



Remuneration and Nominations Committee Charter

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GrainCorp

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Policy Name: Remuneration and Nominations Committee Charter

Policy Manager	Company Secretary
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1 Purpose

- 1.1. The Board of Directors (**the Board**) of GrainCorp Limited (**the Company**) has constituted this Remuneration and Nominations Committee (**RNC**) to assist the Board in the consideration of relevant people, remuneration and nominations matters within the Company.
- 1.2. This Charter sets out the responsibilities of the RNC, its membership and the manner in which its activities should be conducted.

2 Objectives

- 2.1. The objectives of the RNC (**Objectives**) are to assist the Board to discharge its responsibilities to shareholders and other stakeholders to ensure that the Company:
 - 2.1.1. has coherent people and remuneration policies and practices which (i) are aligned with the Company's purpose, values, strategic objectives and risk appetite and (ii) enable the Company to attract, motivate and retain Directors, executives and employees who will meet the Company's needs and create value for shareholders;
 - 2.1.2. fairly and responsibly remunerates directors, executives and employees having regard to the performance of the Company, the performance of the directors, executives and employees, and the general remuneration environment including increased legislative risk around remuneration disclosure; and
 - 2.1.3. delivers on its overall people strategy, policies and practices in regard to succession planning, talent management, culture, diversity, performance management and employee relations.

3 Composition

- 3.1. The RNC shall be comprised of at least three members, all of whom are Non-executive Directors and a majority of whom must be independent Non-executive Directors.
- 3.2. The Chairman of the RNC shall be an independent Non-executive Director. In the absence of the Chairman of the RNC, the remaining members will elect one of their number as Chair of the meeting.
- 3.3. Members of the RNC shall be appointed by the Board.
- 3.4. The Company Secretary of the Company shall be the secretary of the Committee (**Secretary**).

4 Meetings

- 4.1. The RNC may obtain independent advice, when necessary, at the Company's expense, with the approval of the Chairman of the Board.
- 4.2. The RNC will meet at least four times a year and at any other time at the request of the Board or as the RNC determines.
- 4.3. The Chairman will call a meeting of the RNC if so requested by any RNC member, the Managing Director & CEO or the Secretary.
- 4.4. A quorum of any meeting will comprise two members of the RNC, of whom at least one must be an independent Non-executive Director.
- 4.5. Meetings may be held by the members communicating with each other through any means by which they can participate in discussion even though they may not be physically present in the same place.
- 4.6. All Directors are entitled to attend meetings. The RNC may invite such other persons to attend its meetings as it sees fit and consult with other persons and seek any information it considers necessary to fulfil its responsibilities.
- 4.7. The RNC will meet without the Managing Director & CEO or any Executive Team member being present if the Chairman or the Committee considers it appropriate that members of management not be in attendance, or while any matter relating to their conditions of employment, including remuneration and performance, is under discussion.
- 4.8. Decisions of the RNC will be by majority vote. Any dissenting member of the RNC shall be entitled to have his/her opinion recorded in the minutes.
- 4.9. The RNC may pass or approve resolutions by circular resolution as required. A circular resolution will be deemed to be passed when the last member entitled to vote signs or consents to the resolution. A copy of the written resolution passed by the RNC shall be provided to the RNC's next meeting.
- 4.10. The Secretary will take minutes of all meetings held, papers submitted to meetings and recommendations made by the RNC. These records will be available to any Board member upon request.
- 4.11. The RNC will develop an annual program to meet its responsibilities.

5 Reporting

- 5.1. The Chairman of the RNC, or his or her nominee, will communicate the findings and recommendations of the RNC to the next Board meeting after each meeting.

- 5.2. The minutes of all RNC meetings will be made available to all to members of the Board by the Company Secretary after their preliminary approval by the Chairman.
- 5.3. The RNC will also consider if any material matters arising out of the RNC meeting should be advised to any other committee of the Board and, if so, ensure that this occurs.

6 Responsibilities

The RNC has the following functions and responsibilities to:

6.1. Executive Remuneration and Performance

- 6.1.1. Review and recommend to the Board remuneration programs and performance targets for the Managing Director & Chief Executive Officer.
- 6.1.2. Review and approve remuneration programs and performance targets for members of the Executive Team.
- 6.1.3. Monitoring of performance by the Managing Director & Chief Executive Officer and Executive Team against performance targets and exercise discretion (or recommend that the Board exercise discretion) in respect of performance targets, where appropriate, to prevent performance based remuneration rewarding conduct that is contrary to the Company's values or risk appetite.
- 6.1.4. Receive periodic reports from the Audit and Risk Committee to assist the RNC in its assessment of risk outcomes and whether remuneration adjustments are required.
- 6.1.5. Review and recommend to the Board annually the remuneration of the Managing Director & Chief Executive Officer including the payment of any bonuses or incentives.
- 6.1.6. Approve, after receiving input and recommendations from the Managing Director & Chief Executive Officer, the remuneration of the Executive Team and any other direct reports to the Managing Director & Chief Executive Officer, including the payment of any bonuses or incentives.
- 6.1.7. Review and recommend to the Board the terms of employment contracts for the Managing Director & Chief Executive Officer.
- 6.1.8. Approve, on the recommendation of the Managing Director & Chief Executive Officer, the members of the Executive Team and the terms of their employment contracts.

6.2. Talent Management

- 6.2.1. Review the Company's recruitment, retention and termination policies and procedures for executives and senior management and approve any changes.

- 6.2.2. Review processes relating to the identification and development of high potential employees.
- 6.2.3. Lead the succession planning for the Managing Director & Chief Executive Officer with input as required from incumbents, and make recommendations to the Board.
- 6.2.4. Monitor succession planning for the Executive Team.
- 6.2.5. Review and approve strategies and principles for people management including remuneration programs, performance management processes and career and skills development initiatives.

6.3. Employee Equity Plans & Pension/Retirement Benefit Schemes

- 6.3.1. Review and recommend to the Board the introduction of, or amendment to, any employee share acquisition schemes or other incentive plans (**Employee Equity Plans**), including the appropriate performance hurdles to apply to each plan.
- 6.3.2. Regularly review the ongoing appropriateness of all employee equity plans, having regard to legislative, regulatory and market developments.
- 6.3.3. Review and recommend to the Board the introduction, or amendment to, any pension or superannuation / retirement benefit schemes.
- 6.3.4. Review any defined benefit superannuation arrangements on an annual, or as deemed necessary basis, for the Company's employees and recommend any significant changes to the Board for approval.

6.4. People and Culture

- 6.4.1. Provide oversight of over the Company's strategic people, culture and leadership initiatives.
- 6.4.2. Review the results of employee engagement and culture surveys and monitor the progress of any management actions undertaken in response to those surveys.
- 6.4.3. Review learning and development strategies, frameworks and programs which support employee development and deliver improved personal and organisational performance.
- 6.4.4. Monitor developments in relevant employment and workplace legislation and regulations and monitor the Company's compliance with such relevant legislation and/or regulations.

6.5. Diversity and Inclusion

- 6.5.1. Review the Diversity & Inclusion Policy on a regular basis to ensure that it reflects relevant corporate governance and legal requirements as well as the Company's

commitment and expectations with respect to diversity and inclusion, in line with the Company's culture and values. The RNC shall recommend any required changes to the Board for approval.

- 6.5.2. Develop, and recommend to the Board for approval, measurable objectives for achieving diversity in the composition of the Board, the Executive Team and workforce generally.
- 6.5.3. Monitor and assist the Board in the annual review of the Company's measurable objectives for achieving diversity and progress in achieving those objectives.
- 6.5.4. Review annually and report to the Board on the relative proportions of women and men on the Board, in Executive Team positions, and across the whole workforce.
- 6.5.5. Review and make recommendations to the Board in relation to any remuneration parity issues for Non-Executive Directors, Executive Team and other employees identified in the remuneration review process.
- 6.5.6. Review and monitor appropriate procedures to ensure that the Diversity & Inclusion Policy is implemented.
- 6.5.7. Monitor the implementation of internal review mechanisms to assess the effectiveness of the Diversity & Inclusion Policy.

6.6. Non-executive Directors

- 6.6.1. Review and make recommendations to the Board in relation to individual Non-executive Director remuneration on an annual basis in accordance with the aggregate fee pool approved by shareholders.
- 6.6.2. Review and make recommendations to the Board in relation to induction and continuing professional development programs for Directors.
- 6.6.3. Review annually the time required to be committed to Company business by Non-executive Directors on the Board and whether the Non-executive directors are meeting that requirement. Non-executive Directors are required to inform the Chairman of the Board and the Chairman of the RNC before accepting new appointments as a director of another listed entity, and any other material directorship or any other position with a significant time commitment attached.

6.7. Board & Director Performance

- 6.7.1. Assist the Board to develop a board skills matrix setting out the mix of skills, expertise, experience and diversity that the Board currently has or is looking to achieve in its membership.
- 6.7.2. Assess the collective skills required to effectively discharge the Board's duties having regard to the Company's performance, financial position and strategic direction.

- 6.7.3. Periodically review the composition, functions, responsibilities and size of the Board.
- 6.7.4. Develop and implement a process for the evaluation of the performance and effectiveness of the Board as a whole, committees of the Board and individual Directors including, among other things, whether there is a need for new and/or existing Directors to undertake professional development to maintain the skills and knowledge needed to perform their role effectively.
- 6.7.5. Conduct a peer review of the performance of all Directors who are retiring and seeking re-election to the Board, to enable the Board to make a recommendation to shareholders in relation to the re-election of Directors.

6.8. Reporting

- 6.8.1. Review and recommend to the Board the annual Remuneration Report component of the Company Annual Report, including all financials.
- 6.8.2. Engage, on behalf of the Board, “remuneration consultants” to provide “remuneration recommendation” and information, as those terms are defined in the Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011, for key management personnel.

7 Remuneration Policies and Practices

- 7.1. Executive remuneration and incentive policies and practices must be performance based and aligned with the Company’s purpose, values, strategic objectives and risk appetite.
- 7.2. Executive remuneration and incentive policies and practices must be designed to:
 - 7.2.1. motivate Executive Team members to pursue the long-term growth of the Company, without rewarding conduct that is contrary to the Company’s values or risk appetite;
 - 7.2.2. demonstrate a clear link between the Company’s overall performance and the remuneration of the Executive Team;
 - 7.2.3. attract and retain high-performing Executive Team members and employees;
 - 7.2.4. appropriately incentivise positive risk behaviour and improved customer outcomes, encourage sound risk management of both financial and non-financial risks, and discourage unnecessary and excessive risk taking;
 - 7.2.5. allow for proper adjustments to be made, including where risk and compliance failures occur;
 - 7.2.6. ensure any termination benefits are justifiable and appropriate; and
 - 7.2.7. be reasonable and fair.

- 7.3. In the discharge of the RNC's responsibilities, no Executive Team member or employee should be directly involved in determining their own remuneration.
- 7.4. The RNC must at all times have regard to, and notify the Board as appropriate of, all legal and regulatory requirements, including any shareholder approvals which are necessary to obtain.

8 Board and Managing Director & Chief Executive Officer Nominations

- 8.1. In relation to Director nominations, the RNC will:
 - 8.1.1. Identify and recommend persons who are sufficiently qualified and capable to be appointed to the Board, and ensure there is an effective succession plan in place for the Chairman of the Board and all Directors.
 - 8.1.2. Consider the suitability of candidates and make recommendations to the Board for the appointment of directors, having regard to:
 - a. the background, experience, professional skills, personal qualities and diversity of the candidates;
 - b. the collective skills and experience required by the Board to effectively discharge its duties including, among other things, with reference to the board skills matrix set out at 6.7.1 above;
 - c. the current composition and size of the Board;
 - d. whether the candidate would be considered to be an independent director, if appointed including, among other things, any interests, positions, associations or relationships which may effect the candidate's independence;
 - e. directorships held;
 - f. particulars of other positions which involve significant time commitments;
 - g. the term of office currently served by any Directors subject to re-election; and
 - h. any other particulars required by law,
 - 8.1.3. Prepare a description of the role and capabilities required for a particular appointment;
 - 8.1.4. Oversee appropriate checks (including criminal record, bankruptcy, education and character references) being carried out prior to the appointment of any person as a director the Company; and
 - 8.1.5. Identify and recommend to the Board persons suitable internal/external candidates for the role of Managing Director & Chief Executive Officer, as required.

9 Access

- 9.1. The RNC has unrestricted access to the Company's employees and records that it considers relevant to its responsibilities. The RNC has rights of access to Management and to auditors (external and internal) without Management present, and rights to seek explanations and additional information from both Management and auditors.
- 9.2. The RNC is authorised to engage, at the Company's expense, outside legal or other professional advice or assistance on any matters within its Charter.

10 Evaluating Performance

- 10.1. The RNC will evaluate its performance on an annual basis.
- 10.2. The RNC will assess the achievement of the responsibilities specified in this Charter and report the findings to the Board on an annual basis.

11 Review

- 11.1. The RNC shall review its Charter annually and recommend any required or desired changes to the Board for approval.
- 11.2. The Board will review the effectiveness of this Charter as appropriate.

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