

HEARTLAND

GROUP

CORPORATE GOVERNANCE, PEOPLE, REMUNERATION AND NOMINATIONS COMMITTEE CHARTER

Introduction

- 1 This charter sets out the role, composition and responsibilities of the Corporate Governance, People, Remuneration and Nominations Committee (**Committee**), a committee established by the Board of Heartland Group Holdings Limited (**HGH**) (**Board**).

Purpose

- 2 The purpose of the Committee is to advise and provide assurance to the Board in order to enable the Board to discharge its responsibilities in relation to the oversight of HGH's and each of its subsidiaries (including Heartland Bank Limited and [Heartland Australia Pty Limited]) :
- (a) corporate governance matters;
 - (b) people strategy including organisation structure, performance, succession planning, development, culture, diversity and inclusion and remuneration strategy and policies and any other strategic people initiatives;
 - (c) remuneration of the directors, Chief Executive Officer (**CEO**) and senior executives;
 - (d) performance of the CEO including setting and review of annual KPIs; and
 - (e) director and senior executive appointments, Board composition and succession planning.

Authority

- 3 The Board authorises the Committee, as the Committee considers necessary in performing its duties, to:
- (a) investigate any matter relevant to its purpose;
 - (b) seek any information it requires from the Chief Executive Officer (**CEO**), Chief Financial Officer, Heartland Banks' Chief People & Culture Officer and Treasurer or Group General Counsel or, via the CEO, from any other employee, officer or external advisor;
 - (c) obtain, at the expense of HGH, external legal or other independent professional advice; and
 - (d) arrange, at the expense of HGH, for external legal advisors or other independent parties with relevant experience or expertise to attend any meeting of the Committee.
- 4 The Committee will not take any action or make any decision on behalf of the Board unless the Board delegates its authority to do so to the Committee. However the Board may consider the advice and recommendations of the Committee.

Membership

- 5 The Committee will be appointed by the Board and will be made up of at least three directors, the majority of whom must be independent.
- 6 The Chair of the Committee will be appointed by the Board, and will be an independent director of the Bank.
- 7 If the Chair of the Committee is absent from a meeting, the members of the Committee present will appoint a chair for that particular meeting.
- 8 The Chair will appoint the secretary of the Committee.

Meetings and Reporting

- 9 Meetings shall be held four times per year, or more frequently as required.
- 10 The CEO shall attend all meetings but must not be present during discussions concerning his or her own performance and remuneration.
- 11 Directors who are not members of the Committee may attend Committee meetings.
- 12 The Chair shall, to the extent possible, act as the liaison between management and the Committee.
- 13 An agenda and supporting documentation for each meeting shall be prepared and circulated to all members of the Committee and attendees within a reasonable period in advance of each meeting.
- 14 A quorum for a meeting shall be two members of the Committee.
- 15 Any employee in attendance may be excluded from that part of the meeting at which the Committee wishes to discuss any matters without the presence of management, particularly when individual remuneration levels or senior executive/Board appointments are being discussed.
- 16 The secretary of the Committee will circulate the minutes of each Committee meeting to Committee members, directors, and as appropriate, attendees within a reasonable period following the meeting.
- 17 The Chair of the Committee will report the Committee's findings and recommendations to the Board.
- 18 The Chair of the Committee may also report recommendations and findings to the Head of People & Culture if s/he is not in attendance for all or any part of a meeting.

Responsibilities and Duties of the Committee

- 19 Management is responsible:
- (a) for ensuring that the Committee is informed of all matters relevant to its purpose;
 - (b) for providing assurance in respect of those matters, where required; and
 - (c) for the quality and integrity of that information and assurance.
- 20 Subject to those responsibilities of management and to any resolution of the Board, the responsibilities and duties of the Committee are set out in this clause 20.

Corporate Governance

- (a) To consider reports from management on corporate governance matters and advise the Board on any changes required to HGH's practices.
- (b) To consider management's annual review of the alignment of the Board's operations with best corporate governance practice.
- (c) To review the corporate governance statements of HGH to be included in the annual report and advise the Board as to whether those statements are appropriate.
- (d) To assess (and, where relevant, monitor) the independence of the directors of HGH and report the Committee's findings to the Board for approval and public release.

People Strategy

- (a) To review, annually, the People strategy for HGH including:
- organisation structure and how it supports the business strategy for HGH;
 - the performance management system and processes;
 - the succession planning process and the capability and culture development strategy including the performance and potential of the CEO's direct reports and other senior executives;
 - the key measurable objectives of diversity;
 - other strategic people issues facing HGH from time to time including health and safety and other employment policy issues; and
 - any significant employment law issues facing HGH.

Remuneration

- (a) To approve appointment of independent remuneration advisers as required.
- (b) To review directors' fees at least annually, and to make recommendations to the Board regarding any proposed increases, either within the total previously approved by shareholders or for consideration by shareholders at the annual meeting.
- (c) To review and recommend to the Board the organisation's overall Remuneration Policy.
- (d) To review the structure and terms of any incentive or bonus and share/option schemes for directors and/or employees (including scheme rules and applicable performance hurdles) and to make recommendations to the Board in respect of those schemes.
- (e) To review and recommend to the Board a policy for the remuneration of the CEO, including the parameters of any incentive or bonus schemes and payments to be made pursuant to those schemes.
- (f) To approve the terms of the CEO's employment agreement.
- (g) To approve, on the recommendation of the CEO, the remuneration of his or her direct reports (and other senior executives prescribed by the Committee from time to time), including the parameters of any incentive or bonus schemes and payments to be made pursuant to those schemes.
- (h) To approve, on the recommendation of the CEO, the parameters of any incentive or bonus schemes and the aggregate amount of payments to be made pursuant to those schemes to all other employees.
- (i) To receive reports from management on the annual remuneration review and incentive or bonus schemes and, from time to time, review HGH's remuneration policies and practices.
- (j) To attend to any other matter relating to remuneration issues put to the Committee for consideration by the Board or by management.

Performance of the CEO

- (a) To set the CEO's annual performance goals after discussion with the Board and to review

performance of the CEO annually and make recommendations to the Board regarding the CEO's performance.

Board Appointments and Nominations

- (a) To review the composition of the Board and the balance of skills, qualifications, experience and background on the Board and identify and recommend, for the approval of the Board, candidates to fill Board vacancies as and when they arise.
- (b) To consider any nominations received for the election of directors by shareholders and make appropriate recommendations to the Board.
- (c) To attend to any other matter relating to Board appointment and nomination issues put to the Committee by the Board for consideration.

Senior Executive Appointments

- (a) To consider and approve recommendations received from the CEO in relation to the appointment of his or her direct reports or senior executives.

Review of Committee

- 21 The Board shall undertake a regular review, at least annually, of the Committee's performance, objectives and responsibilities.
- 22 The Committee may recommend to the Board any amendments to this charter.

Version History

Version	Date	Approver	Amendments
1.0	September 2018	Board	New Charter