

Remuneration Committee charter

1.1 Standing rules

The standing rules for Committees apply to the Remuneration Committee subject to this charter.

1.2 Purpose of Remuneration Committee

The Remuneration Committee's role is to advise on remuneration and issues relevant to remuneration policies and practices, including for Senior Executives and non-executive Directors.

1.3 Members of the Remuneration Committee

- (a) The Committee comprises a majority of non-executive Directors.
- (b) A non-executive Director will act as the Chairman of the Remuneration Committee.
- (c) A separate Chairman should be appointed if and when the Remuneration Committee is dealing with matters associated with the remuneration of the Chairman.

1.4 Scope of responsibility

- (a) The Remuneration Committee is responsible for:
 - (i) reviewing and evaluating market practices and trends for remuneration relevant to the Group;
 - (ii) reviewing and making recommendations to the Board for the Group's remuneration policies and framework, including the allocation of the Directors' fee pool to non-executive Directors;
 - (iii) reviewing and making recommendations to the Board for the Group's remuneration practices, including in relation to equity-based remuneration plans and superannuation arrangements;
 - (iv) overseeing the performance of the Executive Chairman, other Senior Executives and non-executive Directors;
 - (v) reviewing and making recommendations to the Board for the remuneration packages of the Executive Chairman, other Senior Executives and of non-executive Directors, ensuring that the packages appropriately reflect the different roles and responsibilities of non-executive Directors compared with Executive Directors and Senior Executives;
 - (vi) preparing for the Board any report that may be required under applicable legal or regulatory requirements about remuneration matters;
 - (vii) reviewing the Group's reporting and disclosure practices in relation to the remuneration of Directors and Senior Executives;

- (viii) reviewing and making recommendations to the Board on remuneration by gender (and other Diversity benchmarks) and reporting to the Board as necessary to facilitate compliance with the Diversity Policy; and
 - (ix) reviewing and reporting to the Board, at least annually, on the proportion of women and men in the workforce at all levels of the Group, and their relative levels of remuneration.
 - (x) identifying individuals who, by virtue of their experience, expertise, skills, qualifications, networks or other qualities, are suitable candidates for appointment to any relevant management position;
 - (xi) ensuring that the performance of all members of senior management, is reviewed and assessed each year in accordance with procedures adopted by the Board;
 - (xii) report to the Board as necessary to facilitate compliance with the Diversity Policy;
 - (xiii) ensuring that any diversity profile identified by the Board is a factor that is taken into account in the selection and appointment of qualified employees, senior management and Board candidates; and
 - (xiv) reporting to the Board annually on the Diversity profile of employees of the Company, including the relative proportion of men and women in the workforce at all levels of the Company and the extent to which the Company is progressing towards achieving its measurable objectives set out in the Company's Diversity Policy.
 - (xv) assist and advise the Board on the Company's effective management of health and safety, on compliance with health and safety laws, and on the Company's safety culture.
 - (xvi) oversee strategic People and Culture issues in the company.
 - (xvii) report and recommend to the Board outcomes of workplace complaints and investigations.
- (b) Remuneration includes monetary emoluments (salary, wages or fees) as well as any other monetary and non-monetary compensation for services and benefits including:
- (i) fringe benefits;
 - (ii) directors' and officers' and other insurance arrangements;
 - (iii) retirement benefits;
 - (iv) superannuation; and
 - (v) equity participation, and other incentive programs.

1.5 Powers

The Remuneration Committee has an advisory role to assist the Board about the matters set out in paragraph 1.4. The Remuneration Committee cannot commit the Board to any

recommendation or decision made by it but may consult independent external experts to perform its function and charge the costs to State Gas or another Group company.

1.6 Proceedings

- (a) Meetings are held at least twice a year and more often as required.
- (b) Representatives of management and other employed personnel may be invited to attend meetings, or specific parts of meetings, at the discretion of the Remuneration Committee.
- (c) Where an executive Director is involved in deliberations of the Remuneration Committee, they should not be involved in deciding their own remuneration and should have regard to any indirect conflict in setting the remuneration of other Senior Executives.