



People and Culture Committee Charter

1. Purpose of Charter

This **Charter** sets out the role, functions, structures and processes of the People and Culture Committee (**Committee**) of NPP Australia Limited (**Company**).

2. Committee Objectives

The objectives of the Committee are to assist and advise the Board of the Company:

- on matters relating to the Company's governance framework and to the promotion of a productive, ethical and safe work culture, which respects diversity and supports the achievement of the Company's strategy;
- on matters relating to recruitment, remuneration, retention, succession and termination issues for the Company's Chief Executive Officer, senior executives and direct reports;
- in ensuring that the Board and its committees are comprised of individuals who are best able to discharge the responsibilities of directors and committee members, and ensuring that the Board and its committees are performing to high standards; and
- on matters relating to the appointment, remuneration and succession of the Chair and independent directors.

3. Responsibilities

Consistent with the objectives of this Charter, the Committee has the following responsibilities:

- a. Governance and Culture
 - i. Monitor and review the Company's governance framework, including its governance policies, charters, systems and processes to ensure these are consistent with best practice corporate governance and with promoting an effective Company culture; and
 - ii. Provide guidance to the CEO on governance matters brought to the attention of the Committee.
- b. Recruitment framework and policy
 - i. Provide guidance to the CEO on establishing a recruitment framework for the Company's senior executives and staff;
 - ii. Determine in consultation with the CEO a recruitment policy for senior executives.
- c. Remuneration and other Policies
 - i. Senior executives:
 - Determine in consultation with the CEO remuneration, retention, termination and superannuation policies and practices for senior executives;
 - Review and advise upon remuneration packages of senior executives including levels of incentive payments, endeavouring to align with market trends;
 - Review and advise the CEO upon the CEO's recommendations regarding annual bonuses for senior executives.
 - ii. CEO:
 - Review annually in accordance with the terms of the CEO's Executive Services Agreement (ESA) the CEO's performance targets, remuneration and benefits and make a recommendation to the Board;
 - Monitor and review in accordance with the CEO's ESA the CEO's performance against the agreed annual performance targets and make a recommendation to the Board regarding payment of annual bonus.
 - iii. Independent Director/s and Chair
 - Review and recommend to the Board remuneration arrangements for independent director/s;
 - Review and recommend to the Board amendments to the Chair's contract of employment in accordance with the terms of the contract.

- iv. Annual remuneration review
 - Review and recommend to the Board at least two months prior to the end of the financial year any CPI increase or other adjustment to the overall remuneration budget.
- d. Succession plans
Review and advise upon succession plans for the CEO and the Chair.
- e. Nomination policy
Consider and advise the Board on matters relating to Board composition and succession needs:
 - i. Review the skills mix and experience of existing directors and recommend to the Board the appropriate mix of skills and competencies for the future needs of the Company;
 - ii. Review the nominations received for Board positions and advise the Board and electing shareholders on the nominees' suitability for the role given the appropriate mix of skills and competencies for the future needs of the Board;
 - iii. Consider and advise the Board on matters relating to the appointment of independent directors and the eligibility of elected directors;
 - iv. Identify, interview candidates for any independent director position and prepare recommendations for the Board;
 - v. Consider and advise the Board on matters relating to the succession of the Chair;
 - vi. Review the on-going independence of Independent Director/s and the Chair at least annually;
 - vii. Consider and advise the Board, in consultation with the Chair of the Board, on composition of Board Committees;
 - viii. Formulate a policy for regular Board and Board Committee evaluation, oversee the board evaluation process and report to the Board with recommendations.

4. Governance

- a. Committee Membership
 - i. The Chair and members of the Committee are appointed and removed by the Board.
 - ii. The Committee will consist of at least four directors.
 - iii. The CEO will attend Committee meetings as an observer.
 - iv. The Chair of the Committee must not also be the Chair of the Board.
 - v. The term of appointment of Committee members is two years. A member can serve a maximum of two consecutive terms on the Committee if appointed by the Board.
 - vi. If the Board determines that a Committee member is unable to perform the role of Committee member due to illness or other incapacity, the Board may remove and replace that member with another director.
- b. Proceedings of Committee
 - i. The Committee will meet at least twice a year and more frequently as required.
 - ii. The quorum for a meeting of the Committee is a majority of Committee members.
 - iii. Committee members will be invited to disclose conflicts of interests at the commencement of each meeting.
 - iv. Where the CEO's performance targets or his performance are being reviewed, the CEO will not participate in the discussion. Where succession of an Independent Director or the Chair is under consideration, if either officeholder is a member of the Committee, they will not participate in the discussions.
 - v. Committee members, or other attendees, may attend by video or conference call.
 - vi. Each Committee member has one vote.
 - vii. The Committee will seek to make unanimous decisions in the first instance. If unanimity cannot be reached and the matter requires a decision, the Committee may vote on the matter. Support of a simple majority of the members present is required for a decision to be made.
 - viii. The Committee may invite non-members to its meetings to provide advice from time to time and may also call on independent expertise as required.
 - ix. At any time, all executive and management personnel may be invited to leave the meeting to allow the Committee to have a closed session.
 - x. The Company Secretary or another designated person will undertake the duties of secretariat. Management will provide support to the Committee as required.
 - xi. In addition to the matters set out in this Charter, the provisions of the Constitution that apply to meetings and resolutions of directors, apply to meetings and resolutions of the Committee.

- c. Authority and Accountability
 - i. The Committee is established by the Board, under Article 9.6 of the Constitution.
 - ii. The Committee is authorised:
 - To seek any information it requires from employees, who will be directed to co-operate with the Committee's requests, or from external parties;
 - To obtain, at the Company's reasonable expense and subject to Board approval, external legal or other professional advice on any matter within its charter.
- d. Reporting
 - i. The Committee will report to the Board within a reasonable period of each committee meeting and will exercise its powers in accordance with any directions of the Board.
 - ii. The Committee will inform the Board of any matters arising that may significantly impact on the Company's financial position or the Company's operations.
- e. Review of Charter and Policies
 - i. The Committee will review this Charter annually so that it remains consistent with the Board's objectives and responsibilities.
 - ii. The Board may amend this Charter in its own right or on the recommendation of the Committee.

5. Glossary

Words defined in the Constitution have, unless the contrary intention appears, the same meaning in this Charter.

Change history

Date	Version	Reviewed by	Approved by	Change
26/06/2016	1.0	Board		
23/08/2016	2.0	Board		Insert s3(d)(iii).
13/12/2016	3.0	Board		Insert clause 3(a).
23/08/2018	3.1	RNC	RNC	Annual review.
30/08/2018	4.0	Board	Board	
18/07/2019 (out of session)	4.1	PCC		Addition of reference to role with respect to Company culture.
25/07/2019	5.0	Board	Board	
09/09/2020	5.0	Board	Board	Annual review.
10/12/2020	5.0	NPPA	NPPA	Copied into Governance template.