

People and Culture Committee Charter

1. Introduction & Purpose

The purpose of this Charter is to set out the powers, responsibilities, function and composition of the People and Culture Committee (the Committee). This Committee fulfills the requirements of the Human Resource Committee as outlined in the Dairy Australia Constitution.

This Committee of the Board of Dairy Australia has been established to assist the Board by providing oversight and direction on people and remuneration policies and practices that support delivery of Dairy Australia's strategic direction and culture which:

- Enable Dairy Australia to attract and retain directors, executives and employees who will create sustainable value for farmers
- Fairly and responsibly reward executives having regard to the performance of Dairy Australia
- Comply with all relevant legislation and policies and reporting requirements
- Commit to the achievement of a diverse and inclusive workforce
- Facilitate identification and development of successors to executives and other business critical roles resulting in robust succession plan
- Maximise the effectiveness of Dairy Australia's people management activities including delivery on agreed organisational culture outcomes.

2. Role and Responsibilities

The Committee will:

2.1 HR Strategy

- a) Ensure that there is in place a current HR Strategy for the organisation and monitor annual progress against that strategy.

2.2 People & Culture

- b) Review ongoing effectiveness of the organisation leadership with regard to structure, capability, identification, and retention of successors.
- c) Review and monitor succession planning for the Board Chair, Managing Director/CEO, leadership team and other critical roles.
- d) Monitor the organisational culture and ensure that it aligns with Dairy Australia's statement of values including reviewing engagement survey results and related actions undertaken by Management.

2.3 Diversity and Inclusion

- e) Review and report on the effectiveness of diversity and inclusion policies.

2.4 Reward Strategy

- f) Review ongoing effectiveness of the company's reward strategy and principles and ensure alignment with the company's purpose, values, strategic objectives and risk appetite.

2.5 Remuneration

- g) Make recommendations to the Board regarding the Managing Director/CEO's remuneration.
- h) Make recommendations to the Board regarding, incentive payments for the Managing Director/CEO and Leadership Team members if applicable.
- i) Review adjustments to fixed remuneration for Leadership Team members.
- j) Review any payments or benefits in addition to fixed remuneration proposed to be paid or provided to Leadership Team members.

2.6 Non-Executive Director Remuneration

- k) Make recommendations to the Board on the total funds (pool) available for remuneration for Directors.
- l) Make recommendations to the Board in relation to the structure and level of Director remuneration.

2.7 Performance

- m) Make recommendations to the Board of the appropriate Key Performance Indicators for the Managing Director/CEO directly linked to the organisational goals and strategic objectives.

2.8 Board Skills, Vacancies, Performance and Education

- n) Assist the Board on an ongoing basis in formulating, articulating and maintaining the skills matrix setting out the skills required of the Board as a whole.
- o) Review the Board Selection Committee charter on an annual basis.
- p) Support the Board Selection Committee with its responsibility to fill Board vacancies, with the Chair of this Committee or their nominee to act as a liaison point between the Committee and the Board Selection Committee.
- q) Oversight of Board education including the Director induction program and Director continuing development.
- r) Provide support (as and when required) to the Board in relation to the internal and external evaluation of the Board's performance and individual director reviews.

2.9 HR Compliance

- s) Review key human resource management policies and related information to ensure that such policies are consistent with both contemporary good practice and "best practice" corporate governance and recommend changes for Board approval.
- t) Ensure management has processes and systems in place to ensure compliance with HR legislative, Equal Opportunity laws and regulatory requirements.
- u) Oversee WH&S policy, management and performance.
- v) Provide updates to the Board on effectiveness of WH&S policy, management and performance.

3. Membership

Membership of the Committee is to be reviewed by the Board at least annually with the aim of maintaining some continuity. Committee membership must comprise:

- at least three non-executive directors of the Board, one of whom is the Board Chair.
- a majority of independent non-executive directors (as per Dairy Australia's Independence of Directors Policy).

The Company Secretary will be Secretary of the Committee unless otherwise determined by the Committee.

4. Chair

The Committee Chair must be an independent, non-executive director who is not the Board Chair.

Should the Committee Chair be absent from a meeting, the Committee members present must appoint a Chair for that particular meeting, who should not be the Chair of the Board.

5. Meetings of the Committee

- a) The Committee Chair, with the GM People and Culture or their designate, shall prepare a work program each year, to ensure the responsibilities set out in this Charter are met. The work program will be approved at the first meeting of the year.
- b) The Committee shall meet as frequently as required to undertake its role effectively, but at least four times a year.
- c) Directors have a standing invitation to attend meetings of the Committee and have access to Committee papers, subject to conflicts.
- d) The CEO and GM People and Culture are expected to attend each Committee meeting. Other non-Committee members, including members of management, may attend meetings of the Committee at the invitation of the Committee Chair.
- e) The agenda and papers for each meeting are to be forwarded to each Committee member at least five working days before each meeting.
- f) Meetings are called by the Secretary as directed by the Committee Chair.
- g) A quorum shall comprise a majority of the Committee members present.
- h) The Committee Chair does not have a casting vote.
- i) Meetings can be held electronically (e.g. web or phone conference), in person or as otherwise agreed by the Committee.

6. Authority

As per Dairy Australia's Constitution, this Charter:

- must specify the powers, functions and responsibilities of the Committee,
- may give direction as to the reports the Committee is to make to the Board,
- may contain other directions and guidance for the Committee, including in relation to proceedings of the Committee, and
- will be made publicly available.

The Board will delegate to the Committee the powers, functions and responsibilities specified in the Committee charter.

7. Minutes and Reporting to the Board

- j) The Company Secretary, or delegate, must prepare the minutes of the Committee meeting within a timely manner.
- k) The Chair of the Committee shall report to the Board following each meeting of the Committee and ensure that any recommendation requiring a formal resolution goes to the Board with appropriate explanatory material for consideration.
- l) A copy of the minutes of each meeting of the Committee is to be provided to the Board.
- m) The Committee will also consider if any material matters arising out of the Committee meeting should be advised to any other Committee and, if so, ensure that this occurs.

8. Written Resolutions

If all the Committee members sign a document containing a statement that they are in favour of a resolution set out in a document or otherwise indicate their approval by electronic means, a resolution is passed at the time when the last Committee member signs in accordance with Rule 20.2 of the Constitution.

9. Access to personnel and information

The Committee may request further information from the GM - People and Culture or seek advice from external parties as appropriate.

The Committee has unrestricted access to Management, employees and information it considers relevant to its responsibilities under this Charter, subject to compliance with the Dairy Australia Privacy Policy.

10. Review of this Charter

The Committee will review this Charter at least annually. Any proposed material changes to the Charter will be recommended to the Board for approval.

11. Committee Performance Review

The Chair of the Committee, in consultation with the Board Chair, will conduct a review of the performance of the Committee at least once every two years.

The evaluation will take account of its performance in relation to this Charter and serve to ensure that it is operating in line with accepted practice for People and Culture committees.

Additionally, the performance of the Committee will be externally evaluated as part of the Board performance review required to be carried out every three years.

12. Publication

This Charter will be published on the Dairy Australia website and any amendments will be updated. A copy will be made available to members if requested.