

QUEENSLAND SUGAR LIMITED

REMUNERATION COMMITTEE CHARTER

1. PURPOSE AND AUTHORITY

1.1 The Board of Queensland Sugar Limited (QSL) has established a Remuneration Committee (the Committee). The purpose of the Committee is to assist the Board discharge its responsibilities via:

People – Remuneration and Talent

- a) oversight and understanding of the composition, remuneration and performance of the Board;
- b) oversight and understanding of the remuneration and performance of the CEO, senior management and employees;
- c) oversight and understanding of remuneration and talent strategies, framework and policies for QSL.

1.2 The Committee has authority from the Board to review and investigate any matter within the scope of this Charter and make recommendations to the Board in relation to any action.

1.3 Except where indicated to the contrary in this Charter, the Committee has no delegated authority from the Board to approve any action arising from its reviews and investigations and the Board retains authority over such matters.

1.4 This Committee and the functions it performs do not diminish the ultimate responsibility of the Board in the subject matter of this Charter.

2. COMMITTEE COMPOSITION

2.1. Membership

- a) The Committee must have at least two members.
- b) The Chairman of QSL can be a member of the Committee and also the Chairman of the Committee.
- c) As per the QSL Constitution, persons who are not Directors of QSL can be members of the Committee, as the Committee thinks fit and determines.
- d) QSL's constitution allows for industry directors to be appointed to the QSL Board. The appointment of industry directors may result in some of QSL's members, who compete with QSL, in relation to the marketing and trading of raw sugar, having representatives on the QSL Board.
- e) Given this, conflict of interest issues may arise for QSL in relation to the subject matter covered by this Charter. Where these issues arise, the Committee members must consist only of non-conflicted members, preferably independent directors, in order for QSL to manage these issues.

2.2. Appointment and term

- a) The members of the Committee will be determined by the Board having regard to the matters set out in item 2.1 and the QSL Board Governance Protocol. The QSL Board will appoint the Committee Chair.
- b) There is no prescribed term of membership of the Committee, but consideration will be given in January each year in relation to Committee makeup. Members will then be appointed or removed by resolution of the Board.

- c) Membership ceases when a Committee member (if a Director) ceases to be a Director of the Company or when otherwise removed by resolution of the Board.

3. COMMITTEE MEETINGS

- a) The Committee will meet as frequently as considered necessary by the Committee Chair for it to discharge its role effectively. To meet the responsibilities set out below, it is anticipated that the Committee would meet at least twice a year.
- b) The Committee Chair must convene a meeting if requested to do so by any Committee member, the Managing Director (MD)/Chief Executive Officer (CEO), General Manager Human Resources or the Company Secretary.
- c) The Committee Chairman will decide on the timing of meetings of the Committee in consultation with other members and with management.
- d) Members of the Board who are not Committee members may attend Committee meetings, subject however to item 2.1 and the QSL Board Governance Protocol.
- e) QSL's CEO and the General Manager Human Resources will usually be invited to attend Committee meetings. The Committee may, however, meet without management present as the Committee through the Chair considers it appropriate.
- f) Meetings may be held in person, or by telephone, video or internet conferencing.
- g) The Committee Chair, assisted by the Company Secretary, is responsible for creating and circulating the agenda for meetings, and keeping the minutes of meetings and circulating them to Committee members and to other Board members, subject however to the disclosure of such information and documents to the Board not giving rise to any conflicts of interest issues for QSL (refer to item 2.1) and also subject to the QSL Board Governance Protocol.
- h) A quorum for a meeting consists of two members of the Committee or such other number as determined by the Committee to be the quorum for meetings of the Committee.
- i) A motion will be passed by a simple majority of votes cast in favour by Committee members present and eligible to vote. In the event of an equal number of votes being cast for and against a motion, the motion will be referred to the Board for resolution. The Committee Chair does not have a casting vote.

4. COMMITTEE REPORTING

- a) The minutes of all Committee meetings will be circulated to Board members by the Company Secretary, subject however to the disclosure of such information and documents to the Board not giving rise to any conflicts of interest issues for QSL (refer to item 2.1) and also subject to the QSL Board Governance Protocol.
- b) The Committee Chairman will report the findings, recommendations and decisions to the next Board meeting after each Committee meeting, subject however to the disclosure of such information and documents to the Board not giving rise to any conflicts of interest issues for QSL (refer to item 2.1) and also subject to the QSL Board Governance Protocol.

5. ACCESS TO RESOURCES

- a) The Committee is entitled to have access to unlimited internal resources, and with the approval of the QSL Chairman, has the ability to consult and engage external expert advice at QSL's cost as considered appropriate.
- b) The Committee will table any externally sourced advice at the first Board meeting after receipt of the advice, subject however to the disclosure of such information and documents to the Board not giving rise to any conflicts of interest issues for QSL (refer to item 2.1) and also subject to the QSL Board Governance Protocol.

6. COMMITTEE RESPONSIBILITIES

6.1. People – Remuneration and Talent

The Committee will monitor and review and, where appropriate, provide advice and guidance and make recommendations to the Board on the following matters:

Board Matters

- c) the Board Selection Committee process established under QSL's constitution, which monitors and appoints directors to the QSL Board, including the composition of the QSL Board to ensure an appropriate mix of skills, experience and expertise to effectively discharge their duties, as well as the independence of the directors appointed under clause 29A of QSL's constitution;
- d) the remuneration of directors within the parameters set by members of QSL;
- e) the induction program and processes for newly appointed directors;
- f) the program for the ongoing professional development of directors, including a proposed budget, acknowledging also the individual responsibility of each director for their own continuous learning and training;
- g) the annual assessment of the effectiveness of the Board and individual directors, prior to 31 December each year. This will include assessing the range of skills, experience and expertise on the Board and identifying whether there are areas where the skillset requires supplementing or enhancing;

Review of MD/CEO performance

- h) the recruitment process for the appointment of a MD/CEO, in the event of a vacancy or impending vacancy, as well as the terms of the employment contract, remuneration and other benefits for the MD/CEO. The Committee will review and recommend a short list of suitable candidates to the Board for its consideration;
- i) the development of a performance plan and key performance indicators for the MD/CEO, as well as a development plan for that person;
- j) the process for a detailed MD/CEO evaluation, with this process to be coordinated by the Committee Chair. This process will involve the following:
 - i. the MD/CEO evaluation will occur annually immediately after the end of the financial year via a Committee meeting. The results will be tabled for discussion at the next Board meeting following this Committee meeting. At this time, the Board and MD/CEO will discuss and agree key performance indicators for the upcoming year;
 - ii. the MD/CEO evaluation will utilise quantitative and qualitative measures and will be assessed against the approved performance plan as agreed at the commencement of each financial year and as derived from QSL's strategic plan;
 - iii. a review of the MD/CEO's performance over the previous six (6) months will take place early in each calendar year;
 - iv. the Committee will prepare a brief report for the full Board after discussion with the MD/CEO. However, the performance of the MD/CEO is a matter for full Board deliberation and will be a separate agenda item at the relevant Board meeting;

Senior Management Skills and Competencies

- k) the performance evaluation process for senior management, including key performance indicators, and considering the results of the MD/CEO's annual and six (6) monthly performance review of senior management;

- l) QSL's succession planning for the MD/CEO and senior management, to ensure an appropriate balance of skills, experience and expertise is maintained in that team, and making recommendations to the Board in relation to succession planning;
- m) the leadership development and performance management systems to ensure their effectiveness and alignment with QSL's strategic direction;

Remuneration

- n) the design and effectiveness of the remuneration and talent framework and policies, with the framework to be designed to ensure that corporate and individual performance is linked to performance incentives, and that senior management are motivated to deliver QSL's objectives and strategic goals;
- o) in conjunction with the annual performance review, the revised remuneration package of the MD/CEO and proposed remuneration packages of senior management and other key staff;
- p) the disclosure policy for remuneration, and advising the Board on compliance with QSL's disclosure obligations for remuneration;

Talent

- q) the design and effectiveness of a talent and retention framework and policies, with the framework to be designed to ensure that there is an appropriate mix of skills, experience and expertise within QSL staff to enable QSL to be able to effectively and efficiently undertake its business and deliver QSL's objectives and strategic goals; as well as ensuring that the appropriate retention of key QSL staff as required for this purpose.

6.2 Management of Conflicts of Interests

- a) Clause 6.2 sets out overriding principles in relation to the operation of the Committee.
- b) Where the activities by QSL in operating the BSTs and/or the appointment of industry directors on the QSL Board gives rise to conflict of interest issues for QSL, the Committee has the delegated authority from the Board to approve and make decisions binding the Board in relation to any actions arising from its reviews and investigations relevant to the Committee's responsibilities, in order to manage relevant governance and legal issues.

7. REVIEW

- a) This Charter will be reviewed by the Committee, and if necessary, updated annually and any changes will be recommended to the Board for the Board's approval.
- b) The Committee will review its performance annually and report to the Board.

Approved by the Board on:	December 2016
Reviewed	November 2016
Next review date:	November 2017