

# **MEAT & LIVESTOCK AUSTRALIA LIMITED**

## **REMUNERATION COMMITTEE CHARTER**

### **PURPOSE**

The Remuneration Committee ('Committee') is a committee of the Meat & Livestock Australia Board ('MLA Board').

This Charter sets out the role and responsibilities, composition and structure of the Committee.

The MLA Board has delegated certain responsibilities to the Committee which will require formal reporting back to the MLA Board. The ultimate responsibility of remuneration policy matters rests with the MLA Board.

### **COMPOSITION & STRUCTURE**

- The Committee members are appointed, removed and/or replaced by the MLA Board.
- Appointments are for twelve month terms or as otherwise determined by the MLA Board.
- The Committee will consist of at least three independent MLA Board members, with one of these as Committee Chair.
- A quorum shall be at least two members or any greater number determined by the MLA Board.
- The Committee may invite any executive management team member or any other individual to attend a meeting of the Committee, as they consider appropriate.
- The Managing Director will be the principal liaison between executive management and the Committee on remuneration matters and will be invited to attend meetings when the Committee considers appropriate.

### **MEETINGS**

The Committee shall meet at least two times per annum and more frequently as required.

Any Committee member may, and the Committee Chair or Secretary, at the request of a Committee member, convene a meeting of the Committee.

The agenda for Committee meetings is determined by the Committee Chair.

The agenda and supporting papers are to be delivered to Committee members by the Committee Secretary at least seven (7) days in advance of each meeting. Late papers may be accepted with the consent of the Committee Chair.

All members, directors and other attendees at Committee meetings are required to keep all information presented (whether written or oral) or discussed at Committee meetings confidential and only use and disclose this information in the proper discharge of their duties to MLA.

## **MINUTES**

The Committee Secretary or delegate must prepare the minutes of the committee meeting and circulate to the Committee Chair within 48 hours. After the Committee Chair has given preliminary approval, the draft minutes will be circulated to all Committee members for their feedback within 7 working days.

Once an opportunity for feedback has been given to all members, the minutes of the meeting must be confirmed and signed by the Chair and filed in the minute book within 1 month of the meeting. A copy of the minutes will be included in the papers for the next committee and board meetings.

## **ROLE AND RESPONSIBILITIES**

The Committee is responsible for reviewing the following remuneration matters:

- To review the position description, KPIs and performance in consideration of the remuneration and incentive framework for the Managing Director.
- Remuneration and incentive framework for senior executives and all staff.
- Remuneration of MLA non-executive directors.
- Recruitment, remuneration and retention strategies to address the Board and MLA Diversity policies.
- The disclosure of remuneration in the Company's public materials including the annual report.

The Committee will review the following matters and in doing so, shall consider whether any significant matters should be brought to the attention of the MLA Board:

- Senior executive succession and key staff succession plans.
- MLA strategic human resources policies and practices, including recruitment, retention and termination strategies, and staff resourcing trends and metrics.
- Achievement against MLA diversity objectives.
- Other relevant matters identified from time to time, or requested by the MLA Board.

The Committee will assist the MLA Board in:

- developing a plan for identifying, assessing and enhancing director competencies;
- developing a succession plan for the Board and regularly reviewing the plan; and
- ensuring that there is an appropriate induction program in place for new directors and reviewing its effectiveness.

Each Committee member is expected to:

- have and maintain a good working knowledge of remuneration issues; and
- have the capacity to devote the required time and attention to prepare for and attend Committee meetings.

## **MLA REMUNERATION FRAMEWORK**

The Committee's objectives in determining the remuneration and incentive framework, policies and practices are to:

- Motivate the Executives and staff to pursue the long-term success of MLA and the cattle, sheep and goat industries it serves by;
  - demonstrating a clear relationship between performance and remuneration;

- involving an appropriate balance between fixed and incentive remuneration, and differentiate between higher and lower performers through the use of a performance management framework; and
- being compliant with all relevant laws and regulations and have regard to stakeholder expectations.

## **REPORTING**

The Committee will report to the MLA Board about its meetings by providing Committee meeting minutes to the MLA Board for noting and make appropriate recommendations for approval by the Board.

## **EVALUATIONS**

In order to ensure the Committee is fulfilling its duties it will:

- undertake an annual assessment of its performance against its chartered duties and responsibilities;
- obtain feedback through the review process and implement any agreed actions.

## **REVIEW OF WORK PLAN & CHARTER**

The Committee will, at least annually, review its

- Work plan and against its chartered duties and responsibilities and provide a report to the board;
- Charter to keep it up to date and consistent with the Committee's authority, objectives and responsibilities. Amendments to the Charter are to be approved by the MLA Board.

**Endorsed: 16 December 2015**