

### 1 GENERAL SCOPE AND AUTHORITY

#### 1.1 Purpose of Charter

To specify the authority delegated to the Remuneration Committee ("**Committee**") by the Board of Directors ("**Board**") of Incitec Pivot Limited (the "**Company**" or "**Incitec Pivot**") and to set out the role, responsibilities, membership and operation of the Committee.

#### 1.2 Authority

The Committee is established pursuant to Rule 8.3 of Incitec Pivot's Constitution and Paragraph 8.1 of the Incitec Pivot Board Charter. The Committee is authorised by the Board to assist it in fulfilling its statutory and regulatory responsibilities. The Committee has the authority and power to exercise the role and responsibilities set out in this Charter and under any separate resolutions of the Board, from time-to-time. The Committee has no executive powers with regard to its recommendations and does not relieve the Board of its responsibilities in these matters.

### 2 PURPOSE OF THE COMMITTEE

The purpose of the Committee is to assist and advise the Board on remuneration policies and practices for the Board, the Managing Director & CEO, the executive management team ("**Executive Team**") and senior management with the policies and practices being designed to:

- (a) enable Incitec Pivot to attract, retain and motivate directors, executives and employees who will create value for shareholders;
- (b) be fair and appropriate having regard to the performance of Incitec Pivot and the relevant director, executive or employee; and
- (c) comply with relevant legal requirements.

### 3 RESPONSIBILITIES OF THE COMMITTEE

#### 3.1 Responsibility on Remuneration

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

- (i) the remuneration framework for non-executive directors annually;
- (ii) Incitec Pivot's policy on remuneration for the Managing Director & CEO and members of the Executive Team, any changes to the policy and the implementation of the policy (including any shareholder approvals required);
- (iii) Incitec Pivot's recruitment, retention and termination policies for the Managing Director & CEO and members of the Executive Team and any changes to those policies;
- (iv) the total remuneration package for the Managing Director & CEO (including base pay, incentive payments, equity based awards, superannuation and other retirement rights), any changes to the remuneration package and recommending proposed bonus performance awards after performance evaluation procedures; and
- (v) in consultation with the Managing Director & CEO, the total remuneration packages for members of the Executive Team (including base pay, incentive payments, equity based awards, superannuation and other retirement rights), any changes to remuneration packages and recommending proposed bonus performance awards after performance evaluation procedures.

In addition, the Committee will review, at least annually, remuneration by gender.

In fulfilling these responsibilities, the Committee will ensure that a clear distinction is maintained between the structure of non-executive directors' remuneration and that of executive directors and senior executives, including members of the Executive Team.

### **3.2 Responsibilities on Incentive Schemes and Equity Based Remuneration**

The Committee will review and make recommendations to the Board in relation to those executive incentive plans that require the approval of shareholders, having regard to the remuneration policy.

The Committee will oversee the development of recommendations to the Board regarding the rules of all incentive plans for the Managing Director & CEO, the Executive Team and senior management or where the plan involves the issue of any shares, options, equity instruments or other securities in Incitec Pivot (including the delegation of powers, as appropriate, to management to operate those plans), including the performance targets to be used in each plan.

The Committee will:

- (i) keep all plans under review in the light of legislative, regulatory and market developments and report to the Board as appropriate as to any changes or amendments required;
- (ii) following the end of the financial year, determine and make recommendations to the Board whether awards will be made under the plan;
- (iii) recommend to the Board awards under each plan to the Managing Director & CEO and the Executive Team; and
- (iv) keep under review the performance targets used and the performance of each incentive plan and make recommendations to the Board as appropriate.

### **3.3 Annual Remuneration Report and Disclosure in Financial Statements**

The Committee is to:

- (i) liaise with the Audit and Risk Management Committee in relation to the disclosure of remuneration in the financial statements of the Company and oversee the disclosures made on remuneration; and
- (ii) approve recommendations to the Board with regard to the approval of any statement on Incitec Pivot's remuneration policy and executive compensation disclosures that may be:
  - (a) required by any listing rule, legislation, regulatory body or other regulatory requirement; or
  - (b) proposed for inclusion in the Directors' Report as included in Incitec Pivot's annual report, including without limitation, the Remuneration Report, prepared pursuant to the Corporations Act 2001 (Cth).

The Company Secretary will prepare, maintain and evaluate policies, procedures, internal controls and verification processes in order to satisfy the objective of safeguarding the integrity of the Company's annual Remuneration Report in accordance with best practice, as determined by the Committee, and to ensure compliance with the Corporations Act 2001 (Cth) and other applicable legislation.

### **3.4 Talent Management**

The Committee will review and make recommendations to the Board in relation to Incitec Pivot's talent management processes, programs and procedures; succession planning and associated actions for the Executive Team (including a review of the candidates available to fill such positions).

## **4 COMPOSITION OF THE COMMITTEE**

### **4.1 Membership**

- (i) The Committee will consist of at least three members each of whom will be appointed or removed by the Board following, in each case, a review by the Board in consultation with the Chairman of the Committee (other than in respect of the Chairman's own appointment or removal).
- (ii) Each member of the Committee must be a non-executive director.
- (iii) A majority of members of the Committee must be independent directors, as determined by the Board, having regard to the ASX Corporate Governance Council's Principles and Recommendations.

### **4.2 Chairman**

The Chairman of the Committee:

- (i) will be elected by the Board;
- (ii) must be a member of the Committee; and

- (iii) must be an independent director, as determined by the Board, having regard to the ASX Corporate Governance Principles and Recommendations.

#### **4.3 Company Secretary**

The Company Secretary is the Secretary of the Committee.

#### **4.4 Other Rules and Regulations**

In appointing the members of the Committee, the Board will have regard to the ASX Listing Rules, the ASX Corporate Governance Council's Principles and Recommendations and the Corporations Act 2001 (Cth).

### **5 COMMITTEE MEETINGS & PROCESS**

#### **5.1 Meetings**

Meetings and proceedings of the Committee are governed by the provisions of Incitec Pivot's Constitution regulating meetings and proceedings of the Board and committees of the Board in so far as they are applicable and not inconsistent with this Charter.

#### **5.2 Frequency**

The Committee will meet as frequently as required to perform its functions but not less than four times a year. The Chairman of the Committee must call a meeting of the Committee if requested by any member of the Committee.

#### **5.3 Notice**

The Committee Secretary is to distribute a notice of each meeting confirming the date, time, venue and agenda to each member of the Committee (with a copy to all members of the Board excluding any matter where a conflict of interest has been notified) at least 4 days prior to the date of the meeting. The notice of the meeting will include the relevant supporting papers for the agenda items to be discussed.

#### **5.4 Quorum**

A quorum will comprise any two Committee members. In the absence of the Chairman of the Committee or appointed delegate, the Committee members must elect one of their number as Chairman of that meeting.

#### **5.5 Other Attendees**

The Chairman of the Committee may invite any person to attend meetings of the Committee, for all or any part of the meeting, and may invite the Managing Director & CEO, senior managers, and external advisers to attend meetings of the Committee.

A standing invitation will be issued to all non-executive directors to attend meetings of the Committee.

#### **5.6 Access to information and advisers**

The Committee will have the appropriate resources to discharge its duties and responsibilities, including engaging counsel, accountants or other experts, as it considers appropriate. This may include requesting management or engaging external remuneration consultants to provide information to the Committee. Costs of meeting with external advisers will be borne by Incitec Pivot.

#### **5.7 Reporting to the Board**

The Chairman of the Committee (or person nominated by the Chairman of the Committee for that purpose) must report to the Board at the Board's next meeting on all matters relevant to the Committee's role and responsibilities.

#### **5.8 Minutes**

Minutes of proceedings and resolutions of the Committee must be kept by the Secretary of the Committee. After preliminary approval has been given by the Chairman of the Committee, minutes of Committee meetings will be included in the papers for the next Board meeting after each Committee meeting. Minutes will be confirmed at the next meeting of the Committee. Minutes, agenda and supporting papers will be made available to every Board member providing no conflict of interest exists.

**6 COMMITTEE'S PERFORMANCE EVALUATION**

The Committee will review its performance by self assessment, at least annually.

The performance evaluation will have regard to the extent to which the Committee has met its responsibilities under this Charter.

The Committee will present to the Board annually a report of its activities for the prior financial year and on its performance following the annual performance evaluation.

**7 REVIEW AND PUBLICATION OF THE CHARTER**

The Committee will review its Charter from time to time and make recommendations to the Board as to any changes it considers should be made. The Charter may be amended by resolution of the Board.

Approved by the Board on 29 March 2017.