



Namoi Cotton Limited

People and Culture Committee Charter

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People and Culture Committee Charter

1. Purpose of the People and Culture Committee

The People and Culture Committee (**Committee**) has been established to assist the Board in fulfilling its responsibilities in respect of:

- (a) ensuring that the Company has the appropriate ethical standards and corporate governance policies and practices in place in order to protect and enhance shareholder returns.
- (b) ensuring, so far as possible, that policies are properly embedded within the Company's operations and that all who work for and with the Company embrace these policies and standards as a normal and necessary element of managing the Company to maximise value for shareholders.
- (c) establishing appropriate remuneration levels and policies including incentive policies for directors and senior executives; and
- (d) identifying and selecting appropriate individuals for nomination as members of the Board.

2. Role and Responsibilities

The role of the Committee is to assist and advise the board of directors to fulfil its responsibilities to shareholders of the company on matters relating to:

- matters relating to the composition, structure and operation of the board.
- matters relating to senior executive selection and performance.
- Matters relating to both culture and diversity across all levels of the company.
- the compensation, bonuses incentives and remuneration issues of the chief executive officer and senior executives (as defined by the board).
- policies relating to remuneration, incentives, superannuation, evaluation and termination, affecting all staff.
- remuneration of the directors of the board and chairman of the board
- Other matters as required.

The People and Culture Committee is not a policy making body but assists the board by implementing board policy and issuing recommendations which require board approval.

2.1 Committee Objectives

2.1.1 Board:

- Provide assurance that the board has the effective composition, size and commitment to adequately discharge its responsibilities and duties.
- Conduct searches for new board members and recommend preferred candidates to the board.
- Review and recommend board competencies, number and profiles of board members.
- Ensure that board induction and succession plans are in place to maintain the required competencies, number and profiles of board members.
- Review the nominations received for the board in accordance with the preferred criteria and guidelines set out below.
- Regularly monitor board membership and structure and oversee the Board Skills Matrix to ensure that there is appropriate representation of skills and sectors on the board.

- Develop and recommend a process for evaluating the performance of the board, including:
 - (a) evaluation of time required from non-executive directors and whether such time requirements are being met.
 - (b) an annual internal performance review of the Board, Committees and Directors; and
 - (c) an independent five yearly review of the performance of the Board, Committees and Directors.
- consider (and disclose) if a director has an interest, position, association or relationship that may compromise the independence of the director. The Committee will review and monitor a set of key independence criteria to use as a basis for their consideration.
- assess the materiality of the interest, position, association or relationship to determine whether it might interfere, or might reasonably be seen to interfere, with the director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its shareholders generally

2.1.2 CEO and Senior Executives:

- Conducting searches for the chief executive officer and senior executives (as defined by the board).
- Recommending preferred candidates to the board.
- Ensuring that succession plans are in place for the chief executive officer and senior executives.
- Evaluating the performance of the chief executive officer and senior executives.
- Reviewing and making recommendations to the Board on the appointment, renewal and removal of the Chief Executive Officer and other key Senior Management.

2.1.3 Remuneration:

- Review and recommend remuneration of the chief executive officer, within the terms of the employment contract, annually to the board.
- Review and recommend the remuneration of the senior executives in consultation with the chief executive officer.
- Review the chief executive officer's recommendations regarding remuneration to staff.
- Ensure that board director fees, chief executive officer and staff remuneration is aligned with relevant market trends.
- Monitor and review the chief executive officer's and senior executives' performance and key performance indicators, including for determination of the annual bonus components.
- Review and recommend any incentive plans or ex-gratia payments to staff or to the chief executive officer.
- Review employee grievance or staff complaints about remuneration not resolved by senior executives.

2.1.4 Board Nomination:

When reviewing a nomination for directorship, the Committee must consider:

- The level of seniority of the nominee
- Previous and current directorial experience, ideally including a public company
- Academic and professional qualifications
- Skills set of the nominee to complement the skill set of the board
- Industry/professional sector executive experience of the nominee
- Standing of the nominee in the community and rapport with other board members
- Consideration of their experience as a thought leader and team player

- Declared/apparent conflict of interest

2.1.5 Culture:

In discharging their responsibilities, the Committee members have a duty to act in the best interests of the company, irrespective of personal, professional, commercial or other interests, loyalties or affiliations, and to prioritise the company's interest in consideration of candidates for board members.

- Review policies to ensure gender diversity and monitoring the achievement of the Gender Diversity Policy and promote and support a diverse workplace and harmonious workplace culture.
- Ensure that the company remuneration and incentive policies, practices and performance indicators are aligned to the board's vision, values and overall business objectives and are appropriately designed to:
 - (a) Motivate the company staff and chief executive officer to pursue the long-term growth and success of the company, and
 - (b) Establish a fair and responsible reward scheme for executives and other employees having regard to the performance of the Company, the performance of the executive or employee and the general and specific remuneration environment.
- Review and approve the Annual Remuneration Report and make recommendations to the board for inclusion of the Remuneration Report in Namoi Cotton's Annual Financial Report.
- Ensure a strong governance framework of charters and policies to attract, retain and drive high performance in directors, executives and all employees to create shareholder value whilst observing those policies and practices; and
- Ensure compliance with the relevant listing rules, legal and regulatory requirements with respect to all remuneration reporting matters.

3. Composition and Term

The People and Culture Committee is a committee of the board.

The board shall nominate and approve all appointments to the Committee, including any external member, and the appointment of the chairman.

The Committee will include at least three Non-Executive Directors of the board.

Appointment to the Committee will be for 3 years or as determined by the board.

The duties and responsibilities of a member of the Committee will be in addition to those duties set out for a director of the board.

4. Meetings

The Committee will hold meetings at least twice a year and additionally as it considers necessary.

A quorum will be at least two directors of the Committee.

Committee members will be invited to disclose conflicts of interest at the commencement of each meeting.

In the chairman's absence from a meeting, the members of the Committee present at the meeting will select a chairman for that meeting.

Meetings of the Committee may be held face-to-face or by any technological means by which members can participate in a discussion.

The notice and agenda of the meeting will include relevant supporting documentation as appropriate.

The Committee may invite other people to attend as it sees fit and consult with other people or seek any information it considers necessary to fulfil its responsibilities, including but not limited to the Chief Executive Officer and the Company Secretary.

Non-Executive Directors who do not form part of the Committee may also be invited to attend Committee Meetings.

The chairman will communicate the decisions of the Committee to the board after each meeting within a reasonable period.

5. Access

The Committee has the right to access:

- (a) All Books, records and documents
- (b) Independent advice in relation to its duties, subject to prior approval on expenditure by the Chairperson of the Board (which may not unreasonably be withheld); and
- (c) The appropriate internal resources to carry out its duties including the Chief Executive Officer, Chief Financial Officer, Human Resources Manager, Company Secretary and external advisors.

6. Secretariat Duties

The company secretary or another delegated person undertakes the duties of the secretariat.

The Committee chairman or company secretary will minute the matters arising from meetings. The minutes will be ratified by members in attendance and signed by the Committee chairman.

The company secretary will undertake the administrative duties for nominations, as specified by the Committee.

Once the nominations received have been assessed and recommendations made, the Committee advises the Chairman of the board in accordance with its delegation.

Nominees are informed of their success by the chairman of the board. Unsuccessful applicants are informed by the Chairman of the Committee.

The names of the successful nominee(s) for the board are put forward to the shareholders for election at the AGM.

7. Voting

Any matters requiring a decision will be decided by a majority of votes of members present. The Chairman of the Committee will not have a casting vote.

8. Committee Performance

The Committee will review its performance biennially, including the extent to which it has met its responsibilities under this charter.

9. Review of Charter

The Committee should review their charter biennially to provide assurance that it remains consistent with the board's objectives and responsibility.

The board reviews and approves any revisions to the charter.

10. Publication

The Charter is available on the Namoi Cotton website

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Updated and approved 28 April 2020

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