



**Charter**

# People and Remuneration Committee Charter

**The Lottery Corporation Limited**

ACN 081 925 706

Adopted by the Board on 3 March 2022 to take effect  
upon the company's admission to the Official List of ASX



# People and Remuneration Committee Charter



The People and Remuneration Committee (“**Committee**”) is established under rule 8.7 of the Constitution of The Lottery Corporation Limited (the “**Company**”).

## 1. Purpose

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The purpose of the Committee is to assist the Board to fulfil its duties and responsibilities relating to:

- (a) the remuneration of the Chairman and other Non-executive Directors;
- (b) the performance and remuneration of, and incentives for, the Managing Director and Chief Executive Officer (“**MD & CEO**”) and Executive Leadership Team members;
- (c) the Company’s remuneration framework and policies, superannuation arrangements, employee share ownership schemes and performance incentive schemes;
- (d) the Company’s people strategies and policies, including talent retention, diversity and inclusion, culture and engagement; and
- (e) the Company’s health, safety and wellbeing strategy and performance.

## 2. Membership of the Committee

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The Committee must consist of:

- only Non-executive Directors;
- a minimum of three members;
- a majority of independent Directors; and
- an independent Director as Chairman.

The Board will appoint the Chairman and members of the Committee.

The Board may appoint additional Non executive Directors as members of the Committee or remove and replace members of the Committee by resolution. Members may withdraw from membership of the Committee by written notification to the Board. If a member ceases to be a Director of the Company, that member ceases to be a member of the Committee.

The Board or Committee will periodically assess the Committee’s membership and performance.

All non-executive directors have a standing invitation to attend Committee meetings and have access to Committee papers, subject to conflicts. Other non committee members, including members of management, may attend all or part of a meeting of the Committee at the invitation of the Committee Chairman.

The Company Secretary will be the Secretary of the Committee and must (or his or her delegate must) attend all Committee meetings as recording secretary unless otherwise determined by the Committee.

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## 3. Roles and responsibilities

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### 3.1 Remuneration

The responsibilities of the Committee in respect of remuneration are as follows:

#### **MD & CEO and senior executive remuneration**

- (a) Review and recommend to the Board employment and remuneration arrangements for the MD & CEO, including contract terms, annual remuneration and participation in the Company's incentive plans.
- (b) Review and recommend to the Board the terms of any incentive offers made to the MD & CEO (including short term and long term awards), including any applicable performance targets and the relevant award opportunities.
- (c) Assess and make recommendations to the Board on incentive award outcomes for the MD & CEO based on performance against the applicable performance targets and any other factors that the Committee determines to be relevant (including whether the Board should consider exercising any discretion).
- (d) On the recommendation of the MD & CEO, review and approve employment and remuneration arrangements for members of the senior executive team, including contract terms, annual remuneration and participation in the Company's incentive plans.
- (e) On the recommendation of the MD & CEO, review and approve the terms of any incentive offers made to members of the senior executive team (including short term and long term awards), including any applicable performance targets and the relevant award opportunities and their incentive award outcomes based on performance against the applicable performance targets and any other factors that the Committee determines to be relevant (including whether the Board should consider exercising any discretion).

#### **Remuneration framework and policies**

- (f) Approve amendments to, conduct regular reviews of, and monitor the implementation of, the Company's remuneration framework to confirm it:
  - encourages and sustains a culture aligned with the Company's values;
  - supports the Company's strategic objectives and long-term financial soundness; and
  - is aligned with the Company's risk management framework and risk appetite as approved by the Board.
- (g) Review and recommend to the Board for approval new or material amendments to the Company's remuneration policies.
- (h) Review and approve new or material amendments to the Company's superannuation arrangements and policies.
- (i) Review and recommend to the Board for approval new or material amendments to the Company's share ownership policies.

#### **Incentive plans**

- (j) Oversee the operation of the Company's employee incentive plans in place from time to time and review and approve material amendments to the incentive plans, including performance hurdles, eligibility, opportunities and reward vehicles.
- (k) Approve offers to be made under any of the Company's employee incentive plans (including equity plans) in respect of a financial year.

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- (l) Review and approve offers to be made to employees in respect of a financial year (whether an offer will be made, participation and quantum), and the performance hurdles applicable to participants.
- (m) Assess performance and service hurdles and approve resulting award and vesting outcomes, including exercising any discretions to adjust outcomes.
- (n) Oversee that risk behaviours and outcomes and any other relevant factors are reflected in the executive remuneration outcomes.
- (o) Review and approve material matters relating to the administration of incentives plans including interpretation, determining disputes, resolving questions of fact and the implementation and execution of, or amendments to, trust deeds.
- (p) Review and approve gender pay gap analyses and strategies or changes to address any pay gap.

## **Director remuneration**

- (q) Review and recommend to the Board the remuneration arrangements for the Chairman and the Non executive Directors of the Board, including fees, travel and other benefits.
- (r) Review and recommend to the Board, potential adjustments to the total maximum pool within which the Non-executive Director fees are paid for shareholder approval.

## **Remuneration governance**

- (s) Approving the appointment of remuneration consultants for the purposes of the Corporations Act 2001 (Cth).
- (t) Review and recommend to the Board via the Audit, Risk and Compliance Committee the remuneration report prepared in accordance with the Corporations Act 2001 (Cth) for inclusion in the annual directors' report.
- (u) Review and recommend to the Board for approval any proposed consultancy arrangements with a director, senior executive or a related party of a director or senior executive.

## **3.2 People**

The responsibilities of the Committee in respect of people are as follows:

- (a) Oversee the Company's people strategies and policies related to recruitment, retention, termination and industrial relations.
- (b) Oversee the Company's organisational culture and employee engagement results and action plans.
- (c) Oversee senior leadership talent and succession plans and processes for the identification, promotion and retention of talent.
- (d) Oversee the Company's diversity and inclusion strategies, policies and processes.
- (e) Review and recommend to the Board for approval measurable objectives for achieving gender diversity in the composition of the Board, senior executives and workforce generally, and, on an annual basis, assess and report to the Board on the Company's progress in achieving those objectives, including the relative proportions of women and men on the Board, in senior executive positions, and across the whole workforce.
- (f) Receive information and where appropriate report to the Board on material breaches of the Company's Code of Conduct.
- (g) Review the Company's Code of Conduct and recommend to the Board any necessary changes.
- (h) Oversee the appropriateness and effectiveness of the Company's Health, Safety and Wellbeing strategies, risk and compliance management systems and controls.

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- (i) Receive reports on key Health, Safety and Wellbeing risk areas and review and where appropriate report to the Board on findings of any examination, enquiries or litigation initiated by regulatory agencies.

## 4. Remuneration policy

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- (a) In discharging its responsibilities, the Committee must have regard to the following policy objectives:
  - to ensure that the Company's remuneration structures reward for the creation of sustained long-term shareholder value;
  - to ensure that the Company's remuneration structures appropriately reward for Group, business unit and individual performance;
  - to ensure that the Company's remuneration levels are market competitive which in turn attracts and retains skilled executives;
  - to ensure that the Company's remuneration framework drives the right behaviours and alignment to the Company's Values and risk appetite as approved by the Board; and
  - to ensure that the Company's remuneration policies and practices are compliant with all relevant legislation.
- (b) In the discharge of the Committee's responsibilities, no executive should be directly involved in formulating recommendations, or the Committee's decision making process, with respect to their own remuneration.
- (c) The Committee must at all times have regard to, and notify the Board as appropriate of, all legal and regulatory requirements, including any shareholder approvals which are necessary to obtain.

## 5. Rights of access and authority

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Except where expressly stated in this Charter, the Committee discharges its responsibilities by making recommendations to the Board. The Committee does not have any executive powers to commit the Board to the implementation of its recommendations except where expressly stated in this Charter or as authorised by resolution of the Board.

The Committee has authority to conduct or direct investigations into any matters within its Charter.

The Committee has rights of unrestricted access to management, and rights to seek explanations and additional information from management.

The Committee may seek the advice or services of the Company's auditors, solicitors or such other independent advisers, consultants or specialists as to any matter pertaining to the powers or duties of the Committee or the responsibilities of the Committee, as the Committee may require.

As appropriate, the Committee will inform the Chairman of the Board of its decision to authorise such an investigation or obtain such external services.

## 6. Administrative matters and procedures

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The proceedings of the Committee will be conducted in accordance with provisions set out in Attachment 1.

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## 7. Interaction with other Committees

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The Committee will, in discharging its duties, seek to co-ordinate its activities with such other Committees of the Board as may be convened from time to time, where appropriate. The Committee Chairman will liaise with the Chairman of such other Committees on an ongoing basis to ensure that no material matter is overlooked by the respective Committees.

## 8. Reporting

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It is intended that a report of the actions of the Committee or a copy of the minutes of the Committee meeting or both will be included in the Board papers for the next Board meeting following a meeting of the Committee.

The Committee Chairman will, if requested, provide a brief oral report at the next Board meeting as to any material matters arising out of the Committee meeting. All Directors may, within the Board meeting, request information from members of the Committee.

The Committee will, where appropriate, provide reports to the Audit Committee, Risk and Compliance Committee and Nomination Committee on matters relevant to the Committee's specific responsibilities that may be relevant to those Committee's duties and responsibilities.

The Board Risk and Compliance Committee Chairman will annually provide a report to the People and Remuneration Committee on risk and compliance culture, behaviours and incidents across the Company to assist that Committee in decision making on executive variable pay outcomes.

## 9. Review

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The Committee will, at least annually, review the membership and Charter of the Committee to determine its adequacy for current circumstances, and the Committee may recommend to the Board any changes in relation to the Committee's membership, responsibilities, functions or otherwise.

# Attachment 1



## Administrative matters and procedures

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### **Meetings**

The Committee will meet as often as the Committee members deem necessary in order to fulfil the Committee's role. However, it is intended that the Committee will meet no less than quarterly.

### **Quorum**

A quorum of the Committee will comprise any two members.

### **Chairman**

If the Chairman of the Committee is unable to attend a Committee meeting, the members present may appoint another member who is an independent Director to act as Chairman at that meeting.

### **Convening and notice of meeting**

Any member may, and the Company Secretary must upon request from any member, convene a meeting of the Committee.

Notice will be given to every member of the Committee, of every meeting of the Committee as well as Non-executive Directors who are not members of the Committee and such Directors may attend Committee meetings. However, there is no minimum notice period and acknowledgement of receipt of notice by all members is not required before the meeting may be validly held.

Non committee members, including the MD & CEO, Chief People Officer, Chief Legal & Risk Officer, GM Reward and Performance and other members of management may attend all or part of any meetings of the Committee at the invitation of the Committee Chairman.

### **Agenda and meeting materials**

The Company Secretary will prepare an agenda for each Committee meeting for review by the Committee Chairman. Any member may require an item of business to be included on the agenda provided the Committee Chairman and the Company Secretary have been given prior notice.

The agenda and meeting materials for each Committee meeting will be issued to members and other attendees (as appropriate) within a reasonable timeframe prior to that meeting.

### **Circulating resolutions**

The provisions of the Company's Constitution dealing with circulating resolutions apply to resolutions of the Committee.

### **Minutes**

Minutes of meetings of the Committee must be kept by the Company Secretary and, after approval by the Committee Chairman, be confirmed at the next Committee meeting and signed by the Chairman. All minutes of the Committee must be entered into a minute book maintained for that purpose and be available for inspection by any Director.