



## AGL ENERGY LIMITED (AGL) PEOPLE & PERFORMANCE COMMITTEE CHARTER

### 1. Purpose

---

- 1.1 The primary function of the People & Performance Committee (the **Committee**) is to assist the Board in fulfilling its responsibilities through the appropriate recruitment, retention and remuneration of senior managers and other employees with the capabilities and skills necessary to execute AGL's business strategy.
- 1.2 The Committee is responsible for reviewing and approving the following matters:
- the remuneration framework for the Board and senior management; and
  - AGL's remuneration and employment policies, procedures and programs in order to:
    - meet long-term people needs through effective talent management and succession planning;
    - promote excellent performance (both in the short term and over the longer term) by implementing appropriate processes to align, track, evaluate and reward high performance;
    - support a positive and engaging culture that supports AGL's Values which enables AGL to attract and retain high quality people;
    - comply with relevant legislation and corporate governance principles on remuneration practices and employment policies;
    - provide fair remuneration and other benefits to all employees;
    - meet AGL's commitment to be a diverse and inclusive workplace and ensuring there is no gender or other bias in remuneration; and
    - promote AGL as an employer of choice.
- 1.3 The Committee will primarily fulfil these responsibilities by carrying out the activities set out in Section 5 of this Charter.

### 2. Membership

---

- 2.1 Members of the Committee shall be appointed by the Board from amongst the non-executive Directors of AGL. The membership of the Committee shall be as determined by the Board but shall comprise at least three members of the Board. Each member must be free from any interest, position, association or other relationship that might influence, or reasonably be perceived to, influence in a material respect his or her capacity to bring an independent judgement to bear on issues before the Committee and to act in the best interests of AGL.
- 2.2 The Chair shall be determined by the Board from time to time. The Chair of the Board may not be appointed Chair of the Committee. Should the Chair be absent from any meeting, the members of the Committee present shall appoint one of their number to be Chair of that meeting.

### **3. Meetings**

---

- 3.1 The Committee shall meet at least twice a year, and more frequently if required as determined by the Chair.
- 3.2 A quorum of any meeting will be two members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 3.3 Any non-executive Director may attend Committee meetings.
- 3.4 In addition to members of the People & Performance Committee, such senior managers or external parties as the Chair and members of that Committee think fit may be invited to attend meetings.
- 3.5 The Chief Executive Officer (**CEO**) of AGL shall normally be invited to attend Committee meetings but will have no voting rights and must not be present during discussions on the terms of his or her own employment.
- 3.6 The Secretary of the Committee shall be responsible for scheduling meetings and co-ordinating the agenda and documentation for the meeting. The Company Secretary will circulate minutes of meetings to members of the Committee.
- 3.7 Subject to any provision to the contrary as set out in this Part 3, Committee meetings shall otherwise be conducted in accordance with the Board Charter.

### **4. Authority**

---

- 4.1 The Committee is a Committee of the Board and shall have no authority independent of the functions delegated to it by the Board.
- 4.2 The Committee is authorised by the Board to investigate any activity it deems appropriate consistent with its responsibilities and duties. It is authorised to seek any information from any officer or employee of AGL all of whom must co-operate with any request made by the Committee.
- 4.3 The Committee is authorised to engage any firm of accountants, lawyers or other professionals as the Committee sees fit to provide independent counsel and advice and to assist in any review or investigation on such matters as the Committee deems appropriate. Furthermore, where the Committee deems it necessary to seek external remuneration advice, the external remuneration advisor will be engaged by, and report directly to, the Committee.
- 4.4 The findings of the Committee shall not relieve the Board of any of its responsibilities.

### **5. Reporting**

---

- 5.1 The Committee will regularly update the Board about Committee activities and make appropriate recommendations. The Chair of the Committee will report to the Board, at the Board meeting next following a meeting of that Committee, on any matters under consideration by it within the Charter. The minutes of each meeting of the Committee will also be tabled at the next Board meeting.
- 5.2 At the discretion of the Chair and members of the Committee, any relevant matters deemed to be of major importance shall be referred to the Board for its attention.
- 5.3 The Committee will oversee the preparation of any reports required by law or listing rules or requested by the Board including relevant remuneration sections of the annual report and other shareholder documents.
- 5.4 The Chair of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

## 6. Responsibilities

---

The Committee will undertake the following activities to fulfil its responsibilities:

### ***Director Remuneration policy***

- Review and recommend to the Board, on an annual basis, the remuneration arrangements for the Chair and the Non-executive Directors of the Board within the aggregate Directors' fee pool approved by shareholders.
- Review and recommend to the Board from time to time, based on external remuneration advice, any changes to the aggregate Directors' fee pool for approval by shareholders.

### ***CEO***

- Setting and reviewing short and long-term performance objectives for the CEO and evaluating his or her contribution and effectiveness.
- Rewarding the CEO responsibly and fairly for his or her contribution to enhancing AGL's performance.
- Determining recruitment, retention and termination policies and procedures for the CEO.

### ***Executive Team***

- Reviewing the CEO's recommended structures, new appointments and assessing ongoing leadership development to maintain a balance of skills, knowledge and experience across the Executive Team.
- Reviewing the CEO's recommendations on succession planning for Executive Team positions within AGL.
- Reviewing the recruitment, retention and termination policies and procedures for the members of the Executive Team.

### ***Incentive plans***

- Reviewing and approving the design and structure of incentive plans for senior management.
- Reviewing and approving the design and structure of sales incentive plans, including any changes to the design or governance of any existing sales incentive plans.
- Overseeing the operation of sales incentive plans, including consideration of whether the plans remain fit for purpose.

### ***Diversity***

- To assist the Board to meet its obligations in relation to diversity, the Committee is responsible for reviewing and reporting and where appropriate, making recommendations to the Board on the progress made towards AGL achieving the measurable objectives for diversity adopted by the Board and any changes to be made to the measurable objectives.

### ***Superannuation***

- Reviewing superannuation arrangements applicable to the AGL Group.

### ***Remuneration Report and Stakeholder Engagement***

- Overseeing management's preparation of the Remuneration Report in accordance with the Corporations Act and review and recommend the Report to the Board for inclusion in the annual Directors' Report.
- Reviewing and facilitating shareholder and other stakeholder engagement in relation to the Company's remuneration policies and practices.
- Reviewing and noting market remuneration trends and alignment with AGL's remuneration framework.
- Selecting and approving the engagement of and agreeing the terms of reference for any remuneration consultant who makes recommendations to the Committee or AGL.

### ***Employee Relations***

- Providing counsel and guidance to management in relation to the creation of a positive and engaging culture that supports a diverse and inclusive workplace.
- Monitoring the status of AGL's Enterprise Bargaining Agreements and providing counsel and guidance to management in relation to those Enterprise Bargaining Agreements.

### ***Employment Policy Issues***

- Providing counsel and guidance to management in relation to talent management, employee development, succession planning and performance management.
- Monitoring remuneration policies and practices (including incentive policies) with a view to attracting, retaining and motivating people who create value for shareholders and who uphold and develop the culture of AGL and AGL's Values.
- Monitoring AGL's general employment policies to ensure a level of uniformity in the application of AGL's approach to employee benefits.

## **7. Other Matters**

---

- 7.1 This charter will be reviewed and updated at least every two years. Any changes to the charter must be approved by the Board.
- 7.2 The Committee will annually review its own performance.

**Approved by the Board in June 2020**