



# Remuneration and Nominations Committee Charter

## 1. INTRODUCTION

- 1.1 The Remuneration and Nominations Committee is a committee of the Board of Directors of Mackay Sugar Limited established under the Company's constitution.
- 1.2 This charter sets out the scope of the Committee's responsibilities in relation to the Company and any subsidiary Company.

## 2. OBJECTIVE

The objective of the Remuneration and Nominations Committee is to ensure the Company and any subsidiary Company:

- 2.1 Has fair and responsible remuneration policies and practices to attract and retain Directors, Executives and staff who will create value for shareholders;
- 2.2 Observes those remuneration policies and practices;
- 2.3 Manages its talent and undertakes succession planning;
- 2.4 Evaluates the performance of the Chief Executive Officer; and
- 2.5 Makes recommendations to the Board in respect to Directors and Senior Executive positions.

## 3. MEMBERSHIP

- 3.1 The Remuneration and Nominations Committee must comprise at least three members.
- 3.2 The Board shall appoint the Committee Chairman. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.
- 3.3 The Remuneration and Nominations Committee will appoint a Secretary.
- 3.4 Other Directors may attend any meeting of the Committee in an ex officio capacity.
- 3.5 The Chief Executive Officer, the Group Manager Human Resources, Health, Safety and Environment and external advisers may be invited to attend all or part of any meeting as and when required by the Committee.

## 4. COMMITTEE MEETINGS

- 4.1 The Remuneration and Nominations Committee will meet as often as it considers necessary and as a minimum three times per calendar year.

- 
- 4.2 The quorum for a Remuneration and Nominations Committee meeting is two Committee members.
  - 4.3 Remuneration and Nominations Committee meetings may be held by any technological means allowing the members to participate in discussions even if all of them are not physically present in the same place. A member who is not physically present but participating by technological means is taken to be present.
  - 4.4 The Remuneration and Nominations Committee may pass or approve a resolution without holding a meeting in accordance with the procedures (so far as they are appropriate) in section 248A of the *Corporations Act 2001* (Cth).

## **5. RESPONSIBILITIES IN RESPECT TO COMPANY REMUNERATION POLICY**

The Committee shall:

- 5.1 Review annually the remuneration trends across Mackay Sugar Limited and all wholly owned subsidiaries.
- 5.2 Review the ongoing appropriateness and relevance of the Company's remuneration policy (in accordance with MSP-HR-1449 Remuneration and Benefits procedure) with reference to market comparisons with particular reference to the 25<sup>th</sup> percentile (P25) of relevant market practice for the relevant role classification.

Where the size or scope of a role has reduced as a result of restructuring, operational changes, the introduction of new technology etc, and the role is consequently evaluated at a lower grade through the grading review process, the Committee may approve the application of the Company's Remuneration Guideline.

The Committee shall commission any reports or surveys which it deems necessary to help it fulfill its obligations.

- 5.3 In reviewing the policy, give due regard to any relevant legal requirements as prescribed by the appropriate government authorities.
- 5.4 Approve any major changes in employee benefit structures throughout the Company including Superannuation, Insurance, Indemnities and other benefits.
- 5.5 Approve the design of any performance related pay schemes operated by Mackay Sugar Limited and any subsidiary Company, and approve the total annual payments made under such schemes.
- 5.6 Review and approve annually, on the recommendation of the Chief Executive, the total remuneration (including incentive awards, retirement and termination entitlements) paid to staff.

## **6. RESPONSIBILITIES IN RESPECT TO EXECUTIVE REMUNERATION**

The Committee shall:

- 6.1 Ensure that Executive remuneration policies and practices are performance based and aligned with the Company's vision, values and overall business objectives.

- 
- 6.2 Recommend to the Board the framework or broad policy for the remuneration of the Company's Chief Executive and his/her direct reports;
  - 6.3 Determine Key Performance Indicators (KPIs) for the Chief Executive before the start of the Company's financial year, against which his/her performance will be assessed. A formal review of this performance will be held at the end of the financial year with interim reviews as required to manage performance expectations between the Remuneration and Nominations Committee and the Chief Executive and to agree modifications to the KPIs as appropriate. The Chairman of the Remuneration and Nominations Committee to report back to the Board following each assessment.
  - 6.4 Determine the total individual remuneration package (including bonuses and incentive payments) and termination arrangements of the company's Chief Executive and recommend to the Board for approval any changes prior to implementation.
  - 6.5 Approve, upon the recommendation of the Chief Executive, the total individual remuneration package (including bonuses and incentive payments) and termination arrangements of the Chief Executive's direct reports.
  - 6.6 Ensure the termination payments for executives are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised.
  - 6.7 Prepare for approval by the Board any report on executive remuneration that may be:
    - required by the ASX Listing Rules or the *Corporations Act 2001*(Cth); or
    - proposed for inclusion in the Annual Report.

## **7. RESPONSIBILITIES IN RESPECT TO BOARD REMUNERATION**

The Committee shall:

- 7.1 Propose to the Board the framework and quantum of remuneration for the Chairman of the Board, Deputy Chairman, Grower and Non-Grower Directors that provides appropriate, responsible and fair reward for their individual contributions to the success of Mackay Sugar Limited.
- 7.2 Determine if shareholder approval is needed for any change to the remuneration of Directors or Executives.

## **8. RESPONSIBILITIES IN RESPECT TO NOMINATIONS OF NON-GROWER DIRECTORS AND SENIOR EXECUTIVES**

The Committee shall:

- 8.1 approve, following the recommendation of the Chief Executive, the appointment of the Chief Financial Officer.
- 8.2 consider succession issues relating to the Chairman, Non-Grower Directors, the Chief Executive Officer, Chief Financial Officer and Company Secretary. The Chairman of the Board may not chair the Committee when dealing with the appointment of his/her successor.

The Committee shall:-

- 
- 8.3 review the Board structure, size and composition and make any recommendations to the Board with regard to any changes deemed necessary.
  - 8.4 provide via the Company Secretary, a tri-annual annual performance evaluation of the members of the Board.
  - 8.5 evaluate the balance of skills, knowledge and experience of the Board and, in the light of this evaluation, prepare a description of the role and capabilities required by the Board.
  - 8.6 recommend to the Board the appointment of Non-Grower Directors and the Chief Executive Officer after adhering to the following process:
    - a. seeking to include the suggestions of any Board Director when establishing a short-list of candidates;
    - b. offering all Board Directors the opportunity to meet the candidate(s).

## **9. ACCESS TO INFORMATION AND INDEPENDENT ADVICE**

- 9.1 The Remuneration and Nominations Committee may seek any information it considers necessary to fulfill its responsibilities.
- 9.2 The Remuneration and Nominations Committee has access to management and may seek explanations and information from management.
- 9.3 The Remuneration and Nominations Committee may seek professional advice from employees of the Company and from appropriate external advisers, at the Company's cost.
- 9.4 The Remuneration and Nominations Committee may meet with external advisers

## **10. MINUTES OF REMUNERATION AND NOMINATIONS COMMITTEE MEETINGS**

- 10.1 The Remuneration and Nominations Committee must keep minutes of its meetings.
- 10.2 Minutes must be distributed to all Remuneration and Nominations Committee members, after the Remuneration and Nominations Committee chairperson has approved them.
- 10.3 Minutes of each Remuneration and Nominations Committee meeting must be included in the papers for the next full Board meeting after each Remuneration and Nominations Committee meeting.
- 10.4 Minutes, agenda and supporting papers are available to Directors upon request to the Remuneration and Nominations Committee Secretary, except if there is a conflict of interest.

## **11. REPORTING TO THE BOARD**

The Remuneration and Nominations Committee chairperson must report the Remuneration and Nominations Committee's findings to the Board after each Committee meeting.

## **12. REVIEW AND CHANGES TO THIS CHARTER**

The Remuneration and Nominations Committee will review this charter annually or as often as it considers necessary.

---

27 September 2018