



People, Culture & Nominations Committee (PCNC) Charter



Approved by NCL Board

February 2022



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1. Introduction

- 1.1. The Board of Directors of Namoi Cotton Limited (NCL or Company) and its related bodies corporate and subsidiaries (Group) has constituted this People, Culture and Nominations Committee (PCNC) to assist the Board in consideration of relevant people, culture, remuneration and Board selection matters within the Group.
- 1.2. This Charter sets out the role and responsibilities delegated by the Board to the Committee and records how the Committee will operate.
- 1.3. The Charter is available on NCL's website and the key features are published in the annual report or a link to the governance section of the website is provided.
- 1.4. In this Charter:
 - i. CEO means NCL's Chief Executive Officer;
 - ii. EGM PCS means NCL's Executive General Manager People, Culture and Safety;
 - iii. Company Secretary means NCL's company secretary; and
 - iv. Independent Director has the meaning given to it in the 4th edition of the Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council.
 - v. Executive Management means collectively the positions reporting directly to the CEO.
 - vi. KPIs mean key performance indicators which are the critical (key) indicators of progress toward an intended result.

2. Authority

- 2.1. PCNC is a Board committee established in accordance with NCL's constitution (Constitution) and authorised by the Board to assist it in fulfilling its statutory and regulatory responsibilities. It has the authority and power to exercise the role and responsibilities set out in this Charter and granted to it under any separate resolutions of the Board from time to time.
- 2.2. PCNC has no authority independent of the functions delegated to it and is to report its findings and recommendations directly to the Board. The Committee's functions do not relieve the Board from any of its responsibilities.
- 2.3. PCNC is empowered to investigate any matter, with full access to all books, records, staff, contractors, consultants and any other persons associated with the Group and has the authority to engage independent accounting, legal, compliance or other professional advisers as it determines necessary to carry out its duties.

3. Composition

- 3.1. The Committee is to comprise at least three non-executive Directors of NCL, the majority being Independent Directors.
- 3.2. PCNC's Chair and its members are Board Appointments. PCNC's Chair must be an Independent Director who is not the Board's Chair. If the PCNC Chair is absent from a

meeting, then the remaining members will elect one of their number as Chair of the meeting.

3.3. The Board Chair must be a member of the PCNC.

3.4. The PCNC Member's duties and responsibilities are additional to their Board duties.

4. Meetings

4.1. PCNC's Meetings and proceedings are governed by NCL's Constitution.

4.2. PCNC will meet at least twice a year. Meetings may be convened at the Committee Chair's or the Board's request.

4.3. Special meetings may be convened as required.

4.4. Any meeting's quorum consists of two PCNC members.

4.5. PCNC's Chair is responsible for overseeing the agenda and presiding over the meetings.

4.6. NCL Directors, who are not Committee Members, may attend PCNC Meetings and receive copies of its papers but they are not entitled to vote.

4.7. PCNC's Secretary is the Company Secretary.

4.8. The CEO and the EGM PCS each have an open invitation to attend all meetings and should attend unless prevented by extenuating circumstances or required by the Committee Chair or this Charter not to attend.

4.9. PCNC may extend invitations (as it considers appropriate) to any person to attend all or part of any meeting.

4.10. PCNC's Chair reserves their right to exclude members and/or other invited attendees from attending a PCNC Meeting, when dealing matters involving an actual or perceived conflict. The member and/or invited guest will be given three days' notice of their exclusion so they may put forward any reasons for their non-exclusion to the Committee Chair.

4.11. PCNC's decisions will be decided by a majority vote and any dissenting members are entitled to have their opinion minuted.

4.12. PCNC may pass or approve their 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 PCNC's circular resolution must be provided at PCNC's next meeting.

4.13. 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.

5. The Committee Chair

The Committee Chair is responsible for:

5.1. Leading the Committee;

- 5.2. Facilitating the effective contribution of Committee Members and promoting constructive and respectful relations between Committee Members; between the Committee and the Board and between the Committee and Management; and
- 5.3. Approving the Committee's agenda and ensuring that adequate time is available for discussion of all agenda items, including strategic issues.

6. The Company Secretary

The Company Secretary will:

- 6.1. In conjunction with PCNC's Chair and the EGM PCS, settle agendas for and arrange PCNC's meetings ensuring coverage of its business;
- 6.2. Distribute agendas and supporting papers to its members in advance of the meeting (preferably at least five business days); and
- 6.3. Attend and take minutes of the meetings.
- 6.4. The Committee's Minutes will be:
 - i. Provided to the Chair within five business days of the meeting;
 - ii. Circulated for the Committee's approval within four weeks; and
 - iii. Tabled at the following Committee meeting.

7. The Committee Members may seek advice

Committee Members may seek independent professional advice at NCL's expense anytime they consider it necessary to discharge their responsibilities as Committee Members. This is to be in consultation with the Committee Chair and consultation and ultimate approval of the expense with the Board Chair and/or Company Secretary.

8. Reporting

PCNC's Chair will report to the Board:

- i. The proceeding of each PCNC meeting;
- ii. On any concerning matters and make appropriate recommendations; and
- iii. On any matter the Board refers to PCNC.

9. Review

The Committee Chair will review the Committee's performance annually in accordance with clause 11.3 of the Board Charter.

10. Role of the Committee

- 10.1. PCNC's role is to assist the Board in ensuring that appropriate policies and procedures, including for any incentive awards, are clearly designed and are in place:
 - i. To benchmark and set the remuneration levels that will attract, retain and motivate the CEO, Executive Management, the Group's employees generally and Directors;

- ii. That align with the creation of shareholder value and balance stakeholder expectations, without rewarding conduct that is contrary to the Group's values or risk appetite;
- iii. To ensure there is a clear relationship between business performance and the KPIs and remuneration of the CEO and Executive Management; and
- iv. To achieve diversity in the Group's workplaces and on the Board and equal treatment of employees and Directors and gender equitable remuneration.

10.2 The PCNC will also assist NCL in its Board selection, appointment and review practices so that those practices result in a Board:

- i. with an effective composition, size, mix of skill sets, experience and commitment to adequately discharge its responsibilities and duties and add value to the Group and its shareholders;
- ii. that has a proper understanding of, and competence to deal with, the current and emerging issues of the businesses of the Group; and
- iii. that can effectively review and challenge the performance of management and exercise independent judgement, whilst ensuring a collegiate relationship amongst Directors, the CEO and Executive Management.

11. Responsibilities

The Committee has responsibility for reviewing and making recommendations to the Board, where required, on:

11.1 Organisation Structure, Remuneration and Benefits

- i. The aggregate annual remuneration paid to Directors in accordance with the aggregate fee pool approved by shareholders;
- ii. The remuneration package for the CEO, Board Chair and Directors;
- iii. KPIs relevant to the remuneration of the CEO and the performance of the CEO against those KPIs;
- iv. Termination benefits for the CEO, Executive Management and Directors;
- v. Consideration of any potential conflict of interest which may influence the remuneration of the CEO, Executive Management and Directors;
- vi. The CEO's organisational plans for the remuneration of employees in general, including performance incentive programs;
- vii. The CEO's recommendations with respect to the composition, structure and remuneration, including any incentive awards, for Executive Management;
- viii. The annual remuneration review applying generally across the Group;
- ix. Group superannuation arrangements; and
- x. Employee share options and rights schemes.

11.2 People and Culture Generally

- i. Policies regarding workplace behaviour expected by the Group of its employees and Directors;
- ii. Indicators of workplace culture, including employee engagement;
- iii. Learning and development strategies, frameworks and programs which support employee development and deliver improved personal and organisational performance;
- iv. Policies concerning diversity, to ensure that they reflect relevant corporate governance and legal requirements as well as the Group's commitment and expectations with respect to diversity and inclusion, in line with the Group's culture and values;
- v. Developing measurable objectives for achieving diversity in the composition of the Board, the Executive Management and workforce generally;
- vi. Policies regarding the equal treatment of employees; and
- vii. Employment, superannuation and industrial relations law compliance.

11.3 Board Selection, Appointment and Review

- i. The necessary and desirable competencies of members of the Board of NCL and its committees including, without limitation, the appropriate mix of skills, experience, expertise, diversity and other qualities and the time commitment required from a Director, taking into account emerging business and governance issues;
- ii. The independence of Directors;
- iii. The Company's fitness and propriety regime for Directors and other officers; iv. The performance of the Board, the Committees of the Board and each Director, and addressing the outcomes of such performance reviews;
- v. Policies with respect to the maximum period of service for Directors;
- vi. Succession plans for the Board;
- vii. Size of the Board so as to encourage effective and efficient decision-making;
- viii. The appointment (including re-appointment in the case of Directors retiring by rotation) and removal of directors of the Company, and associated disclosures to shareholders; ix. The scope and content of letters of appointment of Directors;
- x. Career development, skills development, and continuing education programs for directors of the Company. This shall include but not be limited to ensuring Directors are briefed on material developments to laws, regulations and accounting standards; and xi. Induction procedures designed to allow new Directors to participate fully and actively in Board decision-making at the earliest opportunity and the effectiveness of those procedures.

11.4 CEO Selection, Appointment, Review and Succession Planning

The Committee will review and recommend to the Board:

- i. The selection of the CEO from a pool of candidates paying regard to the necessary and desirable competencies of a CEO, including, without limitation, that they have the appropriate mix of skills, experience, expertise and other qualities and the time commitment required from a CEO, taking into account emerging business and governance issues;
- ii. Career development, skills development, and continuing education programs for the CEO;
- iii. The performance of the CEO taking into account the overall achievement of the goals of the Company; and
- iv. The succession planning for the CEO.

11.5 Other

The Committee will review and recommend to the Board:

- i. Succession planning for the Executive Leadership Team;
- ii. The annual Remuneration Report component of the NCL Annual Report;
- iii. In relation to disclosures on matters referred to in this Charter; and
- iv. Will be responsible for such other matters as the Board may refer to it from time to time.