

# Charter

## Remuneration and People Committee

### 1. INTRODUCTION AND PURPOSE

This Charter summarises the roles and responsibilities of the Remuneration and People Committee (the Committee) of Fortescue Ltd (Fortescue or the Company). The disclosure of the role and responsibility of the Committee is designed to assist those affected by corporate decisions to better understand the respective accountabilities and contributions of the Committee.

### 2. ROLE OF THE COMMITTEE

The Remuneration and People Committee is a committee of the Board which has been established in accordance with the Constitution of the Company.

The purpose of the Committee is to provide assistance and recommendations to the Board to ensure that it is able to fulfill its responsibilities in overseeing:

- (a) the remuneration strategy, policies and practices of the Company and its application to the Chief Executive Officers (CEOs), other Key Management Personnel as identified in the Remuneration Report (KMP), direct reports to the Chief Executive Officers and general employees;
- (b) the performance management and annual Key Performance Indicators (KPIs) for the Chief Executive Officers and other KMP;
- (c) the talent management process and succession planning for the Chief Executive Officers, other KMP, and direct reports to the Chief Executive Officers; and
- (d) the diversity and inclusion strategy, measurable objectives, policy and practices of the Company.

The Committee will need to determine whether it believes any Shareholder approvals are required and shall have full authority and resources required to discharge their responsibilities specified within its Charter. The Committee may at the Company's expense, obtain any external independent professional advice it considers necessary. The Committee may engage such advisers directly and request that any advice be provided directly to the Chair of the Committee.

This Charter should be read in conjunction with the Statement of Matters Reserved for the Board and other Board Committee Charters.



### **3. MEMBERSHIP AND ATTENDEES**

#### **3.1 Membership**

The Committee shall consist of at least three non-executive directors appointed by the Board, a majority of whom should be independent directors. Committee members shall possess relevant skills and business acumen to allow them to be effective in their role.

The Chair of the Board shall not be a member of the Committee but may attend Committee meetings.

#### **3.2 Chairperson**

The Chair of the Committee should be an independent director appointed by the Board. In the temporary absence of the Chair, one of the other Committee members, either nominated by the Chair or elected by the Committee will act as Chair.

#### **3.3 Quorum**

A quorum of the Committee shall be at least two members.

#### **3.4 Other Attendees**

Any director who is not a Committee member may attend meetings at their discretion but only as an observer.

The Company Secretary of Fortescue Metals Group Ltd shall be the Secretary of the Committee.

For individuals not listed above, attendance at meetings is strictly by invitation only.

### **4. MEETING FREQUENCY**

The Committee shall meet at least four times per annum and at other times as the Chair, a member, or the Secretary of the Committee, requires.

### **5. REVIEW OF COMMITTEE**

#### **5.1 Committee Performance**

The Committee Chair shall assess the performance of the Committee on an annual basis and take appropriate action to address desired improvements in respect of areas where there is a need to enhance its role, effectiveness, process or composition.

#### **5.2 Committee Charter**

The Committee Chair is responsible for ensuring that the Committee Charter is reviewed at least every other year for the purpose of assessing its continued relevance to the needs of the Board and



identifying any enhancements required. Proposed enhancements shall be submitted to the Board for approval.

## **6. SCOPE**

### **6.1 Remuneration**

The Committee will oversee the key elements of remuneration as outlined in the following sections.

#### **6.1.1 Remuneration Strategy**

Review and make recommendations to the Board in relation to the Company's remuneration strategy including, but not limited to target market position, policies and practices.

#### **6.1.2 Non-Executive Director Remuneration**

Review and make recommendations to the Board on non-executive director remuneration.

#### **6.1.3 Remuneration Framework**

The Committee will:

- review the Company's framework for determining remuneration including, but not limited to, fixed remuneration, short-term and long-term incentives, retirement benefits, recruitment, retention and termination policies and procedures;
- review the ongoing appropriateness and relevance of the remuneration framework, and any amendments to the framework proposed from time to time; and
- oversee the implementation of the remuneration framework within Fortescue.

#### **6.1.4 CEO and KMP Remuneration**

The Committee will determine and recommend to the Board the following for both CEOs and KMP, having regard to the remuneration framework:

- the fixed and variable remuneration on appointment;
- any change to the fixed or variable remuneration;
- awards under short and long term incentive plans;
- entitlements paid on cessation of employment; and
- any proposed changes to the contractual terms and conditions.



### **6.1.5 Remuneration of Direct Reports to the CEOs**

The Committee will review and approve the following for all direct reports to the CEOs who are not classified as KMP:

- fixed and variable remuneration on appointment;
- any change to fixed or variable remuneration; and
- awards under short and long term incentive plans.

### **6.1.6 Employee Fixed Remuneration**

For all other employees who do not fall into the categories outlined above, the Committee will review the general remuneration conditions with the intention of recommending an overall annual remuneration review budget to be applied individually at the discretion of management.

### **6.1.7 Incentive Plans**

The Committee will:

- Review and approve the design of all short-term and long-term incentive plans;
- Review and recommend to the Board the scorecard KPIs and targets for all incentive plans;
- Review and recommend to the Board the total proposed payments and equity awards for each incentive plan; and
- Keep all plans under review factoring in legislative, regulatory, and market developments.

### **6.1.8 Remuneration Report**

Oversee the preparation of the annual Remuneration Report for inclusion in the Company's Annual Report and recommend the report to the Board for approval.

## **6.2 Other People Related Matters**

The Committee will oversee the key strategies and policies for the following people related matters:

### **6.2.1 Performance Management**

- Review and make recommendations to the Board on the annual individual performance objectives and targets of the CEOs and KMP.
- Assist the Chairman of the Board in the annual performance review of the CEOs.
- Review and make recommendations to the Board on the annual individual performance outcomes for the CEOs and KMP.



### **6.2.2 Succession Planning, Talent Management and Retention**

Oversee an effective talent strategy and its implementation for the organisation which includes:

- succession planning for the CEOs and CEO direct reports;
- an appropriate process in place to develop talent across the business; and
- development of a retention strategy and plans for identified key talent.

### **6.2.3 Diversity**

Oversee the management of the Company's diversity strategy, measurable objectives, policies and practices. In addition to championing female and First Nations employment rates, oversight of diversity shall include consideration of diversity of age, LGBTQI+, culturally diverse backgrounds and differing abilities.

On an annual basis, the Committee shall review progress and make recommendations to the Board as appropriate in regard to:

- the Company's diversity initiatives;
- the Company's gender pay equity reviews;
- measurable employment objectives and initiatives to enhance diversity and inclusion; and
- measurable diversity objectives for the Board, executives and the general workforce.

### **6.3 Other**

The Board may delegate the consideration or review of any specific matter to the Committee as deemed appropriate from time to time.

## **7. REPORTING TO THE BOARD**

The Chair of the Committee shall report to the Board following each meeting.

**This Charter was approved by the Board in November 2023.**



Remuneration and People Committee		
Status	IFU - Issued for Use	19-Nov-23
Summary of Changes	Updated to reflect change of company name as approved by shareholders at the 2023 Annual General Meeting held on 21 November 2023, together with updates to reflect the two Chief Executive Officer Model.	
Author	Remuneration and People Committee Chair	<hr/> Signature
Checked or Squad Review# (if applicable)	Dino Zahirovic, Group Manager Remuneration and Benefits	<hr/> Signature
Approved	Remuneration and People Committee Chair	<hr/> Signature
Next Review Date (if applicable)	19-Nov-24	