

TITLE: HUMAN RESOURCES AND SUSTAINABILITY COMMITTEE

DATE: 29/08/2023



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 9: heading, document hierarchy and questions.

1 ENDORSEMENTS

Sign off	Signature and date	Name and title	Business unit
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Approval details			
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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 *Government Trading Enterprises Act 2023* (WA) and the *Electricity Corporations Act 2005* (WA).
- 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.
- To the extent that any responsibility of the committee may overlap with any responsibility of the audit and risk committee (particularly in relation to work health and safety matters) the chair of each of the committee and the audit and risk committee will confer accordingly to ensure the matter in question is appropriately considered.

5 DUTIES AND RESPONSIBILITIES

- 5.1 Chief Executive Officer** The following matters will be reviewed by the committee and recommended to the board for approval:
- (a) CEO performance, capability and terms of employment, specifically:
 - (i) the appointment and removal, including to fix or alter the terms and conditions of service;
 - (ii) any material change to the role of the CEO;
 - (iii) 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;
 - (iv) succession and development plans of the CEO;
 - (v) performance plan and evaluation of the CEO's performance.
 - (b) The appointment or removal of an Executive Officer appointed in accordance with section 20 of the *Electricity Corporations Act 2005* and section 43 of the *Government Trading Enterprises Act 2023* (WA).
- The committee delegates to management, with oversight from the board chair, the responsibility to implement any committee recommendation and board decision including obtaining 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 Executives** The following matters will be reviewed and approved by the committee and noted by the board:
- (a) the appointment or removal of an Executive Officer;
 - (b) any material change to the role of an executive;
 - (c) terms of employment of an executive; and
 - (d) development and succession plans of an executive.

- 5.3 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; and
 - (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) employee relations and industrial relations strategies and workforce inclusion, specifically:
 - (i) the inclusion and diversity policy, strategy and reconciliation plan;
 - (ii) the setting of measurable objectives for achieving inclusion and diversity;
 - (iii) the progress towards achieving measurable objectives for achieving inclusion and diversity;
 - (d) key strategies aimed at improving organisational culture; and
 - (e) material legislative updates.
- 5.4 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.
- 5.5 sustainability**
- Sustainability for the purposes of this charter includes matters relating to health, safety, environment and community relations.
- The committee will consider, monitor, review and make recommendations to the board on matters pertaining to sustainability, including:
- (a) compliance with Synergy's duties and obligations under work, health and safety (WHS) laws, environmental and other applicable laws relating to sustainability;
 - (b) critical and emerging WHS hazards and risks and the effectiveness of control measures, including following incidents and near misses;

- (c) WHS performance and culture, including incident reports for significant incidents, lead and lag indicators, internal audit reports and the establishment and monitoring of performance against agreed KPIs;
- (d) to ensure that adequate processes are in place for reporting appropriate information regarding WHS incidents, hazards and risks;
- (e) Environmental performance and culture including the review of significant incidents, lead and lag indicators, and internal audit reports and the establishment and monitoring of KPIs;
- (f) WHS policies and frameworks, including the effectiveness of WHS management systems;
- (g) Environmental policies, frameworks including the effectiveness of environmental management systems;
- (h) environmental and climate change trends, risks and opportunities;
- (i) strategies and initiatives to enhance sustainable business practices, including sponsorships and community partnerships;

- 5.6 Policies** The committee will and is authorised by the board to review and approve any non-material changes to the following Synergy policies:
- (a) environmental sustainability policy;
 - (b) health, safety and wellbeing policy;
 - (c) total reward policy;
 - (d) inclusion and diversity policy;
 - (e) code of conduct¹;
 - (f) asset management policy

and any other policies delegated by the board from time to time.

The committee will also make recommendations to the board regarding any new policies considered required which are within the scope of the committee's responsibilities.

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.

¹ Reporting of code of conduct allegations or issues including with respect to bullying, discrimination and sexual harassment are reported to the full board and unless delegated by the board to the committee.

7 MEETINGS

7.1 meeting frequency	<p>The committee meets as frequently as required but not less than three times a year.</p> <p>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.</p>
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; • executive general manager people, strategy & social value; • executive general manager thermal generation; • head of health, safety, wellbeing and environment; • head of risk; and • head of people and capability
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

Minutes of proceedings and resolutions of committee meetings must be kept by the company secretary. Draft minutes must be provided to the chair for approval and distributed to all committee members for comments as soon as reasonably possible, but within 7-14 days after the committee meeting. The minutes, once drafted and reviewed by the chair, are submitted to the board at the next immediate meeting of the board.

Supporting papers for each committee meeting are distributed by the secretary to all members of the committee one week before the meeting.

8 AUTHORITY

8.1 advice

The committee is authorised to seek any information it requires to perform its duties from any Synergy employee.

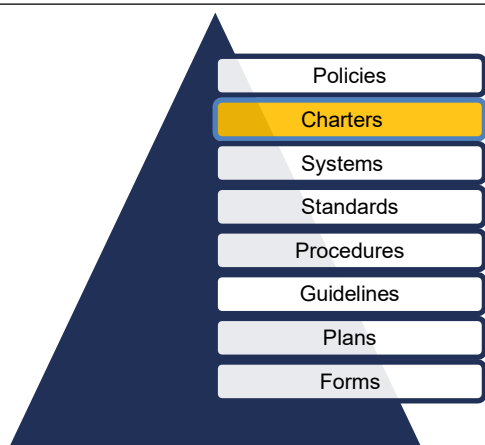
The committee is authorised by the board to obtain outside legal or other independent professional advice from appropriate external advisors if it considers necessary, at Synergy’s expense. The committee may meet with these external advisors without management being present.

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.