



**Royal Australian Navy
Central Canteens Board**

**Remuneration Committee
Charter**

This charter has been adopted by the Royal Australian Navy Central Canteens Board to assist the members of the Remuneration Committee in the exercise of their responsibilities. This Charter is to be read in conjunction with the RANCCF Board Charter and is subordinate to it. The principles and policies set out in the charter are in addition to and are not intended to change or interpret any laws or the application of the company's constitution. The members of the Remuneration Committee will review the charter at least annually and recommend revisions to the RANCCF Board as appropriate.

Uncontrolled if Printed

Purpose of Charter

1. This Charter establishes the terms of reference and responsibilities of the Remuneration Committee, one of the standing committees of the Royal Australian Navy Central Canteens Board (RANCCB) established in accordance with paragraph 16 of the Board Charter.
2. The Remuneration Committee Charter is subordinate to the RANCCB Charter and the terms of the RANCCB Charter apply to the Remuneration Committee unless specifically altered or amended by this Charter.

Purpose of the Remuneration Committee

3. The Remuneration Committee is charged with reviewing and making recommendations on the CEO and other staff remuneration as requested by the CEO

Responsibilities of the Remuneration Committee

4. The Remuneration Committee is responsible for:
 - a. managing the process for the selection and, after Board approval, the subsequent employment of the RANCCF CEO;
 - b. determining and recommending to the Board, the remuneration package of the CEO bearing in mind the commercial nature of the activity, the workload and responsibility, and the competition for those skills;
 - c. determining and recommending to the Board appropriate benchmarks to be used in determining the award of any bonus structure for the CEO and senior executives;
 - d. conducting any performance and remuneration reviews of the CEO and approving increases foreshadowed or required by the CEO's employment contract;
 - e. ensuring proposed movements in salaries and allowances are factored into the annual budget process; and
 - f. any other responsibility specifically delegated by the Board.

Powers of the Remuneration Committee

5. The general powers of the Remuneration Committee in terms of access to management and external advice is included in the RANCCB Charter. No executive authority is granted to the committee except as follows:
 - a. approve budgeted bonuses based on audited results;
 - b. the authority to obtain independent professional advice up to a limit of \$5,000 without prior approval of the Board;
 - c. the authority to incur expenditure on budgeted items, including foreshadowed salary increases and bonuses, to the limit of the budgeted amount; and
 - d. approving remuneration changes recommended by the CEO for senior executives and managers.

Committee Membership

6. The Remuneration Committee is to consist of the RANCCB Chair and another member of the Board. The RANCCB Chair will also be the Chair of the Remuneration Committee.

7. The Chair may appoint an additional member to the committee in the event operational activity or other absence prevents the possibility of a quorum.

Committee Meetings

8. The Remuneration Committee will meet at least once per year prior to the annual budget preparations and as often as necessary to complete its business. Meetings of the Remuneration Committee will be conducted according to the following principles:

- a. the Chair will schedule the meetings and approve the agenda;
- b. a quorum of two members of the committee;
- c. all questions shall be decided by a simple majority of those Remuneration Committee members present;
- d. may be conducted by video or teleconference;
- e. while the CEO may make argument to the committee in support his or her case for a particular level of remuneration, the CEO should not attend during the committee's final deliberations on the CEO's remuneration unless the committee require additional information; and
- f. must be minuted to record the considerations and outcomes of the meetings.

9. The minutes of the committee are to be tabled at the first RANCCB Board meeting after the meeting of the Remuneration Committee as part of the Board papers. A summary report is to be provided at the Board meeting by the Committee Chair.

10. The proceedings of, and reports on the activities of the Remuneration Committee are to be treated with sensitivity noting that they will invariably impact on the personal affairs of the CEO and other senior executives.

Committee performance

11. The Remuneration Committee is to submit an annual report detailing its activities for the year.

Review of Charter

12. The Remuneration Committee will review its Charter annually and provide any recommendations for change to the Board through the Audit and Risk Committee.