

## DAIRY AUSTRALIA BOARD HUMAN RESOURCES COMMITTEE CHARTER

### 1. Introduction & Purpose

- 1.1. The purpose of this Charter is to set out the role, composition, responsibilities and operating procedures of the Human Resources Committee (the Committee) of Dairy Australia Limited (DA).
- 1.2. The Constitution requires the establishment of a Committee to assist the Board of Directors of DA (the Board) in discharging its responsibilities by ensuring that DA's human resources practices (including remuneration principles, policies and strategies) are consistent with contemporary good HR practice and "best practice" corporate governance.
- 1.3. The Committee acts as an advisory and review committee on behalf of the Board.

### 2. Role and Responsibilities

- 2.1. The role of the Committee is to assist the Board by monitoring, and advising the Board on, all aspects of DA's human resources strategy.
- 2.2. The responsibilities of the Committee include:
  - 2.2.1. HR Plan  
Ensure that there is in place a current HR Plan for the organisation and monitor annual progress against that Plan.
  - 2.2.2. Reward Strategy
    - Maintain an overview of the company's reward strategy and principles and ensure alignment with the company's vision and business objectives; and
    - Review policies for directors and executives of DA on remuneration and employment terms and conditions.
  - 2.2.3. Annual Remuneration Review
    - Review and recommend to the Board the annual Key Performance Indicators for the Managing Director;
    - Review and recommend to the Board salary adjustments and incentive payments for the Managing Director and the Executive Leadership Team;
    - Assist the Board in ensuring that DA complies with all regulatory and accounting requirements for disclosure of remuneration;
    - Review and make recommendations on the total funds (pool) available for:
      - annual salary increases and incentives payable to staff;
      - and

- The aggregate pool of remuneration of the Directors – after considering company performance, DA’s capacity to pay, stakeholder thresholds, market competitiveness and any other salient issues.

#### 2.2.4. Human Resource Management Practices

- Review and make recommendations on policies relating to the attraction, good management and retention of all employees;
- Independently review 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
- Maintain oversight of senior management succession planning.

#### 2.2.5. HR Compliance

- Ensure management has processes and systems in place to assure compliance with HR legislative and regulatory requirements.
- Oversee OH&S policy, management and reporting including:
  - Monitoring OH&S performance and ensuring management has processes and plans in place to minimize the risk of injury to the health and wellbeing of DA employees, and third parties who enter on to DA premises; and
  - Monitoring compliance with EO laws

#### 2.2.6. Skills required of the Board overall

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.

#### 2.2.7. Liaison with Selection Committee regarding Board vacancies

- Using the overall Board skills matrix as a base, articulate to the Selection Committee the skills required for each Board vacancy as and when such vacancies arise; and
- The Chair of the Committee or their nominee to act as a liaison point between the Committee and the Selection Committee, by providing support and assistance to the Selection Committee in relation to its activities in filling Board vacancies.

#### 2.2.8. Succession Planning

- Develop and review:
  - Director induction programs and the continuing development of Board members;
  - succession planning for the Managing Director, the Executive Leadership Team and individual directors;
- Assist the Selection Committee and the Board in filling Board vacancies as and when such vacancies arise.

#### 2.2.9. Performance Evaluation

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.

### 3. **Membership**

- 3.1. The Committee shall be appointed by the Board and comprise at least three non-executive Directors of the Board, one of whom shall chair the Committee.
- 3.2. Membership of the Committee is to be reviewed by the Board annually.
- 3.3. The Board Chair and any other Board members may attend meetings of the Committee as of right.
- 3.4. The Managing Director, the Group Manager Business and Organisational Performance and the Human Resources Manager should attend Committee meetings.
- 3.5. The Secretary of the Committee shall be the Company Secretary unless otherwise determined by the Committee.

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

- 4.1. The Committee shall meet at least three times a year.
- 4.2. Meetings shall be based on an agenda set at the commencement of each calendar year.
- 4.3. Meetings are called by the Secretary as directed by the Board or at the request of the Chair of the Committee.
- 4.4. A quorum shall comprise 2 of the Committee members present.
- 4.5. While it is desirable that Committee members attend meetings in person where possible, meetings can be attended by telephone or any other technology agreed by the Committee.

### 5. **Authority**

The Committee acts as an advisory and review committee on behalf of the Board and as such does not have delegated decision making powers unless specifically stated by the Board.

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

- 6.1. Minutes of meetings will be kept.
- 6.2. 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 go 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 DA'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 appropriate Dairy Australia staff or seek advice from external parties as appropriate.

## **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**

10.1. 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.

10.2. 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.

10.3. 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 DA website and any amendments will be updated. A copy will be made available to members if requested.