Committee Members

- The Board must resolve to establish the Committee and appoint the Committee members.
- The Board shall also appoint one of its members to act as chair of the Committee. The chair of the Committee is responsible for leading the Committee and overseeing processes for the Committee's performance of its role in accordance with this Charter.
- Committee members may be subject to rotation as determined by the Board from time to time.

- The Committee must include at least three (3) Directors, a majority of whom must be independent non-executive Directors, however may also include non-directors.
- The duties and responsibilities of Committee members who are Directors will be in addition to their duties as Directors of the Board.

## 5.2 Participation of Non-Members

- The CEO and Acting Head of HR have a standing invitation to attend and are expected to attend all Committee meetings other than those meetings or parts of meetings in which they have a conflict of interest.
- Directors who are not Committee members have a standing invitation to attend Committee meetings.
- The Committee may require the attendance at Committee meetings of other members of NAIF management from time to time (although no Employee member should be present during any discussions about his or her remuneration or in which that Employee member has a conflict of interest).
- The Committee may make any enquiries, seek any assistance or advice from senior management or any other relevant person including any external party, and have access to any information as it deems necessary to fulfil its responsibilities.
- The Committee is expected to seek independent expert advice from time to time to assist it in fully and effectively carrying out its roles and responsibilities particularly where Committee members do not have the requisite skills and experience to efficiently and effectively consider the matter under deliberation.

## 5.3 Committee Secretary

- The Board secretary (or delegate) is the secretary of the Committee unless otherwise determined by the Committee in the case of conflict of interest or otherwise.
- The secretary (in consultation with the Committee chair) will provide reasonable prior notice to Committee members and other proposed participants of the date, time and proposed agenda (including supporting papers as and when required) of a Committee meeting.
- The secretary will keep minutes of all proceedings of the Committee including circular resolutions.
- The secretary will distribute the minutes to all Committee members after the relevant meeting for confirmation/ratification after which they will be signed by the Committee chair as a correct record.
- The Committee chair will table the outcome of deliberations at the next Board meeting including any advice or recommendations for endorsement by the Board.

# 6. Meetings

- The Committee will meet at least quarterly or more frequently as determined by the Committee Chair or Board to fulfil its roles and responsibilities. A Committee member may also requisition a meeting at anytime.
- A quorum will comprise at least two (2) members.
- Meetings of the Committee may be held face to face or using any telephone, video or other technology which enables Committee members to participate in the meeting.
- The Committee may also consider and make a decision on any matter without a meeting if all the Committee members entitled to vote on the proposed decision are provided with the proposed resolution and a simple majority of those Committee members entitled to vote, sign a document or make a written statement indicating they are in favour of that resolution. The document or statement may be signed or made in counterparts (including by email or other electronic means) and if a decision is made in accordance with this procedure, the Committee is taken to have made a decision at a meeting.
- Matters are generally expected to be determined by consensus, or if a consensus cannot be reached, by a majority of votes from Committee members present. The Committee chair does not have a casting vote.

# 7. Review of Performance

The Committee will conduct an annual review of the performance and effectiveness of the Committee. The review will include:

- Team building among Directors
- Improving the effectiveness of Committee meetings

- Improving the working relationships between the Board and members of the Executive.
- Identifying areas for improving statutory and other reporting requirements.

The Committee will complete a review of performance annually that will include feedback from all Committee members and other regular participants. The Committee chair will report on the results of such review to the Board.

## 8. Review of Charter and Remuneration Policy

The Committee will review this Charter and the Remuneration Policy on an annual basis or at such other times determined by the Board. The purpose of the review will include ensuring the Charter and Remuneration Policy remain appropriate, current and effective (having regard to the role of the Committee in clause 3, the environment in which NAIF operates and comparable policies, practices and procedures) and take into account Australian best practice government governance principles and Australian best practice corporate governance for commercial financiers as required by section 17 of the Investment Mandate. Any amendments must be approved by the Board.