

# People Culture and Remuneration Committee

## By-law

### BY-LAW PURSUANT TO THE CONSITUTION OF THE ROYAL AUSTRALASIAN COLLEGE OF PHYSICIANS FOR THE ESTABLISHMENT AND OPERATION OF BOARD COMMITTEES

<b>Area of College</b>	Governance
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<b>References/Legislation</b>	<i>Corporations Act 2001 (Cth)</i>
<b>Associated RACP Documents</b>	Governance of College Body By-law, Appointments to College Bodies Policy, RACP Constitution
<b>Applicability</b>	Australia and Aotearoa New Zealand

*Note: This is a controlled document within the [RACP Policy Framework](#). The Framework covers all RACP policies, procedures, by-laws, terms of reference, guidelines, forms and so forth. Any new documents or amendments of existing documents or changes to approver, owner or area of college should be done in accordance with the RACP Policy Framework and Document Control (RACP Policy Framework) Procedure.*

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## 1. INTRODUCTION

The Board of the Royal Australasian College of Physicians has established the People Culture and Remuneration Committee (the “Committee”). The Governance of College Bodies By-law sets out the general provisions for governance of Board Committees. Both the Governance of College Bodies By-law and this By-law govern the Committee.

## 2. PURPOSE

The purpose of this Committee is to assist the Board to discharge its responsibilities to College Members by ensuring that the College:

- a) has appropriate policies and procedures in place to comply with work, health, and safety (WHS) and employment laws and regulations;
- b) has appropriate strategies in place to attract, retain and develop key management personnel including the Chief Executive Officer and other executives;
- c) has appropriate strategies in place to develop the capability and culture of the organisation to deliver the objectives of the College.

## 3. FUNCTIONS

The functions of the People Culture and Remuneration Committee include:

- a) ensuring that policies, procedures, and practices are in place to discharge the College’s obligations with WHS and employment laws and regulations;
- b) recommending to the Board processes for the recruitment (and termination, as necessary) of the roles of the Chief Executive Officer and the Company Secretary, noting that employment decisions in relation to both these roles always remains with the Board;
- c) reviewing, and recommending to the Board for approval at the beginning of each calendar year, the performance objectives and key performance indicators (“KPIs”) of the CEO;
- d) reviewing and recommending to the Board for approval following the end of each calendar year the assessment of the actual performance of the CEO against those objectives and KPIs;
- e) reviewing and recommending to the Board for approval following the end of each calendar year any remuneration adjustments for the CEO including the payment of any performance-based bonuses;
- f) approving, on the recommendation of the CEO, the commencing remuneration package of any new SLT member;
- g) approving, on the recommendation of the CEO and following the end of each calendar year, any remuneration adjustments for members of the College’s Senior Leadership Team (“SLT”) including payment of any performance-based bonuses;

- h) ensuring that strategies for succession planning for the CEO and the SLT are in place;
- i) ensuring the College has in place appropriate strategies to assess and develop the capability and culture of the organisation to deliver the objectives of the College, and to monitor the effectiveness of those strategies; and
- j) recommending to the Board, the Board evaluation process to be conducted each year and the recommended provider of that service where an external evaluator is proposed.

#### **4. COMMITTEE PROHIBITIONS**

The Committee must not:

- Enter into any agreement binding upon it or on the College; or
- Represent or imply in any way that the Committee is a body independent of the College.

#### **5. MEMBER COMPOSITION**

The Membership of the Committee shall comprise up to five members comprising:

##### **5.1. Ex-officio Members**

- The President of the College (ex officio), who will chair the Committee;
- Up to two other Directors appointed by the Board;
- The Chief Executive Officer; and
- Up to two independent appointed members.

##### **5.2. Co-opted members**

Co-opted members may be appointed for a particular purpose or term.

##### **5.3. Other**

The Committee may invite such other persons to attend Committee meetings as it sees fit and consult with other persons and seek any information it considers necessary to fulfil its responsibilities, including engaging external consultants.

#### **6. MEETING**

This section is to be read in conjunction with the Governance of College Bodies By-law.

##### **6.1. Number of Meetings**

The College Body shall hold a minimum of two meetings per calendar year and shall meet by teleconference, face to face or videoconference.

##### **6.2. Chair**

The Chair or their appointee will Chair all meetings.

### 6.3. Quorum

A quorum is a minimum of two Board Director Committee members.

### 6.4. Voting

Decisions will be made by consensus of the majority of members.

### 6.5. Minutes

The proceedings of all meetings of the Committee shall be recorded in the minutes.

### 6.6. Secretariat

The College's Company Secretary will be the Committee secretary, unless the Committee or the Board determines otherwise, who will take minutes of all meetings and keep records of all meetings.

Meeting agenda, supporting papers and minutes or outcomes will be provided prior to the date of the meeting.

### 6.7. Committee/Council Reviews

The Committee/Council are to undertake a skill and experience review annually.

The Committee/Council are to review their performance against this By-law every two years.

## 7. REPORTING

The Committee must report and make recommendations to the Board as required.

[Include for all Board Committees] The Committee is required to provide to the Board each year:

- a new or updated Work Plan (Work Plans may be one or two years)
- a report against the preceding years' Work Plan.

## 8. REVIEW OF BY-LAW

This By-law will be reviewed every three years.

## 9. DEFINITIONS

Term	Means
Board	The Board of Directors of The Royal Australasian College of Physicians
College	The Royal Australasian College of Physicians, an incorporated body limited by guarantee ACN 000 039 047.
College Body	Has the same meaning as in the College Constitution
Ex-officio	Has the same meaning as the Governance of College Bodies By-law
Fellow	Has the same meaning as the Governance of College Bodies By-law

Term	Means
Member	Has the same meaning as the Governance of College Bodies By-law
Parent Body	Has the same meaning as the Governance of College Bodies By-law
Trainee	Has the same meaning as in the College Constitution.

## 10. HISTORY

Commencement		
This By-law was approved by the Board and commenced on 5 December 2014		
Revision	Effective Date	Summary of Changes
1.0	5 Dec 2014	Initial approval/New Document
2.0	12 Feb 2016	Amendment to Clause 4. from membership comprising three to four Directors, and the addition of clause 4.4 for membership to include one other Director appointed by the Board
3.0	12 Feb 2016	Amendment to Clause 5.2 to change from two meetings required a year to one and the addition of the responsibilities to be discussed at that meeting
4.0	April 2016	Amendment to Clause 3.1 – 3.4 to include “and recommend to the Board for approval”
5.0	April 2016	Replace Clause 3.5 with Clause 3.5 (a)
6.0	April 2016	Addition of Clause 3.5 (b) – “to report to the Board the methodology applied to set the remuneration of the members of the SLG each year”
7.0	April 2016	Addition of Clause 3.5 (c) - “to raise with the Board any concerns the Committee has with the process to determine the remuneration of the SLG or the quantum of remuneration recommended for the SLG as a whole or for any individual member of the SLG”
8.0	April 2016	Amendment to Clause 3.6 to include “recommend to the Board for approval...”
9.0	April 2016	Amendment to Clause 5.3 to increase the quorum from two to three Committee members
10.0	June 2020	Extensive rewrite to expand scope of the Remuneration Committee to include people, culture and WHS, change the membership and to reduce procedural prescription.
11.0	27 Oct 2023	The Board resolved that the member composition of the People Culture and Remuneration Committee be amended to remove the Chief Executive Officer as a member of the Committee
12.0	20 Sept 2024	The Board resolved that the CEO be included as an ex officio member of the Committee, and to vary the quorum to a minimum of two Board Director Committee members.
13.0	19 Jan 2026	The Board resolved to amend the member composition to appoint up to five members, including up to two independent members.