



# TREASURY WINE ESTATES

## HUMAN RESOURCES COMMITTEE CHARTER

### Objective

The objective of the Human Resources Committee is to assist the Board in discharging its duty to oversee the establishment of appropriate human resources policies and strategies that provide the Company with the capability to achieve its short and long term business objectives.

### Authority

The Human Resources Committee (the **Committee**) is established by, and reports to, the Board. The Committee's functions and powers are as set out in this Charter or otherwise delegated to it by the Board, in accordance with the Company's Constitution.

The Committee's primary role is to review and make recommendations to the Board. The Board has, however, delegated certain matters to the Committee.

The Board retains full responsibility for the Company's human resources strategy.

In this Charter, 'Executives' refers to members of the Executive Leadership Team.

### Composition

The Committee must consist of a minimum of three members, and all the members must be independent non-executive directors. Independence has the same meaning as set out in the Board Charter.

The Chairman and members of the Committee will be appointed by the Board, and the Board may remove or replace a member of the Committee. The Committee must be chaired by an independent director. If a member of the Committee ceases to be an independent non-executive director of the Company, that member ceases to be a member of the Committee.

### Responsibilities and duties

The Committee is responsible for overseeing the overall human resources strategy for the Company, which is designed to provide:

- a rich supply of high calibre talent with the capability to lead the business now and in to the future;
- diversity of employees to reflect the available talent in the market place and consumer demographics;
- training and development that will equip employees with the skills and knowledge to perform their duties and achieve their individual level of potential;
- a high performance culture and employee engagement that will drive organisation success;
- a level and mix of reward and recognition that:
  - will attract and retain employees with the requisite skills and expertise and motivate high performance;
  - provides strong linkages between Company and individual performance;

- maintains the integrity of the Company's remuneration principles, strategies and practices; and
- aligns shareholder and employee interests;
- a level of remuneration for non-executive directors that is sufficient to ensure the Company is able to appoint and retain non-executive directors with appropriate skills, expertise and experience; and
- a robust and disciplined approach to reward that:
  - provides a framework for undertaking reviews of remuneration proposals;
  - mitigates operational, financial, regulatory and reputation risk; and
  - is compliant with current governance and legislative requirements related to remuneration practices.

The duties of the Committee are set out below.

### ***Talent Management***

The Committee is to oversee the annual talent review process for Executives and senior management and the development of succession plans for Executives and key senior management to foster an appropriate balance of skills, experience, and expertise to support the ongoing successful management of the Company.

### ***Inclusion, Equity and Diversity***

The Committee is responsible for overseeing inclusion, equity and diversity and ensuring that it remains a key component of the global people and culture strategy. The Committee is to oversee an appropriate Company wide inclusion, equity and diversity policy and report to the Board at least annually on progress in achieving the objectives of that policy. This includes any analysis and reporting required under current legislation, including review of remuneration by gender.

The Committee will review and endorse the Company's annual measurable objectives set for achieving diversity, prior to being approved by the Board. Progress against the measurable objectives will be reviewed twice a year by the Committee.

The Committee is to satisfy itself that all legal and disclosure requirements in relation to diversity are satisfied. The Committee is to oversee management's preparation of the inclusion, equity and diversity section in the Company's Annual Report to ensure it is consistent with the information known to the Committee, and appropriately reflects the decisions of the Committee and the Board and the outcomes of those decisions.

### ***Leadership development***

The Committee is to oversee programs for the induction and ongoing leadership and capability development of Executives and key senior management (and potential senior management, as identified through the talent management and succession planning processes).

### ***Recruitment, retention and termination***

The Committee is to oversee the Company's recruitment, retention and termination of Executives in order to ensure a market-competitive approach with the Company sourcing and retaining the level of talent required.

## ***Reward and remuneration***

### *Remuneration of the Board*

The Committee is to at least annually, or as appropriate, review non-executive director remuneration arrangements (including Board and Board Committee fees, superannuation contributions and share plans) against appropriate benchmarks, and having regard to the role and time requirements of non-executive directors, recommend to the Board changes to fees and allowances with supporting rationale.

### *Remuneration policies and frameworks*

The Committee is to:

- review regularly and recommend to the Board for approval the remuneration philosophy, principles, policies, strategy and framework of the Company including the applicable variable incentive arrangements for Executives and employees (including robust performance measures and targets);
- undertake regular assessments to monitor the effectiveness of the Company's overall remuneration framework in achieving its objectives;
- consider the outcome of the annual shareholder vote on the Remuneration Report when reviewing the Company's remuneration practices and policies; and
- review the Company's recruitment and retention strategies for the Chief Executive Officer and Executives.

In making its recommendations to the Board, the Committee will be informed by the rationale and strategy behind the remuneration policies and framework as put forward by management.

### *Remuneration of Executives*

The Committee is to:

- review regularly and recommend to the Board for approval the remuneration policy for the Chief Executive Officer, Executives and senior management;
- review regularly and recommend to the Board for approval the Chief Executive Officer's and other Executive key management personnel's (**KMP's**) remuneration arrangements including fixed and variable remuneration components, performance measures and targets for incentives, having regard to the outcome of the annual performance review of the Chief Executive Officer and Executive KMP;
- review and recommend to the Board for approval the terms and conditions of the Chief Executive Officer's and Executive KMP's employment contract, including fixed annual remuneration, short-term and long-term incentives, equity based incentives, benefits, superannuation, and leaving entitlements;
- consider, and if deemed appropriate, approve the employment contract terms and remuneration arrangements of the Executives (other than KMP), as recommended by the Chief Executive Officer and, where relevant, with regard to the outcome of annual performance reviews;
- ensure that there are processes in place to provide annual assessment of the performance of Executives and senior management; and

- delegate authority to the Chief Executive Officer and Chief People Officer to approve the remuneration packages of employees outside of the Executives, within the remuneration policy and framework approved by the Committee.

#### *Incentive plans*

The Committee is to:

- recommend to the Board for approval all new incentive plans and amendments to the terms of all existing incentive plans for Executives;
- recommend to the Board for approval all new equity incentive plans and amendments to the terms of all existing equity incentive plans;
- recommend to the Board for approval any participation by the Chief Executive Officer and Executive KMP in all incentive schemes (with the exception of the Share Cellar Plan);
- consider, and if deemed appropriate, approve the participation by Executives (other than KMP) in all incentive schemes (with the exception of the Share Cellar Plan);
- where shareholders have approved an equity-based executive remuneration plan, ensure that payment is made in accordance with thresholds set in that plan; and
- at its discretion, delegate to the Chief Executive Officer and Chief People Officer the power for the establishment of other incentive plans, with the exception of equity plans, and the level of participation by other employees outside of the Executive within approved policy.

#### *Remuneration disclosures and approvals*

The Committee is to:

- satisfy itself that all governance, accounting, legal, approval and disclosure requirements in relation to remuneration are complied with;
- satisfy itself that any new or varied contracts with the Chief Executive Officer are disclosed in accordance with any governance, accounting and legal requirements;
- oversee management's preparation of the Remuneration Report for inclusion in the Company's Annual Report, review the Remuneration Report to ensure it is consistent with the information known to the Committee, and appropriately reflects the decisions of the Committee and the Board and the outcomes of those decisions, and recommend it to the Board for approval;
- oversee the Company's engagement and communications with key stakeholders in relation to the content of the Remuneration Report; and
- ensure key stakeholders are proactively consulted and briefed on remuneration strategies, structure and policies.

#### *Risk Management*

The Committee is to satisfy itself that the Company's remuneration and incentive policies and practices are designed to:

- motivate Executives and employees to pursue long-term growth of the Company, without rewarding conduct that is contrary to the TWE DNA or risk appetite;

- appropriately incentivise positive risk behaviour, encourage sound risk management of both financial and non-financial risks, and discourage unnecessary and excessive risk taking; and
- allow for proper adjustments to be made, including where risk and compliance failures occur.

### ***Other matters***

The Committee is also responsible for reviewing the following matters:

- superannuation arrangements and requirements under current legislation;
- staff resourcing trends and human resources metrics; and
- other relevant matters identified from time to time, or requested by the Board.

### **Administrative matters**

#### ***Meetings***

The Committee will meet a minimum of three times per year, however, the Committee may call additional meetings as the Chairman of the Committee decides are necessary for the Committee to fulfil its duties, taking into account requests from any Board or Committee member, the Chief Executive Officer, the Chief People Officer or the Company Secretary.

The regulation of meetings and proceedings of the Committee is governed by the Constitution.

A quorum is at least two members of the Committee. If the Chairman is absent from a meeting, the members of the Committee present may appoint another Committee member to act as Chairman for that particular meeting. However, all members are expected to participate in all Committee meetings.

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

The Company Secretary or his or her delegate will act as Secretary of the Committee and will attend meetings of the Committee, as deemed appropriate.

#### ***Agenda***

The Chairman will review the agenda for each meeting prior to its issue.

Any Committee member may require business to be included in the agenda, provided the Chairman and Secretary have been given prior notice of that business.

The agenda and papers for each Committee meeting will be issued to Committee members and the Chief Executive Officer within a reasonable time prior to that meeting.

#### ***Minutes***

The Secretary will prepare the minutes of meetings of the Committee which are to be approved by the Chairman in draft and circulated to all members of the Committee and to the Board.

Minutes of meetings of the Committee will be confirmed at the next meeting of the Committee and signed by the Chairman.

### ***Attendance***

If a Committee member or an attendee has a material personal interest in a matter that is being considered at a Committee meeting, that person must not be present for consideration of, or take any part in decision-making on, that matter unless permitted under the *Corporations Act 2001* (Cth). However, members may be present at Committee meetings and may participate in the formulation of recommendations to the Board in relation to the remuneration of non-executive directors.

The Committee will operate independently of senior management of the Company, whilst receiving recommendations and input from the Chief Executive Officer, Chief People Officer, external advisers and other individuals as deemed appropriate.

The Chief Executive Officer and Chief People Officer will be invited to attend meetings, as deemed appropriate. Other Executives and advisers, as the Chairman thinks fit, may be invited to attend meetings. However, Executives may not be present at meetings or be directly involved in any decisions relating to their remuneration.

### ***Advice and access***

The Committee will have unrestricted access to management. The Committee will also have the right to seek explanations and additional information from management.

The Committee has authority to conduct or direct investigations into any matters within its terms of reference. The Committee or any individual Committee member may engage an independent external adviser, as considered necessary or desirable by the Committee to assist it in any investigation or to carry out its duties, at the expense of the Company. Before the external advice is sought, consent must be obtained from the Chairman of the Committee. As appropriate, the Committee will inform the Chief Executive Officer and the Company Secretary of its decision to authorise such an investigation or obtain such external advice.

The Chairman of the Committee may determine that any external advice received by an individual Committee member be circulated to the other directors of the Company.

Where the external advice is in relation to remuneration, the engagement must be undertaken in accordance with the approved Protocols for Obtaining External Remuneration Advice.

### ***Reporting***

The Chairman will report to the Board at the Board meeting following each Committee meeting, on all matters that should be brought to the attention of the Board and any recommendations requiring Board approval and/or action.

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

The Chairman will attend and be available to answer questions regarding the Company's Remuneration Report at the Annual General Meeting of the Company.

### ***Review***

The Committee's Charter will be regularly reviewed (at least annually) and the Chairman, following such review, will recommend to the Board amendments deemed desirable to the Charter including as to Committee membership, responsibilities and functions or otherwise.

No changes to this Charter may be made without the approval of the Board. After its review each year, this Charter will be distributed by the Company Secretary to all directors, the Chief Executive Officer and the Chief People Officer, and the latest version included on the Governance page of the Company's website.