



Australian Agricultural Company Limited

ABN 15 010 892 270

People and Culture Committee Charter

Approved by the Board of Australian Agricultural Company Limited
on 14 May 2024

People and Culture Committee

1. Introduction

The People and Culture Committee (“Committee”) is a committee of the Board of Australian Agricultural Company Limited (“AACo”).

This charter sets out the responsibilities delegated by the Board to the Committee and the Committee’s objectives, authority, responsibilities, composition, and operation.

2. Primary Objectives

The Committee’s role is to oversee, monitor and review the operation of AACo’s people frameworks, strategy, and policies, and to provide advice and assistance to the Board in relation to the safety and wellbeing, performance and remuneration, inclusion, talent development and conduct of workers within AACo, aligned to its purpose, values, and ways of working.

3. Membership

Members of this Committee will be appointed by the AACo Board from the non-executive Directors of the Company. The Committee will consist of not fewer than three members:

Who will:

- Be independent of senior management and the executives of AACo;
- Be free from any relationship which might in the opinion of the AACo Board be construed as a conflict of interest;
- Possess the necessary technical expertise, as well as sufficient understanding of the industries in which AACo operates;
- Consist of a majority of non-executive directors.

A quorum shall be two non-executive Directors.

The chairperson of the Committee will be a non-executive Director and is appointed by the AACo Board.

The duties and responsibilities of a member of the Committee are in addition to those duties as a member of the AACo Board.

4. Attendance at Meetings

The MD/CEO, Executive General Manager Corporate Services, Executive General Manager People and Culture and/or other relevant executives shall attend the meetings in addition to Committee members upon invitation. Other AACo Board members shall also have the right to attend if they wish.

The Committee chairperson will regularly meet with the respective chairs of other committees of the Board (including the Audit and Risk Committee) to report on any material matters arising from the Committee meeting.

The chairperson for the Audit and Risk Management Committee (ARMC) may attend any meeting of the Committee at their discretion.

The Company Secretary shall be the secretary of the Committee and shall minute all relevant discussion and decisions of the Committee.

5. Frequency of Meetings

The Committee will meet at least three times a year, and at such additional times, as the chairperson shall decide in order to fulfil its duties.

The chairperson must call a meeting of the Committee if requested by any member of the Committee, the external auditor, the internal auditor or the chairperson of the AACo Board.

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6. Conflicts

No member of the Committee will participate in the determination of their own remuneration.

7. Minutes

Minutes of meetings of the Committee shall be promptly prepared by the Company Secretary, approved by the Committee Chair in draft and circulated to all members of the Committee for comment, and to the AACo Board.

Minutes of meetings of the Committee shall be confirmed at the next meeting of the Committee and then signed by the Committee Chair and retained by AACo.

8. Authority of Committee

The Committee is authorised by the AACo Board to:

- request any officer or employee of AACo, external legal counsel, or any person or group with relevant experience or expertise to attend meetings of the Committee or to meet with any members of, or consultants to, the Committee;
- investigate any matter brought to its attention within its scope of responsibility, and, for this purpose, will have unrestricted access to records, lawyers retained by AACo and Company officers, executives and all other employees;
- obtain outside legal advice or other independent professional advice, and where considered appropriate, and appoint duly qualified independent experts to audit the effectiveness of relevant management systems;
- obtain whatever internal information is required to recommend appropriate remuneration packages for individuals, and to obtain, where necessary, outside professional advice on compensation programs for executives or directors in the market place;
- delegate authority to subcommittees.

9. Duties of Committee

The Committee has the following duties and responsibilities:

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- Oversee development, monitor implementation, and review effectiveness of the people and culture strategy framework and initiatives, so that they are consistent with AACo's business strategy and objectives, and support AACo's purpose, values, and culture.
- Monitor the sentiment of team members, their advocacy for AACo, and AACo's effectiveness in delivering a leading employee experience.

Wellbeing, Health and Safety

- Oversee development, monitor implementation, and review effectiveness of the safety, health and wellbeing strategy, framework, and initiatives, so that they are consistent with AACo's safety objectives, values and culture.
- Periodically review the appropriateness of the Company's wellbeing, health and safety policies.
- Monitor the effectiveness of the Company's wellbeing, health and safety policies and of the Company's health and safety management systems.
- Monitor and review all aspects of the wellbeing, health and safety risks, which are relevant to the Company's operations.
- Review major initiatives and developments in wellbeing, health and safety areas.
- Receive and consider reports on major changes to the Company's wellbeing, health and safety responsibilities.
- Receive and consider reports on any significant system failure.
- Receive and consider reports on any significant accident or other incident.

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Reward and Remuneration

- Review AACo's remuneration strategy so that remuneration is appropriate, competitive, and effectively designed to attract, motivate and retain employees, and make recommendations to the Board regarding remuneration strategy, short-term and long-term incentive performance targets, participation and outcomes.
- Oversee the consideration of risk and other matters in the context of remuneration.

CEO/Managing Director

Review and make recommendations to the Board on:

- Remuneration programs and performance targets for the CEO, including specific contracted arrangements, and the assessment of individual performance against performance targets.
- Proposed retirement benefits for the Managing Director/Chief Executive Officer.
- Termination payments for the CEO/Managing Director for consistency with contractual entitlements and the rules of any incentive scheme or policy.

CEO Direct Report Appointment and Remuneration

Review and make recommendations to the Board, having regard to the CEO/Managing Director's input on:

- The appointment of, and remuneration packages for the CEO's direct reports, and assessments of individual performance against performance targets.
- Termination payments for the CEO/Managing Director's direct reports for consistency with contractual entitlements and the rules of any incentive scheme or policy.

Short Term Incentive Plans

- Review and make recommendations to the Board on the structure of the Company incentive plans annually so that they are effectively designed to reward the achievement of business and individual objectives equitably and within the Company's cost parameters.

Long Term Incentive Plans

- Review and make recommendations to the Board on the design of long-term incentive and equity plans annually so that they are effectively designed to meet AACo's objectives and create shareholder value, are aligned with industry standards and are within the Company's cost parameters.

Superannuation

- Review and make recommendations to the Board in relation to the provision of superannuation payments for the Managing Director/Chief Executive Officer and direct reports.

Remuneration for Non-Executive Directors

- Review and recommend to the Board the preparation of Directors' fees payable to non-executive Directors within the limits set under the Company's constitution.

Remuneration reporting

The Committee has the responsibility to:

- propose the Annual Remuneration Report to the Board;
- liaise with the external auditors in relation to its review; and
- make recommendations to the Audit and Risk Management Committee that the Annual Remuneration Report of the Company is in accordance with the Corporations Act, including complying with relevant accounting standards, the Corporations Regulations and other mandatory professional reporting requirements.

The chairperson of the Committee and/or the Chair of the Board may engage with shareholders and proxy advisers in advance of the Annual General Meeting.

10. Specific Duty: Engagement of Remuneration Consultants

In accordance with section 206K of the Corporations Act 2001 (Cth), the Committee must approve the appointment of any remuneration consultant, before the Company enters into a remuneration consultancy contract with that remuneration consultant.

As contemplated by sections 206L and 206M of the Corporations Act 2001 (Cth), the Committee will require that the remuneration consultant:

- (i) provides any remuneration recommendation directly to either or both of the Committee or the AACo Board, subject to section 10(ii) of this Charter;
- (ii) does not provide any remuneration recommendation to an executive director, nor to a person who is neither a director of the Company nor a member of the Committee; and
- (iii) includes with any remuneration recommendation a declaration that the remuneration consultant's recommendation is made free from undue influence by the member or members of the key management personnel to whom the recommendation relates.

Subject to the above, the Committee will report any remuneration recommendation directly to the non-executive directors of the Company.

11. Talent Development and Succession Planning

- Review principles and strategies for the attraction, development, succession planning and retention of employees so that AACo can access the skills and capabilities required now and, in the future, to achieve its business strategy and objectives.
- Undertake appropriate succession planning for the Managing Director/Chief Executive Officer and key direct reports.

12. Sustainability/Environmental, Social and Governance ('ESG')

- Advise and make recommendations to the AACo Board on setting of appropriate linkages between executive remuneration and AACo's progress to meeting its sustainability/ESG targets as set by the Board.
- Once the above linkages have been set, monitor, and review, at least annually, the effectiveness of those linkages on AACo's progress to meeting its sustainability/ESG targets.

13. Inclusive Workplace

- Oversee development, monitor implementation, and review effectiveness of the diversity and inclusion strategy, framework and initiatives and their compliance with relevant legislative, regulatory and governance requirements including in relation to equal opportunity, gender equality, sexual harassment, and diversity.
- Review and, if appropriate, make recommendations to the Board on diversity and inclusion generally within the Company, having regard to remuneration by gender, measurable objectives for achieving diversity and inclusion and progress in achieving such objectives.
- In conjunction with the Nominations Committee, ensure the application of the Diversity Policy to Board appointments and succession.
- Make recommendations to the Board regarding this Policy and strategies to address Board diversity.

14. Conduct

- Oversee development, monitor implementation, and review effectiveness of processes to address behaviours not in alignment with AACo's values, ways of working and code of conduct, or relevant laws or regulations.

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15. Compliance

- Review compliance with Federal and State legislation, which impacts on employee matters.
- Review relevant Company policies and/or procedures on a regular basis.
- Regularly report to the AACo Board and address matters of concern or such other matters as the AACo Board may refer to the Committee from time to time.
- Review and update this charter as is considered necessary from time to time and submit any proposed revisions to the AACo Board for consideration and approval.

16. Annual Review

The Committee will conduct an annual review of its performance and effectiveness by reference to this Charter and current best practice. This review process will include a review of the appropriateness of the terms of this Charter for current circumstances. Where necessary, the Committee may, by resolution, alter the responsibilities or functions of the Committee and recommend to the Board the formal adoption of the revised Charter for future operations of the Committee.

17. Reporting to the Board

The Committee Chair will provide a report on the actions of the Committee to the Board at the first meeting of the Board directly following any meeting of the Committee. The report shall include any material matters arising from the Committee meeting and any recommendations requiring Board approval and/or action.

The Committee Chair will formally advise the Chairperson of the Board of any matters or recommendations requiring the attention of the Board and will ensure that the Board is promptly made aware of any matters brought to the attention of the Committee Chair that may significantly affect the reputation of AACo. Copies of Committee papers and reports, together with minutes of each Committee meeting, will be circulated to all Board Members.