

**This Charter sets out the framework and responsibilities for the Remuneration and Sustainability Committee (Committee), which the Board of Select Harvests Limited has established in accordance with the Constitution of Select Harvests Limited (Company).**

## **1. Roles and Responsibilities**

- 1.1 The role of the Committee is to review and make recommendations to the Board in relation to the overall remuneration policy for the Select Harvests (**SHV**) and, specifically:
- (a) non-executive director remuneration;
  - (b) executive director and senior executive remuneration;
  - (c) annual salary increases across the business (excluding staff under EBAs);
  - (d) the implementation of, and amendment of, any executive incentive plans;
  - (e) oversight of senior executive annual reviews and development plans;
  - (f) oversight of business culture;
  - (g) the annual performance review of the Managing Director; and
  - (h) other matters referred to the Committee by the Board.
- 1.2 Sustainability encompasses how Select Harvests conducts its business, now and in the future, a commitment to the community and social responsibility, minimising the Company's impact on the environment, and maintaining Select Harvests reputation as one of Australia's leading agribusinesses. In the context of Select Harvests creating a sustainable business that delivers long-term investor value, the Committee will:
- (a) review and monitor Select Harvests sustainability strategy. Review the effectiveness of Select Harvests policies and initiatives designed to ensure environmental sustainability and the minimisation of the Company's impact on the environment.
  - (b) oversee the implementation of policies and systems in support of Select Harvests sustainability strategy.
  - (c) monitor compliance with these policies and systems.
  - (d) monitor progress towards goals and initiatives for continued improvement assessed by reference to agreed targets and measures.
  - (e) review audits of Select Harvests performance (internal and external) and monitor actions being taken to address issues raised.
  - (f) review and monitor the policies and systems within Select Harvests for ensuring compliance with applicable laws and regulations associated with environmental and sustainability matters.

In addressing the above, the Committee will focus on two of the three key aspects as identified in the Select Harvests Strategy – Planet and People. The Committee will not have oversight of the third aspect – Profit – this oversight will fall to the Board.

- PLANET
  - 1) Water management and stewardship
  - 2) Climate change and energy (renewables)
  - 3) Carbon emissions reduction strategy
  - 4) Chemical and fertilizer management
  - 5) Waste & Resource Management including compost and recycling
  - 6) Resource Efficiency
  - 7) Sustainable Farm Management
  - 8) Bee Stewardship
  - 9) Biodiversity
  
- PEOPLE
  - 1) Culture survey
  - 2) Ethics and integrity
  - 3) Inclusion and diversity
  - 4) Labour Practices (legislative and compliance), Human Rights (modern slavery), Anti-Corruption, Ethics and Integrity
  - 5) Supplier accreditation
  - 6) Human Health & Nutrition including Food Safety, Product Labelling & Quality
  - 7) Sourcing Sustainability

1.3 In discharging Remuneration responsibilities, the Committee will have regard to the following:

- (a) establishing and implementing remuneration policies that attract and retain high quality directors and senior executives, and recognise and reward performance that is aligned with long term stakeholder interests.
- (b) Select Harvests values and strategic direction.
- (c) Select Harvests reputation and standing in the community.
- (d) promoting the desired culture of Select Harvests.
- (e) encouraging the pursuit of long-term shareholder returns and success of Select Harvests; and
- (f) ensuring that conduct that is contrary to Select Harvests values or risk appetite, as determined and set by the Board, is not rewarded.

1.4 The main responsibilities of the Committee in relation to Remuneration are to:

### **Non-executive director, executive director and senior executive remuneration**

- (a) Review and make recommendations to the Board on remuneration of non-executive directors (including fees, superannuation, travel and other benefits and any non-executive director share plan).
- (b) Review and make recommendations to the Board on:
  - (i) the specific short and long-term remuneration arrangements of the Managing Director and, in consultation with the Managing Director, the Chief Financial Officer and the direct reports to the Managing Director (including any performance targets); and
  - (ii) the broad level and nature of participation by senior executives (other than direct reports to the Managing Director) in Select Harvests' executive incentive plans.
- (c) Overseeing Select Harvests compliance obligations in relation to the remuneration of directors and senior executives.
- (d) Ensuring no director or senior executive is involved in deciding his or her own remuneration.

### **Remuneration of other executives**

- (e) Determine, on the recommendation of the Managing Director, short and long-term remuneration of executives (other than the Executive Directors and senior executives), including performance targets applicable to any incentive schemes and the level and nature of participation in Select Harvests' executive incentive plans.

### **Executive and employee incentive plans**

- (f) Review and recommend any proposed new executive incentive plans to the Board for approval or the amendment of the terms of any existing executive incentive plans.
- (g) Approve the establishment of any new, or amendment to the terms of any existing, incentive plans for employees below senior executive level.
- (h) Delegate power for the operation and administration of all incentive plans to management (as appropriate).

### **Annual performance reviews**

- (i) Assist the Board Chair in the annual performance review of the Managing Director.
- (j) Oversight of Executive Team development annual reviews – ensure documented feedback (on both "what" and "how" KPIs are delivered) and all KMP have a robust development plan.

## Human resources and remuneration policies

- (k) Recommend to the Board any changes to the overall Select Harvests policy regarding remuneration.
- (l) Oversee the establishment and implementation of appropriate human resources policies and specific remuneration policies (within the overall policy approved by the Board) for Select Harvests.
- (m) Oversee the remuneration framework applied across Select Harvests, and make recommendations to the Board as appropriate.

## Remuneration Report

- (n) Oversee management's preparation of the annual remuneration report for inclusion in the annual report and recommend the report to the Board for approval.

## Other matters referred to the Committee by the Board

- (o) Consider any other matters referred to the Committee by the Board.

## 2. Delegated Powers of the Committee

2.1 The Board has delegated power to the Committee pursuant to the Company's Constitution in relation to:

- (a) obtaining information, managing interviews and seeking advice from external consultants or specialists where the Committee considers that necessary or appropriate.
- (b) executive remuneration changes and contractual amendments not required to be recommended to the Board.
- (c) the establishment of any new, and amendment of the terms of any existing, incentive plans for employees below senior executive level.
- (d) oversight of the annual performance review of senior executives.
- (e) setting and administering human resources and remuneration policies (where appropriate) within the overall remuneration policy approved by the Board; and
- (f) monitoring whether there is any gender or other inappropriate bias in remuneration for directors, senior executives or other employees.

2.2 In this Charter:

- (a) "Senior executive" means those executives who directly report to the Managing Director and/or who have entered into an executive service agreement with Select Harvests Limited; and
- (b) "Executive" means those employees at TFR \$220,000 or higher.

### 3. Committee Membership and Attendance

3.1 The Committee will comprise of:

- (a) only non-executive directors, a majority of whom must be independent directors; and
- (b) at least three members.

The Chair of the Committee will be an independent director (and not the Chair of the Board).

3.2 A standing invitation is issued to all non-executive directors who are not members of the Committee to attend meetings of the Committee.

3.3 The Committee Chair may extend an invitation to any person to attend all or part of any meeting of the Committee which it considers appropriate, including external advisers, and the following senior executives:

- (a) the Managing Director.
- (b) the Chief Financial Officer; and
- (c) the General Manager – People, Safety and Culture.

however, such persons must not be present at meetings or participate in any decisions in relation to their own remuneration or specific remuneration policies applicable to them, or otherwise as required by law.

### 4. Committee Meetings

4.1 The Committee is to meet as required by the Committee Chair, although it is intended that the Committee meet no less than three times in each year.

4.2 A quorum for a meeting of the Committee is two directors who are members.

4.3 A Director, other than the Chair, will act as secretary to the Committee, unless otherwise determined by the Committee.

4.4 The Chair of the Committee will report to the Board following each meeting of the Committee and a copy of the minutes of each meeting of the Committee will be made available to all Non-Executive Directors subsequent to each meeting via the Board portal.

### 5. Annual General Meeting

The Chair of the Committee will attend and be available to answer questions regarding the annual Remuneration Report at the Annual General Meeting of the Company.

## 6. Independent Advice

- 6.1 The Committee may obtain independent professional advice or engage independent advisers at the Company's expense as considered necessary to adequately discharge its relevant duties and responsibilities. The Company shall pay all administrative expenses of the Committee, incurred in fulfilling its duties and responsibilities.
- 6.2 Where the Committee seeks external advice in relation to remuneration recommendations concerning key management personnel of Select Harvests, the Committee shall engage with those advisers directly and request that any advice be provided directly to the Committee (or Chair of the Committee).

## 7. Review and Assessment

- 7.1 The Committee will regularly assess its effectiveness with a view to ensuring that its performance accords with best practice. The Committee will ensure its members undergo ongoing training and professional development appropriate to ensure that all members are best placed to discharge the Committee's responsibilities.
- 7.2 The Committee will from time to time review the Charter, with a view to amending the Charter if necessary, to ensure that it meets best practice standards, complies with the ASX Corporate Governance Principles and Recommendations and meets the needs of the Company and the Committee.

<b>Last Revised Date:</b>	March 2021
<b>Date approved:</b>	21 <sup>st</sup> April 2021 (Board approved)
<b>Accountable:</b>	Chair, Remuneration and Sustainability Committee
<b>Contact:</b>	Company Secretary