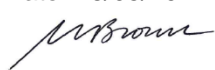



TITLE:	HUMAN RESOURCES AND SUSTAINABILITY COMMITTEE	DATE:	26/05/2020
DOCUMENT TYPE:	CHARTER		
DOCUMENT OWNER:	COMPANY SECRETARY	DM NUMBER:	9882027

This document is not to be considered in isolation, but in relation to its position in the document hierarchy as illustrated under section heading: document hierarchy and questions.

1 ENDORSEMENTS

Sign off	Signature and date	Name and title	Business unit
Author:	Date: 26/05/20 	Melanie Brown Company Secretary	Office of General Counsel
Endorsed by: (where applicable)	Date: 26/05/20	Kim Horne Chair of HRSC	HRSC
Approver (level 3 manager or above):	Date: 26/05/20 	Robert Cole Chairman	Board of Directors
Approval details			
Final approval date:	26 May 2020	Effective date:	26 May 2020
DM number	10983835	Version number	4
Review period:	Annually	Date next review:	May 2021

2 INTRODUCTION

This document describes the purpose, structure, responsibilities and membership of the human resources and sustainability committee (**committee**).

It is mandatory to apply this charter in the conduct of all human resources and sustainability committee activities.

2.1 Responsibility

The company secretary is responsible for maintaining this charter.

3 REVIEW

3.1 Charter review

This document must be reviewed annually.

3.2 Self assessment

The committee must review its own performance and compliance with its charter at least once every year and report the outcome to the board.

4 ROLE

-
- 4.1 legislation authorising committee creation** The human resources and sustainability committee (**committee**) is a committee of the board of the Electricity Generation and Retail Corporation trading as Synergy (**Synergy**) established under the *Electricity Corporations Act 2005*.
- 4.2 purpose** The purpose of the committee is to review and approve or make recommendations to the board in relation to the human resources and sustainability duties and responsibilities set out in this charter.
- 4.3 ASX guidelines** Synergy seeks to comply, to the extent applicable, with the ASX corporate governance council's corporate governance principles and recommendations.

5 DUTIES AND RESPONSIBILITIES

-
- 5.1 CEO and direct reports to CEO remuneration**
- (a) Any matters in this 5.1 that relate to the CEO or the matters set out in 5.1(b)(ii)(B) will be the subject of recommendations to the board;
 - (b) Subject to 5.1(a), the following matters will be reviewed and approved by the committee and noted by the board:
 - (i) CEO recommendations for the remuneration and other terms of employment of other executives.
 - (ii) CEO and executive performance, capability and employment, specifically:
 - (A) the appointment and removal of the CEO, including to fix or alter the terms and conditions of service;
 - (B) the appointment or removal of an executive officer;
 - (C) any material change to the role of any executive member other than the CEO;
 - (D) CEO remuneration, including advice to the board and Minister on the specific remuneration of the CEO (which may include seeking independent advice on industry practice pertaining to remuneration) and recommendations of appropriate changes to the remuneration of the CEO for communication to the Minister;¹
 - (E) CEO succession and development plans;
 - (F) the CEO's recommendations on development and succession plans of other executives;
 - (G) the performance plan and evaluation of the performance of the CEO; and
 - (H) recruitment, retention and termination policies and procedures for executives.

¹ Note: once the contract of the current holder of the office of CEO ends, CEO remuneration will be subject to the determination of the Salaries and Allowances Tribunal in accordance with the *Salaries and Allowances Act 1975* (WA) and the *Electricity Corporations Act 2005* (WA).

The committee delegates to management the responsibility to obtain the Minister's concurrence before implementing any committee recommendation and board decision to appoint, remove and fix or alter the terms and conditions of service of the CEO.

5.2 remuneration, incentive plans, diversity, culture and other IR/HR matters

The committee will review and make recommendations to the board on matters pertaining to:

- (a) competitive, sustainable remuneration, specifically:
 - (i) alignment of staff remuneration with market movement;
 - (ii) review remuneration policies and strategies that are competitively set to attract competent, qualified and experienced staff that will allow Synergy to achieve its commercial objectives
 - (iii) the annual budgeted remuneration increases for staff, whose remuneration is not determined by industrial arrangements;
 - (iv) any changes to superannuation arrangements;
- (b) incentive plans, specifically:
 - (i) policies;
 - (ii) the design and implementation of incentives schemes including performance hurdles and incentive pool amounts; and
 - (iii) the review of performance under incentive schemes and corresponding incentive plan payment;
- (c) enterprise bargaining strategies, workforce diversity, specifically:
 - (i) the diversity policy and strategy;
 - (ii) the setting of measurable objectives for achieving gender diversity;
 - (iii) the progress towards achieving measurable objectives for achieving gender diversity;
 - (iv) the review of remuneration by gender and commenting on the results;
- (d) key strategies aimed at improving organisational culture;
- (e) material legislative updates and IR/HR news.

5.3 board performance

The committee will review and make recommendations to the board on matters pertaining to board performance and capability, specifically:

- (a) induction and continuing professional development programs for directors;
- (b) in consultation with the board chair, the process for evaluating the performance of the board, its committees and directors.

5.4 sustainability

Sustainability for the purposes of this charter includes matters relating to health, safety, environment and community relations.

HUMAN RESOURCES & SUSTAINABILITY CHARTER

The committee will review and make recommendations to the board on matters pertaining to sustainability as follows:

- (a) Health and safety compliance, culture and performance including the review of significant incidents, lead and lag indicators, breakdown of internal controls and internal audit reports and the establishment of appropriate KPIs;
- (b) Environmental compliance, culture and performance including the review of significant incidents, lead and lag indicators, breakdown of internal controls and internal audit reports and the establishment of appropriate KPIs;
- (c) Health and safety policies, frameworks and the adequacy of health and safety management systems;
- (d) Environmental policies, frameworks and the adequacy of environmental management systems;
- (e) environmental and climate change trends, risks and opportunities;
- (f) sustainability risks, including establishing and monitoring action plans to minimise risk;
- (g) strategies and initiatives to enhance sustainable business practices;
- (h) integration of sustainability in the formulation of corporate strategy.

The committee will also review Synergy's sponsorships and community partnerships.

6 COMPOSITION

- 6.1 composition** The board appoints the committee which is comprised of:
- (a) only non-executive directors;
 - (b) at least three members (a majority of which are independent); and
 - (c) a chair of the committee who is one of those independent directors.

It is desirable that at least one member of the committee has an understanding of human resources policies and practices including remuneration and industrial agreements.

- 6.2 company secretary** The company secretary or a designate will be the secretary of the committee.

7 MEETINGS

- 7.1 meeting frequency** The committee meets as frequently as required but not less than three times a year.

The schedule of meetings of the committee will be established at the commencement of each year to ensure that the meetings are timed appropriately. The agenda will be structured to cover statutory/policy requirements, strategic issues and relevant procedural business. Extra meetings may be scheduled in the course of the year as the need arises.

7.2 access and independence	<p>The committee must have unrestricted access to executives, management, other personnel, internal and external auditors, information and records as appropriate.</p> <p>At the discretion of the chair of the committee, separate meetings may also be held with any member of management.</p>
7.3 authority to call a meeting	<p>The chair of the board, or any committee member may call a meeting of the committee.</p>
7.4 attendance	<p>The committee may extend an invitation to any person to attend all or part of the meeting which it considers appropriate, including other directors, or external advisers. In particular, the committee may extend an invitation to the:</p> <ul style="list-style-type: none"> • CEO; • company secretary or designate; • general manager sustainability; • general counsel; • general manager generation; • manager health and safety; and • manager environment.
7.5 quorum	<p>A quorum will comprise two committee members. In the absence of the committee chair or appointed delegate, the members must elect one of their number as chair for that meeting.</p>
7.6 no casting vote	<p>The chair of the committee does not have a second or casting vote.</p>
7.7 notice	<p>A notice of each meeting confirming the date, time, venue and agenda must be forwarded to each member of the committee in the week prior to the date of the meeting. The notice for members will include relevant supporting papers for the agenda items to be discussed.</p>
7.8 board reporting	<p>The chair of the committee, or delegate, must report (verbal) to the board providing a summary of the committee’s work and results following each committee meeting.</p> <p>The committee will, through the chair, provide appropriate and constructive reporting to the board. This may include not only minutes of meetings and proceedings but also briefings on any matters which could pose a material risk to Synergy.</p>
7.9 minutes and committee papers	<p>Minutes of proceedings and resolutions of committee meetings must be kept by the company secretary. Draft minutes must be provided to the chair for clearance and distribution to all committee members within one week of the meeting. The minutes of meetings, once drafted, are submitted to the board at the next immediate meeting of the board.</p> <p>Supporting papers for each committee meeting are distributed by the secretary to all members of the committee one week before the meeting.</p>

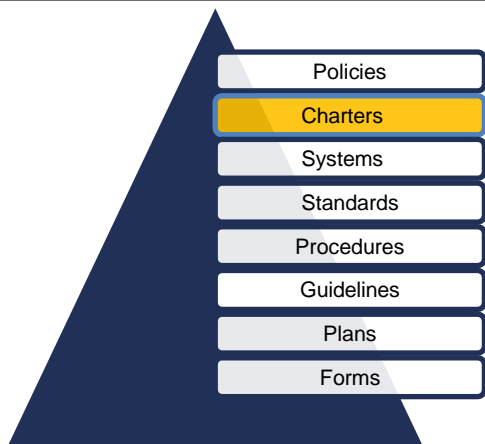
7.10 separate meetings with employees At the discretion of the chair of the committee, separate meetings may be held with any employee of Synergy.

8 AUTHORITY

8.1 advice The committee is authorised to seek any information it required to perform its duties from any Synergy employee.
 The committee is authorised by the board to obtain outside legal or other independent professional advice from appropriate external advisors if it considers necessary, at Synergy’s expense. The committee may meet with these external advisors without management being present.

8.2 powers The committee is authorised by the board to evaluate different remuneration methods and philosophies and investigate any activity within its charter.
 Subject to any resolution of the board, the committee is required to make recommendations to the board in respect of remuneration methods and philosophies but has no executive powers to commit the board or management to the implementation of those recommendations.

9 DOCUMENT HIERARCHY AND QUESTIONS AUTHORITY



The document hierarchy diagram (left) shows where in the document hierarchy this system sits and how it relates to all other documents in the hierarchy.

Any questions or feedback related to this document should be directed to the document owner in the first instance