

Board Human Resource and Remuneration Committee Charter

1. Function

The Board Human Resource and Remuneration Committee's function is to:

1.1 Recommend to the Board for approval:

- (a) employment policies and supporting procedures where appropriate;
- (b) employment and remuneration of executives reporting directly to the Managing Director; and
- (c) budget for executive payroll including at-risk payments to all contract staff.

1.2 Provide advice to the Board in relation to:

- (a) the undertaking of disciplinary actions and termination of executives reporting directly to the Managing Director;
- (b) succession planning strategies for staff other than the Managing Director;
- (c) monitoring of productivity matters;
- (d) monitoring of award condition negotiations; and
- (e) monitoring compliance with employment legislation and regulations.

2. Powers

In discharging its responsibilities, the Committee is authorised by the Board to:

- (a) obtain external professional advice (including legal);
- (b) seek information from any employee who shall cooperate with the Committee;
- (c) seek information from parties outside of Eraring Energy; and

- (d) require attendance of Eraring Energy employees at meetings of the Committee.

3. Structure and Operations

3.1 Membership

- (a) The Committee will be comprised of no less than three non-executive directors.
- (b) The Board will determine the Committee Chair.
- (c) The quorum for meetings shall be two members.
- (d) The Board shall nominate the Secretary of the Committee.

3.2 Meetings

- (a) The Committee shall meet at least four times a year and minutes of all meetings shall be promptly provided to the Board.
- (b) Executives, including the Managing Director, may be invited to attend meetings of the Committee as appropriate.
- (c) The Committee shall meet in September of each year to consider executive remuneration and at-risk payments as part of the annual review process.
- (d) The Managing Director shall submit proposals to the Committee in relation to executive remuneration.

4. Responsibilities

The Committee is responsible for:

4.1 General

- (a) Maintaining the charter of the Committee and seeking Board approval for enhancements, and reviewing the Committee's performance.

4.2 Employment

- (a) Regularly reviewing employment policies;
- (b) Monitoring that appropriate performance management system is operated for staff other than the Managing Director;
- (c) Evaluating and recommending to the Board proposals in relation to executive remuneration and at-risk payment frameworks;
- (d) Evaluating proposals by the Managing Director in relation to salary and award condition negotiation;
- (e) Ensuring the operation of a succession plan and a development program strategy for all staff other than the Managing Director; and
- (f) Reviewing and recommending to the Board proposals from the Managing Director in relation to executive (direct reports to the Managing Director) remuneration and at-risk payments.

4.3 Compliance with Laws and Regulations

- (a) Reviewing effectiveness of systems for monitoring compliance with laws and regulations in the areas of employment;
- (b) Reviewing management's response to acts of non-compliance;
- (c) Reviewing findings of any examinations by regulatory authorities;
- (d) Obtaining regular updates regarding compliance matters; and
- (e) Monitoring changes to the laws and regulations that affect employment at Eraring Energy.