



# Nomination & Remuneration Committee Charter

Hyro's Board of Directors has established a Nomination & Remuneration Committee. The Committee is guided by the following Charter, in conjunction with the company's constitution so far as it may be relevant.

Version 2.0

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## 1.0 Purpose & Objectives

The Nomination and Remuneration Committee has been established by the Board. Primary functions include:

- a. Assess necessary and desirable competencies of Board members;
- b. Review Board succession plans
- c. Evaluate the Board's performance
- d. Make recommendations to the Board on
  - Executive remuneration and incentive policies
  - Remuneration packages of senior management
  - Hyro's recruitment, retention, and termination policies for senior management;
  - Incentive schemes
  - Superannuation arrangements; and
  - The remuneration framework for directors.

In performing its duties, the Nomination and Remuneration Committee shall have direct access to the resources of the company as it may reasonably require and shall seek to maintain effective working relationships with management.

## 2.0 Memberships

The membership of the Nomination and Remuneration Committee shall consist of at least three directors or such greater numbers as determined by the board.

The majority of the Committee shall be independent directors

Committee members shall be proposed by the Chairperson of the Board and approved by the Board

Committee members (where possible) must:

- a. Have a sound knowledge of the Company's businesses, organisation structure, and related executive/employee remuneration policies and practices;
- b. Be able to demonstrate relevant knowledge at a senior management level of objectives, and related industry/market practices;
- c. Have an appropriate understanding of the law and ASX disclosure requirements in respect of executive and Director remuneration;
- d. Have an appropriate understanding of corporate governance matters particularly in relation to Board and director responsibilities and ASX best practice guidelines

Membership of the Board shall be disclosed in the annual report including whether a director is independent or non-independent. Loss or gain of independence will be disclosed to the market immediately.

## 3.0 Term

Appointment of the Nomination and Remuneration Committee will be for one year or as determined by the Board.

## 4.0 Chairperson

The Chairperson of the Board will be the Chairperson of the Nomination and Remuneration Committee. Should the Chairperson be absent from a meeting, the members of the Committee present at the meeting shall choose one of the other members of the Committee to Chair that particular meeting.

## **5.0 Secretary**

The Company Secretary of Hyro shall act as Company Secretary to the Committee.

## **6.0 Duties & Responsibilities**

### **6.1 Nomination**

The duties and responsibilities of the Nomination and Remuneration Committee in relation to nomination matters include:

- Determining the appropriate size and composition of the Board;
- Setting a formal and transparent procedure for selecting new directors for appointment to the Board;
- Developing criteria for selection of candidates for the Board in the context of the Boards existing composition and structure;
- Making recommendations to the Board on the removal and appointment of directors;
- Developing a plan for identifying, assessing and enhancing director competencies;
- Developing a succession plan for the Board and regularly reviewing the plan;
- Reviewing the time required from a non-executive director and whether directors of the Board are meeting this requirement;
- Evaluating the performance of the Board and key executives; and
- Ensuring that there is an appropriate induction program in place for new directors and members of senior management and reviewing its effectiveness.

### **6.2 Remuneration**

The duties and responsibilities of the Nomination and Remuneration Committee in relation to remuneration matters include:

- Determining remuneration policies and remuneration of directors;
- Determining remuneration and incentive policies packages of key executives having regard to prevailing market rates for similar roles;
- Determining Hyro's recruitment, retention and termination policies and procedures for senior management;
- Determining and reviewing incentive schemes;
- Determining and reviewing superannuation arrangements;
- Professional indemnity and liability insurance for directors and senior management; and
- Reviewing succession planning for senior management.

## **7.0 Meetings**

The number of meetings is to be determined by the Nomination and Remuneration Chairman so as to allow the Nomination & Remuneration Committee to fulfil its obligations but shall not be less than two each year.

A quorum shall be two members or any greater number determined by the Committee from time to time.

All meetings shall be conducted subject to an agenda that the Nomination and Remuneration Committee members have the opportunity to make a contribution to.

The Chairperson is required to call a meeting of the Nomination and Remuneration Committee if requested to do so by any Nomination and Remuneration Committee members.

The Company Secretary shall maintain minutes of all meetings of the Nomination & Remuneration Committee. Minutes of each meeting are to be prepared within 5 days of the meeting and

circulated to Committee members once approved by the Chairman. The Minutes shall be signed by the Committee Chairperson. Minutes of all meetings will be provided to the subsequent Board and Committee meeting.

## **8.0 Access**

The Nomination and Remuneration Committee shall have direct access to Hyro's officers and advisors, both external and internal, and shall have the authority to seek whatever independent, professional or other advice it requires in order to assist it in meeting its responsibilities from outside the company.

## **9.0 Attendance**

Members of the Board, Company management or independent consultants may attend all or part of each meeting at the invitation of the Chairperson. Voting at Committee meetings is restricted to Committee members.

## **10.0 Objectivity**

No director shall be responsible for appraising their own performance or solely responsible for recommending their own level of remuneration for Board approval.

## **11.0 Non-Consensus**

Where the Nomination & Remuneration Committee is unable to reach consensus on a matter, the matter shall be decided by a majority of votes of directors present and voting and any such decision shall for all purposes be deemed a decision of the Committee. In the case of equal votes, the Chairperson, in addition to his/her deliberative vote has a casting vote.

## **12.0 Charter Review**

The Nomination & Remuneration Committee Charter shall be reviewed annually and revised as required.

## **13.0 Publication**

A copy of the Nomination & Remuneration Committee's Charter is available on Hyro's website. This charter is available to Hyro shareholders on request.