



Human Resources and Remuneration Committee Charter

Myer Holdings Limited

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Adopted by the Board on 20 July 2016

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Human Resources and Remuneration Committee Charter

The Human Resources and Remuneration Committee (Committee) is established under rule 8.15 of the Constitution of Myer Holdings Limited (Company).

1 Membership of the Committee

1.1 Composition

The Committee must consist of:

- a minimum of 3 members of the Board;
- only non executive directors;
- a non executive independent director as chair; and
- a majority of independent directors.

1.2 Membership

The Board may appoint such additional directors to the Committee or remove and replace members of the Committee by resolution. Members may withdraw from membership by written notification to the Board. Any director not formally a Member of the Committee may attend Committee meetings however only nominated directors may vote on matters before the Committee.

Non committee members, including members of management may attend all or part of a meeting of the Committee at the invitation of the Committee chair.

The Company Secretary must attend all Committee meetings as minute secretary. In the absence of the Company Secretary, the GGM HR may act as minute secretary at the invitation of the Committee Chair

2 Administrative matters

2.1 Meetings

The Committee will meet as often as the Committee members deem necessary in order to fulfil their role. However, it is intended that the Committee will normally meet four times each year.

2.2 Quorum

The quorum is at least 2 members.

2.3 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 at the member's advised address for service of notice (or such other pre notified interim address where relevant), but 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.

2.4 Chair

In the absence of the Committee chair, the Committee members must elect one of their number as chair for that meeting.

The chair has a casting vote.

2.5 Access to resources and independent advisers

The Committee is to have access to adequate internal and external resources. For example, the Committee may seek the advice of the Company's auditors, solicitors or other independent advisers (including external consultants and 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.

The Committee may seek input from senior executives of the Company on Human Resource and remuneration policies, subject to the principle that no senior executive should be directly involved in deciding their own remuneration or a matter that creates an individual reward (for example superannuation contribution, education or medical cost offsets etc).

2.6 Minutes

Minutes of meetings of the Committee must be kept by the Company Secretary and, after approval by the Committee chair, be presented at the next Board meeting. All minutes of the Committee must be entered into a minute book maintained for that purpose and will be open at all times for inspection by any director.

2.7 Reporting

The Committee chair will provide a report of the actions of the Committee to be included in the Board papers for the Board meeting next following a meeting of the Committee. The report will include provision of meeting agendas, papers and minutes of the Committee.

3 Role and responsibilities

The responsibilities of the Committee are as follows:

3.1 Human Resource policies

- a) Review the Company's policies and performance to assess the effectiveness of the policies and their compliance with relevant legislative, regulatory and governance requirements.
- b) Review and report to the Board on the diversity-related measurable objectives for the Company and the Company's progress against objectives and, if appropriate, make recommendations to the Board on any changes that might be proposed.
- c) Monitor and review the development of policies with respect to Human Resources Management and review the effectiveness relating to recruitment, performance management, performance assessment, development. Separately a review of the internal communication approach and practice should be included as part of this review.

3.2 Organisational Effectiveness and Capability

An annual review is to be conducted to understand how the human resources strategy is supporting the business strategy. This review should evaluate the current structure and culture of the organisation and assess the skills and leadership to support the attainment of the business strategy. In addition this update should also report on the following:

- a) Succession Planning and identification of successors to the role of the CEO and the executives reporting to this role
- b) Development opportunities for both the roles reporting to the CEO and a general update on any broader skill shortages identified as part of the review of the HR Strategy

- c) Proposed training and development priorities and needs for the organisation generally but also with a particular focus on strategic areas as they align to the business strategy. The capability needs of emerging and key talent should also form part of this review.
- d) The organisational structure and alignment of functions and/or portfolios reporting to the CEO and roles reporting to the CEO.
- e) An overall update on the culture of the organisation and approach and effectiveness of communication within the organisation
- f) The principles and policies for performance management, succession planning and retention.

3.3 Superannuation

Review superannuation arrangements for the Company having regard to matters of compliance and legislative change. Advise and recommend to the Board as required should change be proposed.

3.4 Remuneration and Incentives

- a) Review and recommend to the Board arrangements for the executive directors and the executives reporting to the CEO, including contract term, annual remuneration change, and participation in the Company's short and long-term incentive plans.
- b) Review and recommend to the Board remuneration arrangements for senior management including contract term, retention strategy, termination policies, superannuation arrangements, annual remuneration review quantum and participation in the Company's short and long-term incentive plans.
- c) Review major changes and developments in the Company's remuneration framework, recruitment, retention and termination policies and procedures for senior management, remuneration policies, superannuation arrangements, human resource practices and employee relations strategies for the Group.
- d) Review the performance assessment processes for the CEO and their direct reports and the annual results of those assessments, including development plans
- e) Review and recommend to the Board approval of short-term incentive strategy, performance targets and bonus payments.
- f) Review and recommend to the Board major changes/developments to the Company's employee equity incentive plans.
- g) Recommend whether offers are to be made under any or all of the Company's employee equity incentive plans in respect of a financial year.
- h) In respect of the Company's employee equity incentive plans in place from time to time:
 - review and approve the performance hurdles applicable to the executive directors, the executives reporting to the CEO and senior management; for recommendation to the Board for approval.
 - review and approve the proposed terms of, and authorise the making of, offers to eligible employees of the Group, including determining the eligibility criteria applying in respect of an offer, in respect of a financial year; for recommendation to the Board for approval.
 - review and approve, within the parameters of the plans, amendments to the terms of existing plans; for recommendation to the Board for approval.
 - review and approve the terms of any trust deed applying in relation to the plans and of any amendment to any such trust deed, including authorising the execution of any such trust deed or amending deed on behalf of the Group; and
 - administer the operation of the plans, including but not limited to determining disputes and resolving questions of fact or interpretation concerning the various plans.

- i) Review and recommend to the Board the remuneration arrangements for the Chairman and the non executive directors of the Board, including Board fees, travel and other benefits.
- j) Review and acknowledge that the Board and management have available to them sufficient information and external advice to ensure informed decision making regarding remuneration.
- k) Review and recommend to the Board the remuneration report prepared in accordance with the Corporations Act 2001 (Cth) (as amended from time to time) for inclusion in the annual directors' report.
- l) Review and facilitate shareholder and other stakeholder engagement in relation to the Company's remuneration policies and practices.
- m) At least annually, review and report on the relative proportion of women and men in the workforce at all levels of Myer.
- n) Review remuneration by gender and consider whether as a result of gender difference whether any recommendations to the Board should be made on gender based reward.

4 Remuneration policy

- a) In discharging its responsibilities, the Committee must have regard to the following policy objectives:
 - to ensure the Company's remuneration frameworks are equitable and aligned with the long-term interests of the Company and shareholders;
 - to attract and retain skilled executives;
 - to structure short and long-term incentive programs, that are challenging and linked to the creation of sustainable shareholder returns; and
 - to ensure any termination benefits are justified and consistent with regulatory standards.
- b) In the discharge of the Committee's responsibilities, no director or executive should be directly involved in determining 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.
- d) The Committee chair or if they are not available, a Committee member should attend the Annual General Meeting and make themselves available to answer any questions from shareholders and proxy advisors about the Committee's activities or, if appropriate, the Company's Human Resources remuneration arrangements.

5 Review

The Board will, at least once in each year, assess the adequacy of this Charter and make any necessary or desirable amendments to ensure it remains consistent with the Board's objectives, current law and best practice.

This charter is available on the Company's website and the key features will be published in the annual report.