

**FARMERS' MUTUAL GROUP and  
FMG INSURANCE LIMITED (collectively FMG)  
REMUNERATION COMMITTEE CHARTER**

## **1. Formation and Role**

The Farmers' Mutual Group Board and the FMG Insurance Limited Board (collectively the **Board**<sup>1</sup>) have established the Remuneration Committee (**Committee**) and have delegated to it the responsibilities set out in this Charter. The primary objectives of the Committee are to assist the Board in fulfilling its obligations regarding:

- (a) Recommendations on Director remuneration;
- (b) Appointment, termination, performance measures and evaluation and remuneration of the Chief Executive;
- (c) Overseeing the appointment, termination, performance measures and remuneration of the Executive Leadership Team (ELT);

## **2. Responsibilities**

- (a) Providing recommendations to the Board on Director remuneration for ultimate approval by the Membership.
- (b) Assisting the Board in appointing the Chief Executive, setting the terms of the contract, regularly evaluating and where necessary terminating the Chief Executive's employment.
- (c) Reviewing and recommending to the Board appropriate performance measures and remuneration for the Chief Executive.
- (d) Assisting the Chief Executive in the appointment and termination of ELT members.
- (e) Reviewing and recommending the performance measures and remuneration of the Chief Executive and overseeing the same for ELT members.
- (f) Assisting the Board with succession planning for the Chief Executive and ELT members.
- (g) Undertaking other matters as delegated by the Board.

## **3. Membership**

The Board will appoint and remove the members of the Committee, including its Chair, as it sees fit. The Committee will consist of not less than three Directors.

All members should have experience to be able to consider and contribute to the matters for which the Committee is responsible.

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<sup>1</sup> The Board may appoint an Associate Director. This role has no legal obligations to discharge the duties of the Committee.

#### **4. Meetings**

The Committee will meet at least two times per year, either in person or by video or telephone conference. The quorum is three members present. If a member is unable to attend, the Chair may appoint another Director to serve as an alternate. The Chair will convene a meeting if requested to do so by any Director.

At the invitation of the Committee, any employee of FMG or its subsidiaries and other professional advisors may attend a meeting but will withdraw from the meeting at the request of the Chair.

Committee papers will be distributed to all Directors and invitees prior to the meeting.

Minutes of the Committee meetings will be provided to all Directors.

#### **5. Reporting and Authority**

The Committee will recommend all matters requiring a decision to the Board. The Committee does not act or make decisions on behalf of the Board except as specifically requested to do so by the Board.

After each meeting, and as regularly as deemed necessary, the Chair is to report to the Board about the Committee's activities, findings, issues, and related recommendations.

The Committee is authorised by the Board to investigate any activity. It is authorised to seek any information it requires from any employee and all employees will be directed to co-operate with any request made by the Committee.

The Committee may obtain outside legal and/ or other independent professional advice and may secure the attendance of outsiders with relevant experience and expertise if it considers this necessary; subject to prior approval from the Chair of the Board.

#### **6. Charter Review**

This Charter will be reviewed annually. The Charter and amendments will be approved by the Board.