

# Human Resources Committee Charter

## 1. Introduction and Purpose

The purpose of this Charter is to set out the powers, responsibilities, function and composition of the Human Resources 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
- Maximises the effectiveness of Dairy Australia's people management activities including delivery on agreed organisational culture outcomes

## 2. Role and Responsibilities

The Committee will:

### HR Strategy

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

### People & Culture

- b. Review ongoing effectiveness of the organisation leadership with regard to structure, capability, identification, and retention of successors
- c. Monitor the organisational culture and ensure that it aligns with Dairy Australia's statement of values.

### Diversity and Inclusion

- d. Review and report on diversity and inclusion policies.

### Reward Strategy

- e. 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.

## **Remuneration**

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

## **Non-Executive Director Remuneration**

- j. Make recommendations to the Board on the total funds (pool) available for the aggregate pool of remuneration for Directors.

## **Performance**

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

## **Board Skills, Vacancies, Performance and Education**

- l. 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
- m. Review the Board Selection Committee charter on an annual basis
- n. 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
- o. Support the continuing development of Board members
- p. 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.

## **HR Compliance**

- q. 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.
- r. Ensure management has processes and systems in place to ensure compliance with HR legislative, EO laws and regulatory requirements.
- s. Oversee WH&S policy, management and performance and ensure management has processes and plans in place to minimise the risk of injury to the health and wellbeing of Dairy Australia employees, and third parties who enter onto Dairy Australia premises. Provide updates to the Board on effectiveness of WH&S.

### **3. Membership**

The Committee shall be appointed by the Board and comprise at least three non-executive Directors of the Board, the majority of which are independent and one of whom shall chair the Committee.

Membership of the Committee is to be reviewed by the Board annually.

The Board Chair and any other Board members may attend meetings of the Committee as of right.

The Managing Director and the General Manager - Human Resources are expected to attend Committee meetings.

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

### **4. Meetings of the Committee**

The Committee shall meet at least three times a year.

Meetings shall be based on an agenda set at the commencement of each calendar year.

Meetings are called by the Company Secretary as directed by the Board or at the request of the Chair of the Committee.

A quorum shall comprise two of the Committee members present.

Meetings can be held electronically (e.g. web or phone conference), in person or as otherwise agreed by the Committee.

### **5. 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 each committee the powers, functions and responsibilities specified in the committee charter.

### **6. Reporting to the Board**

Minutes of meetings will be kept.

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. A copy of the minutes of each meeting of the Committee is to be provided to the Board.

## **7. Written Resolutions**

If all the Committee members sign a document containing a statement that they are in favour of the resolution set out in the document, a Committee resolution in those terms is passed at the time when the last Committee member signs. In accordance with Rule 20.2 of Dairy Australia's Constitution, an email produced under the name of a Committee member with that Committee member's authority, is considered a document in writing signed by the Committee member and is deemed to be signed when received in legible form.

## **8. Access to personnel and information**

The Committee may request further information from the General Manager – Human Resources or seek advice from external parties as appropriate.

The Chair of the Committee has unrestricted access to Management, employees and information it considers relevant to its responsibilities under this Charter, but will, except in extenuating circumstances, make enquiries via the General Manager Human Resources or Managing Director in the first instance.

## **9. 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.

## **10. 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 HR 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.

## **11. 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.