

# HUMAN RESOURCES COMMITTEE CHARTER

**Last updated 21st May 2021**

## 1. Purpose

This Committee Charter (the “Charter”) sets out the role, responsibilities, structure and processes of the Human Resources (“HR” or the “Committee”) Committee of Ao Shang Hui Consulting Ltd (“AustCham Shanghai” or the “Company”).

## 2. Roles and Responsibilities

- 2.1. The role of the HR Committee is to assist and advise the Board of Directors to fulfill its responsibilities to members of AustCham Shanghai on matters relating to the employment legislation, employee engagement, compensation, bonuses, incentives and remuneration issues of the Chief Executive Officer and the staff.
- 2.2. The HR Committee is not a policy making body but assists the Board by implementing Board policy.
- 2.3. The objectives of the Committee include:
  - a) To conduct searches for the Chief Executive Officer and senior executives and recommending preferred candidates to the Board
  - b) To review and recommend remuneration of the Chief Executive Officer, within the terms of the employment contract, annually to the Board.
  - c) To review the Chief Executive Officer’s recommendations regarding remuneration for staff.
  - d) To ensure staff remuneration is aligned with market trends.
  - e) To monitor and review the Chief Executive Officer’s performance and key performance indicators for the determination of the annual bonus components.



- f) To review and recommend any incentive plans or ex-gratia payments to staff or to the Chief Executive Officer.
  - g) To ensure that succession plans are in place.
  - h) To review any employee grievance or staff complaints about remuneration.
  - i) To ensure that the Company's remuneration and incentive policies, practices and performance indicators are aligned to the Board's vision, values and overall business objectives and are appropriately designed to:
    - motivate the staff and the Chief Executive Officer to pursue the long term growth and success of the Company, and
    - demonstrate a clear relationship between the achievement of the Company's objectives and the Chief Executive Officer's and the staff performance and remuneration.
  - j) To review HR Policies & Employee Handbook, providing recommendations to ensure compliance with relevant legislation and ethical standards.
  - k) To review the annual employee engagement survey results and provide recommendations on strategies to boost employee retention, development and enablement.
- 2.4. In discharging their responsibilities, the committee members have a duty to act in the best interests of the Company as a whole, irrespective of personal, professional, commercial or other interests, loyalties or affiliations.

### 3. Composition

- 3.1. The HR Committee will consist of at least three, and no more than five, members of the Board. The Board, on recommendation of the Chairman, will appoint HR Committee members and the Chair of the Committee.
- 3.2. Membership of the HR Committee is reviewed annually and members are eligible for reappointment. Membership of the HR Committee is to be confirmed annually by the Board in alignment with the annual general meeting.
- 3.3. The Board, based on a recommendation from the HR Committee, may appoint an external advisor to the HR Committee if it is



determined that there is a particular skill or experience that is lacking amongst the members of the Committee.

- 3.4. The Chair of the Committee must be non-executive and must not also be the Chairman of the Board.

## 4. Invitees

- 4.1. Other persons may attend meetings of the HR Committee by invitation. Persons who may commonly be invited to attend include:
- (a) the Chief Executive Officer
  - (b) the Finance Manager
  - (c) the Company Secretary
  - (d) any Board appointed external adviser
- 4.2. Invitees may take part in the business of, and discussions at, the meeting but have no voting rights.
- 4.3. At times all executive and management personnel will be invited to leave the meeting to allow the Committee to have a closed session either with or without the presence of the external adviser.

## 5. Meetings

- 5.1. The Committee will meet at least twice per year and additionally as the Committee considers necessary at appropriate points in the review cycle.
- 5.2. A quorum will be more than half the members. In the Chair's absence from a meeting, the members present will select a Chair for that particular meeting.
- 5.3. All Committee members are expected to attend each meeting in person or through other approved means such as teleconferencing and video conferencing.
- 5.4. The notice confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend no later than five business days before the date of the meeting. Supporting papers shall be sent to members and other attendees, as appropriate, at the same time.



- 5.5. The Committee Chair or delegated Committee members shall minute the proceedings and decisions of the Committee meetings, including recording names of those present and in attendance.

#### Voting

Any matters requiring decision will be decided by consensus, or if a consensus is not achievable, then by a majority of votes of members present. If there is an equality of votes the Chair of the meeting shall have a casting vote in addition to any vote he or she may have.

## 6. Conflicts of Interest

Committee members will be invited to disclose conflicts of interest at the commencement of each meeting. Ongoing conflicts of interest need not be disclosed at each meeting once acknowledged. Where members or invitees are deemed to have a real or perceived conflict of interest, they will be excused from Committee discussions on the issue where a conflict exists.

## 7. Minutes

Draft minutes must be prepared, and circulated to all the members within one week of a meeting. A final draft of the minutes must be presented to the next meeting of the Committee for approval and signature by the Chair of the meeting to which the minutes relate.

## 8. Reporting to the Board

The Chair of the HR Committee is to report to the Board following each Committee meeting. The manner of reporting may be by distribution of a copy of the minutes supplemented by other necessary information, including recommendations requiring Board action and/or approval.

## 9. Review

- 9.1. The HR Committee will review its performance on an annual basis. The review may be conducted as a self-assessment and will be coordinated by the Chair. The assessment may seek input from any person. The Chair will monitor training needs.
- 9.2. The Committee should review this charter and its composition annually to ensure that it remains consistent with the Board's objectives and its responsibilities. The Board should consider the Committee's review and either approve or further review the Committee's charter and/or composition.