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People and Culture Committee Charter



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1. Role and Objectives

The role of the Committee is to assist the Board with the oversight and development of the people and culture management strategy to ensure the Company fulfils its roles to the stakeholders and has in place the right policies, processes and culture to support achievement of the Company's business goals.

The objectives of the Committee pertain to the development of the Company's people and culture management strategy including:

- the remuneration of the directors, Chief Executive Officer (CEO) and executive managers.
 - determining appropriate, fair and equitable remuneration strategies and instruments
 - ensuring the link between performance and reward is maintained and aligned with shareholders' interests
 - talent development and succession practices to ensure ongoing business sustainability
- fostering a high performance and ethical corporate culture
- cultivating inclusive practices that attract, develop and retain quality human resources
- HR risk management

The Committee has no executive or governing status and reports to the Board of Directors.

1.1 Scope and Definitions

The Committee will provide direct oversight of the remuneration, talent development and succession plans for the CEO, the KMP and the most senior executives of the Company.

The Committee will review and approve the plans and remuneration strategies for the broader community of executives and employees.

KMP	The executives named in the annual Remuneration Report.
Senior Executives	The executives with the ability to influence the strategy and financial success of the company.

2. Membership of the Committee

HRL will comply as far as possible with the ASX Recommendations as to the Committee composition namely it will, where practicable, comprise:

- at least three (3) members;
- the majority of the members will also be independent directors; and
- the Committee will be chaired by an independent director.

Where this composition is not practicable then HRL will ensure that the Committee comprises:

- at least two (2) members; and
- the majority of the members will also be independent directors and if there are only two (2) members then both will be independent directors.

HRL will seek to wherever practicable rotate Committee members such that:

- they are on the Committee for a maximum term of 5 years; and

- there is a staggered rotation of Committee members.

The Board will appoint the Chair of the Committee. The Board may appoint such additional directors to the Committee or remove and replace members of the Committee by resolution.

Management may attend meetings of the Committee at the invitation of the Committee Chair, but must not be appointed members of the Committee. The invitation to attend Committee meetings may be a standing invitation.

Any director is entitled to be present at all meetings of the Committee.

3. Administrative Matters

3.1 Meetings

The Committee will meet at least two times per year; however, the Committee will meet as often as Committee members deem necessary in order to fulfil their role.

A notice of each meeting confirming the date, time, venue and agenda shall be forwarded to each member of the Committee at least five days prior to the date of the meeting. The notice for members will include relevant supporting papers for the agenda items to be reviewed and discussed. Any member may, and the Secretary must, convene a meeting of the Committee upon a member's request.

A quorum will comprise any two Committee members. In the absence of the Committee Chair or appointed delegate, the members shall elect one of their number as Chair for that meeting.

3.2 Advisers to the Committee

The Committee or an individual member may, upon notifying the Board or the Chairman, seek the advice of the Company's auditors, solicitors and other external consultants or specialists as to any matter pertaining to the powers or duties of the Committee.

The Committee may obtain information from and consult with the CEO or other internal management resources, as it considers appropriate.

The Committee may, with the prior approval of the Board, instruct the CEO to engage independent advisers in relation to any matter pertaining to the responsibilities of the Committee in accordance with the Board's general policy, as the Committee may require.

3.3 Secretarial Support

The Company will provide secretarial support to the Committee. Proceedings of all meetings are to be minuted by the Company Secretary, approved by the Committee, and signed by the Committee Chair.

4. Reporting

The Committee Chair will provide an oral report of the actions of the Committee at the next Board meeting.

The Committee Chair will also, if requested, provide a brief oral report as to any material matters arising out of the committee meeting. All directors will be permitted, within the Board meeting, to request information of the Committee Chair or members of the Committee.

5. Responsibilities and Functions

The Committee will be responsible for ensuring the Group has and observes coherent human resources and remuneration policies and practices which enable it to attract and retain executives, directors and employees who will create value for shareholders, generate sustained business performance and support HRL's goals and values.

5.1 Codes and Policies

The Committee will be responsible for reviewing Group codes and policies related to human resources and compensation matters and recommending these to the Board for approval.

5.2 Remuneration Strategy

The Committee will be responsible for:

- a) reviewing and making recommendations to the Board on the remuneration strategy for executives and employees which are aligned to shareholders' interests having regard to the general pay environment and ensuring remuneration is set at the level necessary to retain high performing key management personnel, executives and employees; and
- b) making recommendations to the Board for non-executive directors' fee structure having regard to the general pay environment and market to ensure fees and the fee pool are set at the level necessary to maintain an appropriately qualified and stable board; and
- c) reviewing general remuneration policies and practises for the Group taking into account emerging remuneration trends and shareholder feedback (including provision of short and long term incentive schemes, special bonuses, pensions and similar matters) and where appropriate, recommend for adoption by the Board.

5.2.1 Remuneration Management & Review

The Committee will be responsible for reviewing and making recommendations to the Board on:

- a) the aggregate level of remuneration paid to non-executive directors, including individual fees for directors and the Chair, and any additional fees payable for membership of Board committees taking into account the composition of the Board and Committees, market trends and the Company's performance;
- b) the total level of remuneration for the CEO, including short term and long term incentives;
- c) the total levels of remuneration for key management personnel and CEO direct reports, including their participation in short and long term incentive schemes; with performance input requested from the CEO;
- d) the STI Plan and LTI Plan total pool sizes annually to ensure an appropriate match with the Company's market cap and performance.

5.3 Human Resources Strategy

The Committee will be responsible for:



5.3.1 Performance Management

- a) Reviewing and making recommendations to the Board on:
 - i. the performance targets for the CEO
 - ii. the performance targets for other KMP's and Senior Executive personnel.

5.3.2 Workplace Culture

- a) Provide guidance in relation to the creation of a positive business culture, harmonious employee relations and monitoring staff including review of:
 - i. Attraction and retention programs including key staff turnover and other relevant statistics
 - ii. Review of the HRL Code of Conduct to ensure congruence with desired culture
- b) Diversity strategy, plans and outcomes
- c) Review of Social Media strategy and the Company's profile in the media
- d) Annual review of legislative changes and confirmation of adherence to these.

5.3.3 Talent Development & Succession Planning

- a) Guidance and review of talent and leadership development programs and succession practises
- b) Review of the CEO's recommendations for succession for Senior Executive positions
- c) Recruitment, retention and termination policies for the CEO and Senior Executive personnel.

5.3.4 HR Risk Management

- a) Oversight and review of executives' general contract terms
- b) Review of executive termination policy
- c) Review of KMP terminations including procedure and payments

5.4 Statutory Reporting

The Committee will be responsible for reviewing and making recommendations to the Board for any annual diversity metrics reporting and the remuneration report for inclusion in the annual report.

6. Review of Charter

The Committee will biennially, at the first meeting of that calendar year, review the membership and charter of the Committee to determine its adequacy for current circumstances. Where necessary the Committee may, recommend for resolution of the Board, alterations to the responsibilities, functions or membership of the Committee and the formal adoption of any revisions to the charter for future operations of the Committee.

This Charter was reviewed by the Board of Directors, following recommendations from the Committee, and adopted on 22 April 2020.