

# PEOPLE AND REMUNERATION COMMITTEE CHARTER

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## 1. Role and Purpose of the Committee

The People and Remuneration Committee (**Committee**) is a committee of the Board of Directors. The Committee will assist the Board in the effective discharge of its responsibilities in the management of its people and their remuneration.

AEMO's ability to carry out its functions as the market and system operator of Australian energy markets and achieve its strategic objectives, while meeting the challenges of an industry undergoing transformation, depends on its people, their capacity and skills and their ability to be innovative and adaptable.

The Committee is responsible for performing its duties in accordance with this Charter and making recommendations to the Board of Directors on people and remuneration matters of relevance to AEMO.

## 2. Duties and Responsibilities

The Committee will:

- Monitor the development and implementation of AEMO's people strategies, including the development of strategies for:
  - the resourcing of AEMO;
  - the recruitment and retention of people, including their health, safety and well-being;
  - maintaining and further developing a positive workplace culture; and
  - performance against measures,
- Review and make recommendations to the Board on AEMO's people strategies in light of general trends and best practice in recruitment, management and retention and in the workplace generally.
- Review and make recommendations to the Board on remuneration strategies, including performance payments and other monetary and non-monetary benefits.
- Monitor the policy and regulatory environment affecting or which may impact on AEMO's people and remuneration strategies.
- Review AEMO's employment terms and conditions.
- Review and make recommendations to the Board on the Managing Director and Executive General Managers' annual remuneration reviews and performance payment.

- Monitor AEMO's compliance with its work, health, safety and environment (WHSE) obligations and integration of WHSE into corporate strategy, risk management framework, and people and culture priorities.
- Monitor AEMO's processes for identifying, correcting & managing employee misconduct, including discrimination, harassment and bullying.
- Review talent management and succession planning.
- Review and make recommendations to the Board on the approach to be adopted for annual Board evaluations.
- Consider matters referred to the Committee by the Board or other Board Committees.

### **3. Composition**

#### **3.1 Membership**

The Committee will be appointed by the Board of Directors. It is to be composed of at least three Non-Executive Directors.

The Chairman of the Committee (Committee Chairman) will be appointed by the Board of Directors.

All other directors are entitled to attend Committee meetings.

The Committee may invite attendance from:

- The Managing Director; and
- Any other persons considered appropriate to attend meetings of the Committee.

#### **3.2 Skills and Development**

Any Committee member may, with approval from the Committee Chairman, at AEMO's expense, attend seminars or training courses on issues relating to the functions and responsibilities of the Committee.

#### **3.3 Committee Secretary**

The Company Secretary will undertake the role of Committee Secretary.

## **4. Meetings**

### 4.1 Holding of Meetings

The Committee will meet regularly at times determined by the Committee Chairman, but no less than three times per year. A member of the Committee may request that a meeting of the Committee be convened at any other time.

### 4.2 Quorum

Two members present, in person or by using any technology, constitutes a quorum.

### 4.3 Attendance of Meetings

The Committee Secretary will distribute in advance of a meeting of the Committee the agenda and any related papers to each member of the Committee and any other persons determined by the Committee. The agenda will be distributed to all other directors and copies of papers made available.

### 4.4 Committee Minutes

The Committee Secretary will prepare minutes of the meeting for approval at the next Committee meeting.

## **5. Reporting to the Board**

The draft minutes of each Committee meeting will be submitted to the next Board meeting.

The Committee Chairman, or delegate, must report to the Board after each Committee meeting concerning the key outcomes from the meeting.

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Approved by: The Board

Date Approved: February 2018

To be Reviewed: Every two years by the Committee