

People and Culture

—Committee Charter—



snowyhydro

Board People and Culture Committee Charter

1. Introduction

This Charter sets out the role, responsibilities and composition of the Board People and Culture Committee (**Committee**) to assist the Board of Snowy Hydro Limited (ACN 090 574 431) (**Company**) (**Board**) to fulfil responsibilities for the Company and its controlled entities (**Snowy Hydro**).

2. Role

The Committee monitors, reviews and makes recommendations to the Board for approval in relation to people and culture matters including:

- (a) establishing appropriate people strategies, policies and organisational culture framework in line with business goals, ethics and values;
- (b) managing people related risks;
- (c) attracting and retaining the CEO and direct reports to the CEO and Directors (executive and non-executive) who are aligned to our values and will create sustainable value for our shareholders;
- (d) evaluating the performance of the Board, its Committees, Non-Executive Directors, the CEO and direct reports to the CEO;
- (e) fairly and responsibly rewarding the CEO and direct reports to the CEO;
- (f) succession planning for Non-Executive Directors, the CEO and direct reports to the CEO;
- (g) supporting equal opportunity and promoting diversity and inclusion within Snowy Hydro; and
- (h) complying with all relevant legislation and regulations including the *Corporations Act 2001* (Cth), the *Public Governance, Performance and Accountability Act 2013*, the *Fair Work Act 2009* (Cth) and other applicable employment law legislation (including superannuation guarantee and long service leave legislation).

The Board has delegated authority to the Committee to fulfil the responsibilities set out in the responsibilities section below. The Board may delegate authority to the Committee to fulfil additional responsibilities from time to time.

This Charter should be read in conjunction with Snowy Hydro's Board Charter.

3. Responsibilities

The Committee has the following responsibilities:

- (a) Board composition, performance and succession planning

- (i) review and assess the Board Skills Matrix annually, having regard to the Company's strategic objectives, legal requirements and to the highest standards of corporate governance;
 - (ii) assess and report to the Board, at least annually, on the independence of Non-Executive Directors against the Board's independence criteria as set out in the Board Charter;
 - (iii) review and endorse for Board approval the composition of Board Committees;
 - (iv) review and recommend to the Board a shortlist of potential candidates for Board vacancies for provision through the Board Chair to the Shareholder Ministers;
 - (v) oversee the Non-Executive Executive Director induction program and ensure there are appropriate continuing education opportunities for Directors to develop and maintain the skills and knowledge required to perform their role;
 - (vi) undertake a Board performance review annually (unless otherwise directed by Shareholder Ministers, to be undertaken by an independent external party on a biennial basis (every two years)), with outcomes incorporated into the Annual Board Plan; and
 - (vii) review and recommend to the Board the Annual Board Plan for provision to Shareholder Ministers, covering Board composition, upcoming vacancies and ongoing skill and diversity requirements.
- (b) Performance and remuneration
- (i) make recommendations to the Board concerning the recruitment, retention and termination of the CEO and direct reports to the CEO;
 - (ii) overseeing and recommending to the Board the corporate goals and performance objectives relevant to the remuneration of the CEO and direct reports to the CEO;
 - (iii) oversee and review Snowy Hydro's remuneration framework including remuneration strategy and recognition program so that it is effective, competitive, transparent, and aligned with Snowy Hydro's Statement of Expectations, Values, strategic objectives and risk management, legal and regulatory obligations and remains appropriate within changing market conditions;
 - (iv) assist the Board Chair in relation to the annual performance evaluation of the CEO;
 - (v) consider the CEO's recommendations on performance and remuneration for Executives;
 - (vi) review and endorse for Board approval Snowy Hydro's Remuneration Policy and incentive plans;

- (vii) review and endorse for Board approval the annual Remuneration Report and any other reports required by law or regulation within the scope of this Charter; and
 - (viii) perform any other remuneration or human resources related tasks referred to the Committee by the Board.
- (c) Human Resources, Talent Management and Diversity
 - (i) establish and maintain appropriate succession arrangements for the CEO and make recommendations to the Board about the same;
 - (ii) ensure the CEO has succession plans in place for Executives;
 - (iii) provide counsel and guidance on appropriate human resources strategies, policies, frameworks, programs and reporting in relation to
 - (A) organisational culture, ethics and values;
 - (B) recruitment, engagement and retention, including review of employee engagement survey results;
 - (C) diversity, inclusion and equal employment opportunity including recommending to the Board measurable objectives;
 - (D) talent management and succession;
 - (E) learning and development;
 - (iv) oversee and provide guidance to the business in the renegotiation and establishment of Enterprise Bargaining Agreements, and/or other significant terms and conditions of employment;
 - (v) review any significant complaints and conduct related to breaches of the Code of Conduct; and
 - (vi) assist the Board in its oversight of Snowy Hydro's compliance with applicable legal, regulatory and reporting requirements as they relate to each of the above responsibilities.
- (d) People related risks
 - (i) review management's risk management culture;
 - (ii) review the appropriateness of systems and processes developed by management to identify, assess and respond to risks;
 - (iii) review the effectiveness of internal control frameworks; and
 - (iv) follow up on any recommendations or improvement strategies.

4. Conflicts of Interest

The Conflicts of Interest subsection of Snowy Hydro's Board Charter applies to Committee Members and proceedings of the Committee.

5. Membership

The membership and Chair of the Committee shall be determined by the Board and shall consist of:

- (a) at least three Non-Executive Directors, including the Board Chair, a majority of whom must be independent (as defined in the Board Charter); and
- (b) any Non-Executive Director as Chair of the Committee.

A quorum of the Committee comprises two members.

Each member of the Committee will have one vote and questions will be decided by a majority of votes.

The Company Secretary or their nominee will act as the Secretary to the Committee and will keep minutes of proceedings and resolutions of the Committee together with copies of supporting papers. These records will be available to any Board member upon request.

6. Meetings and Resources

The Committee Chair will convene meetings of the Committee as necessary but not less than three times per year.

In the absence of the Committee Chair, Committee members will elect an Independent Director to act as Chair for that meeting.

Unless otherwise agreed by all Committee members, notice of each meeting and circulation of supporting papers, must be forwarded to each member of the Committee and any person invited to attend, not less than four business days prior to the date of the meeting.

Members of the Board may attend meetings of the Committee. Other persons may attend Committee meetings at the discretion of the Committee Chair.

The Committee may meet without management or other persons present if the Committee Chair or the Committee considers it appropriate.

The Committee Chair, or their nominee, will report to the Board after each meeting of the Committee. The minutes of each Meeting once approved by the Committee must be included in the papers for the next scheduled Board meeting.

The Committee may seek any information reasonably necessary to discharge its responsibilities from any officer or employee of Snowy Hydro.

The Committee may take advice from external parties at Snowy Hydro's expense as reasonably appropriate to discharge its responsibilities.

The Committee may initiate, after consultation with the Board Chair and the Board, any investigation that is reasonably necessary to discharge its responsibilities.

The costs of any such investigation will be borne by Snowy Hydro.

The Committee may refer any matter to another Committee where relevant to the discharge of their responsibilities.

7. Performance and Assessment

At least once each year, the Committee must report on, and the Board will review, the performance of the Committee. This review will incorporate the views of relevant stakeholders.

The Committee must review this Charter annually (by 1 December) to ensure its relevance and effectiveness, and make recommendations to the Board in relation to any proposed changes.