

# Board Appointments and Remuneration Committee Charter (v15.0)

## VERSION HISTORY

Rev. No.	Date	Revision Description	Approval
0	December 2005	Board Appointments and Remuneration Charter. Prepared by: Group Manager Human Resources.	Board
1.0	March 2008	Board Appointments and Remuneration Charter updated to reflect the ASX Principles of Good Governance. Prepared by: General Manager People & Culture.	Board
2.0	May/June 2010	Charter updated to best practice based on publications from ASX and AICD. Prepared by: General Manager People and Culture/ General Counsel.	
3.0	September 2010	Charter updated to reflect desired allocation of responsibilities.	Board November 2010
4.0	December 2011	Charter updated to reflect in particular involvement in Board appointment process on behalf of Board.	Board December 2011
12.0	July 2014	Revisions required to reflect new business structure and amended Constitution; and includes Board's amendments.	Board 31 July 2014
13.0	July 2015	Comprehensive review to ensure fit for purpose, compliant with governance principles and current Board Charter.	Board December 2015
13.1	July 2017	Minor amendment to clarify responsibility for succession planning for CEO and Leadership Team members.	Board 27 July 2017
14.0	November 2018	Extension and minor amendments to update role titles pending finalisation of fourth edition of the ASX Corporate Governance Principles and Recommendations.	Board 29 November 2018
15.0	28 November 2019	Scheduled review to ensure fit for purpose and incorporates ASX Corporate Governance Principles (4 <sup>th</sup> Ed).	Board 28 November 2019

Next Review Due:

November 2022

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## **1. Purpose**

The Board Appointments and Remuneration Committee (REM Committee) assists the Board to discharge its responsibilities. These responsibilities relate to overseeing executive and senior management remuneration strategies and meeting shareholders' expectations in relation to remuneration; succession planning for key management personnel; general people experience policies and procedures; the performance and remuneration of the Chief Executive Officer; and internal Board appointment processes.

## **2. Authority**

Taking into account any relevant shareholder policies, directives and guidelines, and the scope of its responsibilities, the Board authorises the Committee to:

- undertake the activities identified within this Charter; and
- provide advice and recommendations to the Board on all other matters within its scope.

## **3. Composition**

The Committee will consist of:

- a minimum of three members of the Board of Aurora Energy, one of whom will be the Board Chairperson; and
- other non-Board members as the Board determines from time to time.

The Board will appoint Committee members, including the Committee Chairperson, for terms of one year each. The Committee Chairperson will be an independent director of Aurora Energy.

The Committee will comprise a mix and balance of skills, knowledge and experience relevant to the Committee's scope and responsibilities.

The Committee may appoint a suitable person to the role of Committee Secretary.

The Committee Chairperson will formally induct new Committee members on the objectives, practices and responsibilities of the Committee.

## **4. Meetings**

### **4.1 Meeting Frequency**

The Committee will meet at least three times each year with further meetings to be convened as necessary to fulfil the Committee's responsibilities.

### **4.2 Electronic Meetings**

Meetings may be conducted by teleconference, phone or email as necessary to meet the Committee's objectives.

### **4.3 Quorum**

A quorum shall comprise two directors.

In the absence of the Committee Chairperson, or appointed delegate, the Committee shall elect one of its members to chair the meeting.

#### **4.4 Voting**

In the event of a tied vote, the Committee Chairperson will have a casting vote in addition to a vote as a Committee member.

#### **4.5 Notice**

An Agenda will be provided to each Committee member at least a week prior to each meeting, confirming the date, time and venue for the meeting. The Agenda will be accompanied by a meeting pack that will include relevant supporting papers for the agenda items to facilitate discussion and decision making.

Subject to the approval of the Committee Chairperson, the Committee Secretary may also provide documents by email for meetings or agenda items provided at short notice.

#### **4.6 Access to Advice**

The Committee is authorised to obtain outside independent professional advice as necessary, including the attendance of outsiders with relevant experience and expertise at Committee meetings.

The Committee may meet with external advisers without management present.

The CEO and General Manager People and Commercial Services (or equivalent) have direct access to the Committee Chairperson to report matters of immediate concern within their respective areas of responsibility.

The Committee can authorise General Manager People and Commercial Services (or equivalent) or Committee Secretary/General Counsel to undertake tasks in order to assist the Committee to carry out its functions.

#### **4.7 Board Reporting**

The Committee Chairperson, or another delegate, shall report to the Board following each Committee meeting.

The Committee Secretary shall retain minutes of proceedings and resolutions of Committee meetings and include them in subsequent Board meeting papers.

#### **4.8 Attendance at Meetings**

The following positions have a standing invitation to attend meetings:

- Chief Executive Officer;
- Company Secretary/General Counsel
- People Experience Manager; and
- General Manager People and Commercial Services (or equivalent).

Any director who is not a Committee member is also invited to attend Committee meetings. Committee papers are available to non-Committee members via the Committee Secretary.

The Committee is authorised to request the attendance of any other individuals to attend its meetings, and to access any company information or records it requires to fulfil its duties.

The Committee may invite other staff and management to meetings from time to time to facilitate professional development and interaction with the Committee.

It is acknowledged that, from time to time, the CEO and/or General Manager People and Commercial Services (or equivalent position) will have a conflict of interest with respect to the matters recommended to the Committee given their respective management role. When this occurs, the Committee receives such advice in the knowledge of the conflict.

#### **4.9 Review of the Committee Charter**

The Committee will review its Charter at least every three years and recommend changes to the Board.

### **5. Responsibilities**

Taking into account any relevant shareholder policies, directives and guidelines, the Committee will undertake the following responsibilities.

#### **5.1 Board Composition**

The Committee will assist the Board to carry out its responsibilities in relation to the Board appointments process as set out in the Guidelines for Tasmanian Government Businesses – Board Appointments and related processes. This will include the development of a Board skills assessment matrix, director role statements and criteria, and identifying potential director candidates.

#### **5.2 Organisational Structure**

The Committee will review and provide advice to the Board on matters relating to:

- the overall structure of the organisation;
- any material change to the responsibilities and accountabilities proposed to any role in the Aurora Leadership Team.

#### **5.3 People Experience Strategy and Policies**

The Committee will review and provide advice to the Board on matters relating to:

- the Company's People Experience strategy;
- Board-approved People Experience policies;
- Work Health & Safety strategy;
- diversity of the workforce;
- workforce planning; and
- the approach to developing , retaining and attracting talented staff which meet the required capabilities of the Company.

#### **5.4 Remuneration**

The Committee will ensure the Company complies with the relevant Government Business Guidelines and review and provide advice to the Board on matters relating to:

- remuneration and employment terms and conditions for the CEO;
- Board-approved remuneration policies and ensuring their alignment to the organisation's purpose, values and strategic objectives;

- the structure of remuneration for the Aurora Leadership Team and others not subject to the Enterprise Agreement, including annual salary increases;
- the Company's Enterprise Agreement (EA) strategy;
- the economic impact and key parameters for negotiation of the Company's EA; and
- implementation of the approved EA strategy.

### **5.5 Recruitment, Retention and Termination**

The Committee will review and provide advice to the Board on matters relating to:

- recruitment, contract extension or termination of the CEO;
- the process for evaluating the performance of the CEO and members of the Aurora Leadership Team;
- the CEO's key performance indicators (KPIs) each year;
- the CEO's performance against agreed KPIs each year; and
- the Company's performance management system.

The Committee will monitor:

- through the CEO the performance of members of the Aurora Leadership Team annually; and
- succession planning for the CEO, Aurora Leadership Team and other agreed positions.

The CEO will apprise the Committee of the appointment or removal of members of the Aurora Leadership Team.

On behalf of the Committee, the Board Chairperson will regularly seek input on the CEO's performance from other members of Aurora Energy's Board.

### **5.6 Company Culture**

The Committee will review and provide advice to the Board on matters relating to:

- the Company's Code of Conduct;
- organisational values and behaviours;
- effectiveness of internal communications;
- change management;
- organisational culture strategy; and
- staff engagement.

## **6. Publication**

This Charter will be published on the Aurora Energy website.

**Approved by the Board on 28 November 2019.**



**Board Chair**