

Remuneration Committee Charter

Remuneration Committee Charter

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Remuneration Committee Charter

1. INTRODUCTION

The Board of Directors (**Board**) of AusNet Services Ltd (**AusNet Services**) has established a Remuneration Committee (**Committee**). This charter sets out the membership, authority, responsibilities and functions of the Committee.

2. OBJECTIVE

The objective of the Committee is to assist the Board to fulfill its responsibilities to shareholders in relation to the remuneration practices of AusNet Services, including providing oversight of:

- (a) the overall remuneration framework, strategies and policies for AusNet Services employees;
- (b) the remuneration of the Board;
- (c) the performance and remuneration of the Managing Director and Senior Executives;
- (d) employee incentive plans; and
- (e) AusNet Services diversity and inclusion objectives and performance.

3. AUTHORITY

- (a) The Committee has authority to conduct, direct or authorise investigations into any matters within its scope of responsibility as set out in this charter and undertake any other duties as delegated by the Board from time to time.
- (b) The Committee is entitled to:
 - (i) seek advice of the AusNet Services Group's auditors and solicitors;
 - (ii) engage or procure the engagement of independent advisers; and
 - (iii) have full access to management, employees and information;as considered necessary or desirable by the Committee.
- (c) The Committee has full discretion to invite any director or officer to attend its meetings.

4. MEMBERSHIP OF THE COMMITTEE

- (a) The Committee shall comprise at least three Board members, all of whom are non-executive directors and at the very least the number of independent non-executive directors must equal the number of non-independent non-executive directors.
- (b) The members of the Committee shall be appointed by the Board.

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- (c) The Board will appoint the Chair of the Committee, who will be an independent non-executive director.
- (d) Members of management may attend meetings of the Committee by invitation.
- (e) Members of management may not be present during, or participate in, deliberations of the Committee, where the matter does or could relate to their position, performance or remuneration.

5. ADMINISTRATIVE MATTERS

- (a) It is intended that the Committee will normally meet at least four times each year, or more frequently to perform its role.
- (b) Meetings shall be convened upon the requisition of any member of the Committee, by giving at least five days' written notice to all Committee members.
- (c) A quorum of the Committee will comprise a majority of the Committee members. If the Chair is not able to attend a meeting, the Chair, or the members of the Committee present, will appoint another Committee member to act as Chair at that meeting. However, all members are expected to attend (either in person or by conference call or similar means) and participate at all meetings.
- (d) Meetings of the Committee may be held, or participated in, by conference call or similar means, and decisions may be made by circular or written resolution. A circular or written resolution signed by a majority of the Committee members shall be effective as a resolution duly passed at a meeting of the Committee and may consist of several documents in like form, each signed by one or more members. The expression 'written' includes fax or other electronic means.
- (e) Each member of the Committee will have one vote. A decision of the Committee shall require the affirmative vote of a majority of the members present and voting. The Chair will not have a casting vote. If there is a tied vote, the motion will lapse.
- (f) The Executive General Manager, People, Safety and Customer, will provide executive support to the Committee. The Assistant Company Secretary will act as secretary to the Committee. The secretary will keep minutes of proceedings and resolutions of the Committee. Any director may inspect the minutes of the Committee.

6. REPORTING

- (a) A copy of the minutes of the Committee meetings will be included in the Board papers for the next Board meeting following a meeting of the Committee.

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- (b) The Committee Chair will, if requested, provide a brief oral report as to any material matters arising out of the Committee meeting.
- (c) All directors may, within the Board meeting, request information of members of the Committee.

7. RESPONSIBILITIES AND FUNCTIONS

7.1 Remuneration of the Board

The Committee will:

- (a) make recommendations to the Board regarding the level of fees payable to each non-executive director within the maximum aggregate level of remuneration approved by security holders and the manner in which fees may be taken;
- (b) make recommendations to the Board on any changes to the maximum aggregate level of remuneration approved by security holders; and

The Chair of the Remuneration Committee will consult with the Chair of the Board in relation to remuneration of non-executive Directors, prior to making recommendations to the Board.

7.2 Remuneration and Performance of Managing Director and Senior Executives

The Committee will:

- (a) assist the Board in evaluating and approving the remuneration arrangements for the Managing Director and other Senior Executives of AusNet Services;
- (b) assist the Board in monitoring and evaluating the performance of the Managing Director and make recommendations to the Board; and
- (c) confirm that the performance of the Managing Director and Senior Executives is reviewed against their pre-determined performance measures.

7.3 Remuneration of Employees

The Committee will:

- (a) review and submit to the Board for approval the general remuneration framework for employees of AusNet Services; and
- (b) monitor and review AusNet Services' obligations on matters such as superannuation and other employment benefits and entitlements.

7.4 Incentive Plans

The Committee will:

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- (a) make recommendations to the Board in relation to the design, administration and review of short and long term incentive plans;
- (b) assist the Board in determining whether shareholder approval is required or desirable for AusNet Services' incentive plans or equity plans and changes to them; and
- (c) confirm that any payments and awards under incentive or equity plans are made in accordance with their terms and any shareholder approval.

7.5 Diversity and Inclusion

The Committee is responsible for:

- (a) making recommendations to the Board on diversity generally, including policies on diversity and inclusion and setting of AusNet Services' measurable objectives for achieving diversity and inclusion;
- (b) assisting the Board in monitoring AusNet Services' progress in achieving all measurable diversity and inclusion objectives set by the Board;
- (c) reviewing AusNet Services' disclosures regarding diversity to meet applicable disclosure obligations under the ASX Corporate Governance Principles & Recommendations and the *WorkPlace Gender Equality Act 2012* (Cth).

7.6 Remuneration Reporting and Disclosure

The Committee will:

- (a) liaise with the Audit and Risk Management Committee in relation to the preparation and review of the annual remuneration report prepared in accordance with the *Corporations Act 2001* (Cth); and
- (b) seek appropriate confirmation that AusNet Services remuneration related disclosures adhere to applicable governance, accounting and legal requirements.

7.7 Other

The Committee will:

- (a) approve the appointment of remuneration consultants for the purpose of the *Corporations Act 2001* (Cth);
- (b) monitor developments in remuneration practice and relevant legal and governance requirements;
- (c) assist the Board in monitoring and facilitating stakeholder engagement in relation to AusNet Services' remuneration framework, strategies and policies; and

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- (d) attend to other relevant matters as requested by the Board from time to time.

8. REVIEW

- (a) The Committee will regularly, review the terms of its charter and recommend any changes to the Board. Any amendments to the charter must be approved by the Board.
- (b) The Committee will review its performance on an annual basis against the requirements of its charter and in accordance with any other review process approved by the Board. The findings of the annual review will be reported to either the Board or the Nomination Committee, as determined by the Board.

9. SCHEDULE OF REVISIONS

Revision	Date	Details of Change
1	07/07/2008	Charter approved by Board.
2	22/12/2008	Amendments approved by Board.
3	11/05/2010	Amendments approved by Board.
4	29/03/2012	Amendments approved by Board.
5	09/09/2014	Amendments approved by the Board
6	24/03/2017	Amendments approved by the Board