



Cotton Seed Distributors Limited

Nomination & Remuneration
Committee Charter

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1. Introduction

The Nomination & remuneration Committee ("Committee") is a committee of the Board of Directors ("Board") of Cotton Seed Distributors Limited and its subsidiaries ("CSD").

The Committee was established by resolution of the Board and is provided with the powers necessary for it to perform its functions. It is not a policy making body, but assists the Board by monitoring the implementation of Board policy and making recommendations to the Board in respect of matters for which it is responsible.

2. Role of the Nomination & Remuneration Committee

2.1 Nomination

The Committee assists and advises the Board on:

- (a) Board succession planning generally;
- (b) induction and continuing professional development programs for directors;
- (c) the development and implementation of a process for evaluating the performance of the board, its committees and directors;
- (d) the process for recruiting a new director, including evaluating the balance of skills, knowledge, experience, independence and diversity on the board and, in the light of this evaluation, preparing a description of the role and capabilities required for a particular appointment;
- (e) the appointment and re-election of directors; and
- (f) ensuring there are plans in place to manage the succession of the Managing Director and other senior executives,

to ensure that the Board is of a size and composition conducive to making appropriate decisions, with the benefit of a variety of perspectives and skills and in the best interests of the Company as a whole.

2.2 Remuneration

The Committee also assists and advises the Board on remuneration policies and practices for the Board, the Managing Director, the chief financial officer, senior executives and other persons whose activities, individually or collectively, affect the financial soundness of the Company.

The policies and practices are designed to:

- (a) enable the Company to attract, retain and motivate directors, executives and employees who will create value for Members within an appropriate risk management framework, by providing remuneration packages that are equitable and externally competitive;
- (b) be fair and appropriate having regard to the performance of the Company and the relevant director, executive or employee;
- (c) comply with relevant legal requirements; and
- (d) encourage the creation of an 'Employer of Choice' culture within the Company.

3. Key Responsibilities of the Nomination & Remuneration Committee

3.1 Nomination Responsibilities

The Committee is responsible for:

- a) identifying and making recommendations regarding the necessary and desirable competencies of directors;
- b) making recommendations regarding the size of the Board so that the size encourages efficient decision making;
- c) developing and reviewing the process for the selection, appointment and re-election of directors;
- d) identifying and making recommendations to the Board for the appointment of new

- Board candidates, having regard to their skills, experience and expertise;
- e) co-ordinating with the Board to ensure that the Company meets its commitment to becoming a diverse and inclusive workplace;
- f) identifying ways to promote a culture supportive of diversity including recruitment from
 - i. a diverse pool of candidates;
 - ii. reviewing nomination practices against measurable objectives for achieving gender diversity;
- g) developing and reviewing induction procedures for new appointees to the Board to enable them to effectively discharge their duties, including increasing their knowledge about the Company and the industry within which the Company operates;
- h) developing, implementing and reviewing continuing education measures to enhance director competencies and to update and enhance directors' knowledge and skills including on key developments affecting the Company and the industry and environment in which it operates;
- i) overseeing the development and implementation of a process for the evaluation of the performance the Board, Board committees, and directors individually, using both measurable and qualitative indicators;
- j) reviewing the time required to be committed by non-executive directors to properly fulfil their duties to the Company and whether non-executive directors are meeting these requirements;
- k) assisting the Board in assessing the independence of each non-executive director;
- l) reviewing Board and senior executive succession plans and processes, including for the Managing Director and other senior executive positions and being conscious of each director's tenure, to maintain an appropriate balance of skills, experience, expertise and diversity.

3.2 Remuneration Responsibilities

The Committee is responsible for developing, reviewing and making recommendations to the Board on:

- a) the Company's remuneration framework for directors, including, the process by which any pool of directors' fees approved by members is allocated to directors;
- b) the remuneration packages to be awarded to the Managing Director and senior executives;
- c) incentive compensation for the Managing Director, senior executives and other employees; and
- d) superannuation arrangements for directors, senior executives and other employees.

The Committee is also responsible for monitoring and providing input to the Board regarding:

- a) legislative, regulatory or market developments likely to have a significant impact on the Company and legislative compliance in employment issues; and
- b) Company remuneration policies, practices and systems, and the remuneration trends across the Company, including the trends in base pay for senior management relative to that of all Company employees; and remuneration by gender;

The Committee will liaise with the Board in relation to the Company's remuneration related reporting in the financial statements.

4. Nomination & Remuneration Committee Composition and Operation

4.1 Appointment, Skills and Competencies

Members of the Committee will be appointed by the Board from the non-executive Directors of CSD. The Committee shall consist of a minimum of 3 non-executive Directors.

- Appointment of Committee members is reviewed annually.

- The effect of ceasing to be a Director of the Board is the automatic termination of appointment as a member of the Committee.
- The duties and responsibilities of a member of the Committee shall be in addition to those duties set out for a Director of the Board.
- Committee members will have a working familiarity with basic human resource practices. It is appropriate that members of the Committee have a range of different backgrounds, skills and experiences, having due regard to the operational, financial and strategic risk profile of CSD.
- New members appointed to the Committee are required to undertake a formal induction. The induction includes understanding the Workplan and understanding this Charter.

CSD will assist the Committee in maintaining appropriate human resource literacy. CSD is responsible for providing new members with an appropriate induction program and educational opportunities, and the full Committee with educational resources relating to human resource principles and procedures, and other resources, as reasonable requested by the Committee.

4.2 Performance Evaluation

To ensure that the Committee is fulfilling its stewardship duties to the Board, the Committee will:

- Review, at least annually, the Committee Charter and recommend to the Board any appropriate amendments for approval;
- Review the annual work plan incorporating any changes in the Charter;
- With the inclusion of the Board, conduct an annual assessment of its performance against its chartered duties and responsibilities and provide a report of the findings to the Board;

4.3 Committee Meetings

The Committee must meet at least three times per year.

If a member is unable to be physically present, they may participate by video or teleconference.

In addition, the Chair will call a meeting of the Committee if so requested by any member of the Committee, by the external auditor or by the Chair of the Board.

The Committee Chair may invite any person or persons (other than duly appointed members) to attend meetings of the Committee, but not necessarily for the full duration of the meeting.

The quorum for a meeting is two members.

4.4 The Chair

The Chair of the Committee will be appointed by the Board. The Chair must be an independent Director.

Should the Chair be absent from a meeting and no acting Chair has been appointed, the members of the Committee present at the meeting shall choose one of the other members of the Committee to chair that particular meeting.

4.5 Authority

The Board has authorised the Committee, within the scope of its duties and responsibilities set out in this charter to:

- Perform the activities required to address its responsibilities and make recommendations to the Board;
- Subject to the agreed protocol:
 - i. Require the attendance of any company manager or staff member at meetings, as appropriate;
 - ii. Have unrestricted access to management, employees and information it considers relevant to its responsibilities under this charter;

4.6 Secretary

The Company Secretary of CSD shall act as Secretary of the Committee.

5. Nomination & Remuneration Committee Remuneration

Committee members are entitled to receive remuneration as determined from time to time by the Board.