



McPHERSON'S
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McPherson's Limited People & Culture Committee Charter

July 2024

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People & Culture Committee Charter

1. PRIMARY PURPOSE

- (a) The People & Culture Committee (**Committee**) is established by the Board of Directors (**Board**) to assist the Board in the discharge of its duties and responsibilities by monitoring, reviewing, evaluating and to make recommendations to the Board in relation to:
 - (i) the Company's organisational culture, values and behaviours;
 - (ii) talent management, remuneration, and leadership development;
 - (iii) setting and reviewing remuneration levels of the Board Chair, non-executive directors, the Managing Director, direct reports to the Managing Director, Board Committees and the Board as a whole; and
 - (iv) compliance with legal and regulatory requirements relevant to People and Culture, including those guidelines of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations that relate to People and Culture.
- (b) This charter (**'Charter'**) outlines the scope of the Committee's responsibilities in relation to the Company and provides a framework within which the Committee will operate.
- (c) This Charter should be read in conjunction with the Board Charter, the Audit Committee Charter and the Risk & Compliance Committee Charter.

2. AUTHORITY AND MEMBERSHIP

2.1 Authority

The Committee is required to make recommendations to the Board and does not have any executive powers to commit the Board or management to the implementation of these recommendations, other than where the Board has delegated authority to the Committee. The Board retains overall responsibility for oversight of the Company's people, safety and culture function.

2.2 Membership

- (a) The Committee will consist of a minimum of three members and shall comprise a majority of independent non-executive directors and an independent chair who is not the chair of the Board.
- (b) The Board will appoint the Committee Chair who must be an independent non-executive director.
- (c) Any non-executive director may attend a meeting of the Committee for the purposes of discussion but is not entitled to vote.
- (d) In the event that a member of the Committee retires from the Board for any reason then that member shall cease to be a member of this Committee.

3. MEETINGS

3.1 Quorum

The quorum for any Committee meeting shall be two members.

3.2 Number and frequency of meetings

- (a) The Committee shall meet as frequently as required or as determined by the Committee Chair but not less than quarterly with an agenda and briefing papers circulated in a timely manner prior to the meeting.

- (b) Additional meetings may be called in response to requests by any member of the Committee or specific events.
- (c) Committee members and other directors will be provided access to Committee meeting papers in relation to any meeting of the Committee.

3.3 Attendance at meetings

- (a) Committee members are expected to attend every meeting of the Committee unless an apology is given to the Committee Chair and/or the Company Secretary, as appropriate.
- (b) Attendance at Committee meetings may be in person or by way of telephone or other electronic means or any combination of these.
- (c) The Chief Executive Officer and Managing Director, the Chief Financial Officer, the Chief People Officer and the General Counsel & Company Secretary will be invited to attend meetings of the Committee, as appropriate and as requested by the Committee.
- (d) The Committee may invite any member of management, adviser, consultant or other individual to attend meetings.
- (e) The Company Secretary shall be the Committee Secretary, subject to the discretion of the Committee. The Committee Secretary will attend all meetings to minute proceedings, subject to the discretion of the Committee. The Committee Chair may direct the Company Secretary or some other individual to prepare a meeting agenda for the Committee Chair's approval prior to distribution.

3.4 Minutes of meetings

Minutes shall be taken at Committee meetings by the Company Secretary or by any other individual present at the meeting. Within a reasonable time after a meeting a draft of the minutes must be prepared and presented to the Committee Chair for approval prior to distribution. The approved draft minutes will then be circulated to the other members of the Committee and to the Board at an appropriate time. Minutes will usually be confirmed at the next scheduled meeting of the Committee.

3.5 Access to independent advice, company information, management and the auditors

- (a) The Committee may consult with advisers and seek independent advice (including independent risk assessments and insurance consultants) at the expense of McPherson's where the Committee considers it necessary to carry out its duties and responsibilities.
- (b) The Committee will have unlimited rights to access Company records and information, and to management and all other staff.
- (c) The Committee will have unlimited rights to access the external auditors and the internal auditors and is able to consult with them in relation to people, safety and culture matters, as required.

4. REPORTING TO THE BOARD

- (a) The Committee will report to the Board on all matters relating to the Committee's duties and responsibilities as outlined in this Charter.
- (b) Reports to the Board should include:
 - (i) the Committee minutes or a summary of major matters discussed, recommended or noted;
 - (ii) any formal recommendations of the Committee requiring Board approval;

- (iii) general information about the company's people, safety and culture processes;
- (iv) the Committee's recommendations regarding any matter outlined in this Charter which is to be included in the Company's annual report or other external reporting; and
- (v) a summary of the annual self-assessment review of the Committee and its outcome undertaken in accordance with this Charter.

5. COMMITTEE PERFORMANCE EVALUATION

The Committee will undertake a regular self-assessment process annually which includes:

- (a) comparing of the Committee's practices with its Charter requirements; and
- (b) implementing practices designed to enhance the Committee's effectiveness.

6. ROLE AND RESPONSIBILITIES

6.1 Nomination and Review Processes

The Committee will review, evaluate and make recommendations to the Board in relation to:

- (a) a process for determining the necessary and desirable competencies of Board members and the assessment of those competencies;
- (b) the appointment of suitably qualified candidates to the Board in accordance with Board policy and the procedures set out in Appendix A of this Charter;
- (c) the re-election of Directors;
- (d) the time required to fulfil the obligations of a non-executive Director of the Company and whether Directors are able to meet these expectations;
- (e) matters relating to gender and all other facets of diversity including compliance with the Diversity and Inclusion Policy, the setting of key performance indicators for executive leadership team (**ELT**) members on gender participation and linking of such key performance indicators (**KPIs**) to an element of remuneration and the benchmarking the Company's diversity objectives and outcomes with peers.
- (f) the appointment of the Chief Executive Officer and Managing Director (**CEO**);
- (g) a process for the review of the performance of the Board, Board Committees and individual Directors;
- (h) a process for the evaluation of the CEO;
- (i) appropriate induction and continuing professional development programs for Directors to maintain and develop their skills to enable them to effectively discharge their responsibilities and add value; and
- (j) Board, CEO and ELT succession planning.

6.2 Remuneration Processes

- (a) The Committee will, annually in advance of the related budget being finalised, review, evaluate and make recommendations to the Board in relation to the following matters in the context of the Board approved remuneration policies set out in Appendix B of this Charter:
 - (i) salary, benefits and total remuneration packages (including short and long-term incentives) of the CEO and ELT members;

- (ii) salary, benefits and total remuneration package of other individual ELT members as recommended by the Managing Director;
 - (iii) staff incentive plans proposed by the CEO, including bonus, share, performance rights and option plans, the basis of their application amongst differing levels of staff and the determination of plan outcomes;
 - (iv) employee succession planning to ensure the continuity and quality of management;
 - (v) Board succession planning to ensure the continuity and quality of the Board of Directors; and
 - (vi) non-executive director remuneration.
- (b) The Committee is required, from time to time, to review, evaluate and if appropriate make recommendations to the Board in relation to the following:
- (i) the CEO's recommendation for overall annual salary movements for business unit salary reviews; and
 - (ii) substantial changes to the principles of the Company's superannuation arrangements as recommended by the CEO.
- (c) The Committee Chair will ensure that the Board is properly informed on any matters which are recommended by the Committee.
- (d) The Committee will review, evaluate and make recommendations as required from time to time to the Board in relation to:
- (i) policies for remuneration programs appropriate to the Company;
 - (ii) whether there is any gender or other inappropriate diversity related bias in remuneration for Directors, ELT or other employees;
 - (iii) the Company's recruitment, retention and termination policies and relevant procedures for ELT and other senior leaders;
 - (iv) the Company's policy regarding any minimum shareholding requirement in the Company's securities by non-executive directors; and
 - (v) the proposed Remuneration Report to be contained in the annual Director's Report or any other report on executive remuneration which is required pursuant to any ASX Listing Rule or legislative requirement, or which is proposed for inclusion in the Company's Annual Report.

6.3 Other People & Culture Related Policies and Practices

The Committee is also required to review, evaluate and make recommendations as required from time to time to the Board in relation to a range of other people, safety and culture related initiatives, policies and programs, including:

- (a) Organisational Culture:
 - (i) engagement of people through connection and community
 - (ii) cross-functional initiatives supporting innovation
 - (iii) managing diversity and inclusion across the entire Company; and
 - (iv) whistleblower related policies, initiatives and practices.
- (b) Health, Safety and Wellbeing:

- (i) health and wellbeing of the Company’s people;
 - (ii) employee assistance programs;
 - (iii) employee feedback and collaborative solutions;
 - (iv) employee surveys;
 - (v) employee working arrangements; and
 - (vi) workplace health and safety.
- (c) Performance and Capability:
- (i) leadership development and people management;
 - (ii) people capability;
 - (iii) talent acquisition, retention, management and succession planning;
 - (iv) policy and procedure; and
 - (v) employee learning and development.

7. REVIEW OF CHARTER

- (a) The Board will review this Charter at least annually to ensure it complies with applicable legal requirements and remains relevant and effective.
- (b) This Charter is not intended to be contractual in nature.
- (c) The Board may change this Charter at any time.

8. PUBLICATION

A copy of this Charter will be available on the McPherson’s website (www.mcphersons.com.au) or made available on request.

9. DOCUMENT CONTROL

Version	Description	Date
1	Original Version	1 December 2020
2	Annual Review	June 2021
3	Annual Review	May 2022
4	Annual Review	July 2023
5	Annual Review	July 2024

APPENDIX A

Process for the Appointment of Directors of McPherson's Limited

1 SELECTION CRITERIA

The selection criteria for the appointment and re-appointment of Directors will normally be based on an analysis of the composition of the existing Board, its skills and experience, its independence requirements, gender and other facets of diversity and the Company's strategic objectives. Standing for election or re-election as a Director will also be subject to the ASX Listing Rules.

2 PROCESS FOR DIRECTOR APPOINTMENT

The Committee will undertake the following in conjunction with the search for and appointment of a Director:

- consider the need to engage the services of an external consultant to broaden the selection of potential candidates for Board membership;
- prepare a description of the role and the capabilities required for a particular appointment;
- undertake appropriate background checks¹ before appointing a Director or putting someone forward for election as a Director;
- determine whether candidates comply with the Company's definition of independence as set out in the Board Charter;
- if required, arrange for the candidate to undertake due diligence of the Company;
- provide to the candidate a summary of Directors' and Officers' Insurance arrangements;
- ensure that a letter of appointment is issued to and signed by the Director;
- enter into a Deed of Access, Insurance and Indemnity with the Director consistent with the requirements set out in the Board Charter; and
- in the Company's notice of meeting, provide shareholders with all material information in the Company's possession relevant to a decision on whether or not to elect or re-elect a Director.

¹ *Appropriate background checks would usually include checks regarding a person's character, experience, education, criminal record and bankruptcy history.*

3 PROCESS FOR ASSESSMENT OF DIRECTORS' INDEPENDENCE

Each candidate will prior to their appointment as a Director provide to the company sufficient information to allow the Board to adequately assess their independence. Directors should subsequently ensure that updated information is provided to the Board if the circumstances relating to the assessment of their independence change.

APPENDIX B

1 BOARD APPROVED REMUNERATION PRINCIPLES

McPherson's believes that its remuneration structure should be equitable, competitive and consistent to ensure the recruitment, retention and continued motivation of appropriately qualified and experienced personnel to successfully achieve the Company's strategic objectives.

Remuneration of the CEO and ELT members should be set according to the following principles:

- no individual may be involved directly in determining their own remuneration. External advice will be sought, where appropriate, to ensure the integrity of this process;
- remuneration packages for the CEO and other ELT should include an appropriate balance of fixed and performance-based remuneration;
- fixed remuneration should be fair and reasonable, taking into account the Company's obligations at law and labour market conditions and should be relative to the scale of the Company's business. It should reflect core performance requirements and expectations;
- incentive arrangements for the CEO and ELT must be aligned to the creation of value for shareholders and with the Company's purpose, statement of values and risk appetite;
- performance-based remuneration should be linked to specified Company performance targets, individual performance against pre-determined goals or key performance indicators, market conditions and referenced to independent expert advice where appropriate. Discretion should be retained where appropriate to prevent performance-based remuneration rewarding conduct that is contrary to the Company's purpose, statement of values or risk appetite;
- targets should be aligned to the Company's short, medium and longer term performance objectives and should be consistent with its circumstances, purpose, statement of values and risk appetite.
- performance-based remuneration may include options or performance rights over shares in the Company granted at the discretion of Directors under the McPherson's Limited Performance Rights Plan (from time to time), with vesting linked to articulable performance hurdles, for example, aligned with the Company's medium and longer term performance objectives and shareholder returns;
- participants of the McPherson's Limited Performance Rights Plan (from time to time) must comply with the Company's Securities Trading Policy;
- termination payments, if any, for ELT members should be agreed in advance and the related employment agreement should clearly address what will happen in the case of early termination. There should be no payment for removal or misconduct;
- remuneration disclosure to shareholders includes all benefits paid, including:
 - base salary;
 - short and long-term incentives;

- superannuation payments;
 - termination payments; and
 - Other financial benefits such as motor vehicles, loans.
- There should be no gender or other inappropriate bias in remuneration for Directors, ELT members or other employees.

2 NON-EXECUTIVE DIRECTOR REMUNERATION

Remuneration of non-executive directors should be set according to the following principles:

- remuneration for non-executive directors is determined by the Board within a maximum aggregate amount (including superannuation) approved by shareholders from time to time at the Annual General Meeting;
- unless otherwise determined by the Board, non-executive directors should be remunerated by way of cash fees (on a Company superannuation contribution inclusive basis) and non-cash benefits in lieu of fees (such as sacrificing fees into additional superannuation or Company equity);
- levels of fixed remuneration (including base fees and committee fees) for non-executive directors should reflect the time commitment and responsibilities of the various roles;
- subject to the above, it is acceptable for non-executive directors to receive Company securities as part of their remuneration to align their interests with the interests of other shareholders;
- non-executive directors will not be provided with termination payments or retirement benefits (other than superannuation);
- non-executive directors are not entitled to participate in any incentive scheme; and
- while non-executive directors are generally encouraged to acquire and hold the Company's securities, there are no minimum shareholding requirements in place for non-executive directors.