



# PEOPLE AND PERFORMANCE COMMITTEE CHARTER

This Charter has been approved by the  
Board of Iluka Resources Limited (14 February 2020)

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## **1 Introduction**

- 1.1 The Board of Directors (“Board”) of Iluka Resources Limited (“the Company”) has established a People and Performance Committee (“the Committee”).
- 1.2 This Charter sets out the specific responsibilities delegated by the Board to the Committee and the Committee’s objectives, authority, responsibilities, composition and operation.

## **2 Overall Purpose**

- 2.1 The purpose of the Committee is to provide assistance and recommendations to the Board in fulfilling its responsibilities in overseeing the:
- (a) overall remuneration strategy of the Company and its specific application to the Managing Director and direct reports, and the remuneration of non-executive directors; and
  - (b) diversity strategy, policy and practices of the Company.
- 2.2 The Committee will also make decisions on behalf of the Board where such authority has been expressly delegated by the Board.

## **3 Membership**

- 3.1 The Committee must consist of:
- (a) only non-executive directors;
  - (b) a minimum of three members;
  - (c) a majority of independent directors; and
  - (d) an independent director as Chairman.
- 3.2 Members and the Chairman of the Committee will be appointed by the Board.

## **4 Responsibilities**

- 4.1 Code of Conduct and equal opportunity

The responsibilities of the Committee are as follows:

- (a) reviewing the Company’s compliance with, and receiving information regarding any material breaches of, equal employment opportunity and anti-discrimination legislation; and

- (b) monitoring compliance with the Company's Code of Conduct and receiving information regarding any material breaches of the Code and actions taken by management in relation to such breaches.

## 4.2 Engagement and capability

The responsibilities of the Committee are as follows:

- (a) monitoring the development of key strategies and remuneration policies aimed at improving the organisation's culture, executive development, succession and career planning practices;
- (b) monitoring the Company's workforce planning approach to ensure the Company attracts, develops and retains the right capability to meet strategic objectives; and
- (c) reviewing the results of employee engagement surveys and monitoring the progress of any management actions undertaken in response to those surveys.

## 4.3 Diversity

The responsibilities of the Committee are as follows:

- (a) on an annual basis, approving the Company's measurable diversity objectives with regard to the composition of the Board, senior management, and the workforce generally and assessing both the objectives and the Company's progress against them, including considering the results of any gender pay equity audits undertaken during the year, and approving any changes to the diversity objectives or strategies; and
- (b) on an annual basis, reviewing the relative proportion of women and men on the Board, in senior management and across the whole workforce, and submitting a report to the Board that outlines the Committee's findings or, if applicable, providing the Board with the Company's most recent indicators as required by the Workplace Gender Equality Act 2012.

## 4.4 Policies

The responsibilities of the Committee are as follows:

- (a) reviewing major changes and developments in the remuneration policies, superannuation arrangements, employment practices and industrial relations strategies for the Company;

- (b) reviewing the Company's remuneration policies and practices to ensure they fit with the Company's strategic goals and that they comply with the Company's risk appetite, regulatory requirements and good governance principles and practice; and
- (c) reviewing major changes and developments in the Company's remuneration, recruitment, retention and termination policies and procedures for senior management, and ensuring that conduct is only rewarded where it aligns with the Company's purpose, values and risk appetite.

## 4.5 Remuneration and performance

The responsibilities of the Committee are as follows:

- (a) reviewing and recommending to the Board, the Managing Director's arrangements and the arrangements of their direct reports, including contract terms, annual remuneration and participation in the Company's incentive plans;
- (b) reviewing and recommending to the Board the remuneration arrangements for the Chairman and the non-executive directors, including fees and other benefits;
- (c) reviewing and approving the annual remuneration review applying generally across the Company, taking into account the recommendations of the Managing Director and considering whether the Company's remuneration policies promote behaviours that align with its purpose, values, and risk appetite;
- (d) reviewing remuneration by gender and approving strategies or changes to address any pay bias;
- (e) reviewing and advising the Board about the performance of the Managing Director and discussing the performance of the Managing Director's direct reports;
- (f) reviewing and facilitating shareholder and other stakeholder engagement in relation to the Company's remuneration policies and practices; and
- (g) overseeing and administering (where appropriate, through its delegate) the Company's executive and employee incentive arrangements, including:
  - (i) reviewing and approving short term incentive strategy, performance measures and bonus payments;

- (ii) ensuring that both positive and negative risk behaviours are reflected in remuneration outcomes;
- (iii) reviewing and recommending to the Board any changes and developments to the executive and employee share plans;
- (iv) reviewing and approving the total target reward, including short and long term incentives, for the Managing Director and his or her direct reports;
- (v) considering and approving the total outcomes of all incentive awards in addition to the Managing Director and his or her direct reports ;
- (vi) approving the acquisition of shares on-market or recommending to the Board a new issue of shares (subject to any necessary shareholder approval in relation to a director award) in order to satisfy allocations under the executive and employee share plans; and
- (vii) reviewing and approving the terms of any trust deed applying to the plans and of any amendment to any such trust deed, including authorising the execution of any such trust deed or amending deed on behalf of the Company.

#### 4.6 Remuneration Report

The responsibility of the Committee is to oversee the preparation of the Remuneration Report and making recommendations to the Board as to its adoption in the annual Directors' Report.

#### 4.7 Remuneration consultants

The responsibility of the Committee is to approve the appointment of remuneration consultants for the purposes of the Corporations Act 2001.

## 5 Meeting Arrangements

5.1 It is intended that the Committee will meet at least 3 times a year. Meetings may be requested by any member of the Committee.

5.2 A quorum for the Committee is 2 members.

5.3 Directors who are not members of the Committee have a standing invitation to attend Committee meetings.

5.4 The Chairman may invite the Managing Director and other members of management to attend meetings as appropriate.

5.5 The Committee is to have access to adequate internal and external resources. The Committee may seek the advice of the Company's auditors, solicitors or other independent advisers as to any matter pertaining to the powers, duties or responsibilities of the Committee as required.

5.6 No individual director or executive will be involved in any decisions as to their own remuneration.

## **6 Secretarial**

6.1 The Company Secretary or designate will be the secretary of the Committee and will be responsible for the minutes of the meeting.

## **7 Reporting Mechanism to the Board**

7.1 The Committee Chairman will report to the Board after each Committee meeting and will make recommendations to the Board as appropriate.

7.2 A copy of the minutes of the Committee will also be provided to the Board with the Board papers.

7.3 The Committee will also consider if any material matters arising out of the Committee meeting should be advised to any other Committee and, if so, recommend to the Board that this occurs.

## **8 Review Process**

8.1 The composition and annual agenda for the Committee will be reviewed at least annually, and the Charter at least every two years, to determine their adequacy for current circumstances. Any changes to the Charter will require approval of the Board.

8.2 The Committee will undertake a formal process of self-assessment on at least an annual basis. The results of this assessment will be communicated to the Board in order to assist the Board in its periodic review of the Committee's effectiveness.