

# Human Resources & Compensation Committee Charter

## Contents

1	<b>ROLE</b> .....	1
2	<b>DUTIES</b> .....	1
3	<b>COMPOSITION</b> .....	3
4	<b>MEETINGS</b> .....	3
5	<b>AUTHORITY</b> .....	4

## 1 ROLE

### 1.1 The role of the Committee

The role of the Human Resources & Compensation Committee (**Committee**) is to assist the Woodside Board of Directors (**Board**) in ensuring the establishment of human resources and compensation policies and practices which:

- enable Woodside to attract, retain and motivate employees who achieve operational excellence and create value for shareholders;
- reward employees fairly and responsibly, having regard to the results of the Woodside Group, individual performance and general remuneration conditions;
- reflect best practice in people development while meeting Woodside's business needs; and
- comply with relevant provisions of the ASX Listing Rules and Corporations Act in Australia.

## 2 DUTIES

### 2.1 General

The Committee will:

- review and make recommendations to the Board on the Company's remuneration policies and practices generally, including superannuation and equity awards;
- review and make recommendations to the Board on the Company's diversity policies and practices;
- oversee the formulation and review of the Company's recruitment, organisational development, retention, succession and termination policies generally;
- consider whether, and if so when, shareholder approval of aspects of the remuneration policy is required; and
- ensure that the Company meets its obligations in respect of remuneration matters as required under the ASX Listing Rules and the Corporations Act, including the Company's disclosure obligations.

### 2.2 Direct reports to the CEO

The Committee will have the power to approve, or if it considers it appropriate, review and refer to the Board for final decision:

- (a) the appointment and the removal of executives who report directly to the Managing Director and Chief Executive Officer (**CEO**); and
- (b) the specific remuneration (including base pay, incentive payments, bonuses, equity awards, superannuation, retirement rights, termination payments, services contracts) of the executive key management personnel and any other direct reports of the CEO, and for that purpose may obtain external advice on market practice for the remuneration of key management personnel and other senior executives.

### **2.3 Executive oversight**

The Committee will review and make recommendations to the Board on:

- (a) the specific remuneration (including base pay, incentive payments, bonuses, equity awards, superannuation, retirement rights, termination payments, services contracts) of the CEO and any other executive Directors;
- (b) the appointment, removal and remuneration arrangements of the Company Secretary;
- (c) executive development and succession plans (with the exception of the CEO succession plan, which is reviewed by the Nominations Committee);
- (d) whether and if so when any aspects of any package, or items, of the proposed remuneration are subject to shareholder approval or disclosure; and
- (e) the criteria for the evaluation of the performance of the CEO.

### **2.4 Incentive and equity-based plans**

The Committee will:

- (a) monitor and make recommendations to the Board in respect of the design and implementation of:
  - executive cash based incentive plans; and
  - executive and employee equity-based plans,including performance hurdles and incentive pool amounts;
- (b) review these plans in the light of legislative, regulatory and market developments;
- (c) in relation to each equity-based plan, consider each year whether awards should be made under it and the amount thereof; and
- (d) consider whether circumstances exist under which it would be appropriate for the Board to exercise any discretion reserved to it under the rules of the plans.

### **2.5 Remuneration of non-executive Directors**

The Committee will:

- (a) review annually the compensation of the Chairman and non-executive Directors (including equity plans and superannuation) and for that purpose obtain external advice either directly or through management on market practice for the remuneration of Directors;
- (b) inform the Board of the results of the remuneration review and the consultant's advice in order that the Board may determine the appropriate level of remuneration;
- (c) consider if any increase in fees or proposed changes to non-executive Director remuneration practices require disclosure or shareholder approval;
- (d) consider whether there are circumstances in which compensation or additional remuneration may be appropriate in the case of any particular Director; and
- (e) ensure that the total remuneration paid to non-executive Directors each year inclusive of superannuation contributions does not exceed the fee ceiling limit approved by shareholders in general meeting.

## **2.6 Diversity**

The Committee will annually review:

- (a) the Company's diversity strategy; and
- (b) the Company's diversity objectives and progress toward achievement of the objectives and inform the Board of the results;

## **2.7 Other duties**

The Committee will:

- (a) regularly review this Charter and update it as required;
- (b) participate in an annual review of its performance and effectiveness;
- (c) review the Company's annual Remuneration Report to ensure it complies with the Corporations Act; and
- (d) undertake any other duties and activities that the Board may consider appropriate.

## **2.8 Committee Chairman to Report**

The Committee Chairman will:

- (a) report to the Board on the proceedings of each Committee meeting (to the next Board meeting); and
- (b) attend the Annual General Meeting and be available to respond to any shareholder questions on the Committee's activities and areas of responsibility.

# **3 COMPOSITION**

## **3.1 Membership**

The Committee shall be appointed by the Board and shall be composed of:

- (a) only non-executive Directors;
- (b) at least three members, the majority of which are independent; and
- (c) a Chairman, also appointed by the Board, who is one of those independent Directors.

## **3.2 Expertise**

It is desirable that at least one member of the Committee has an understanding of remuneration policies and practices.

At least one member of the Committee must have been a Director of Woodside for not less than three years.

## **3.3 Company Secretary**

The Company Secretary or their nominee will act as Secretary to the Committee.

## **3.4 Liaison**

The head of the Human Resources department is the principal liaison between executive management and the Committee on people matters.

# **4 MEETINGS**

## **4.1 Meeting frequency**

The Committee will meet as frequently as required but not less than twice each year.

Any member of the Committee or the Secretary to the Committee may call a meeting of the Committee.

#### **4.2 Notice**

The dates, times and venues of each meeting of the Committee will be notified by the Secretary to all members of the Committee as far in advance as possible.

#### **4.3 Committee papers**

Supporting papers for each meeting of the Committee will be distributed by the Secretary to all members of the Committee as far in advance as possible. Directors not on the Committee may request copies of the agenda and Committee papers.

#### **4.4 Attendance**

Members of the Committee, and any other Directors wishing to attend, are entitled to be present at Committee meetings (except in circumstances where there is a conflict of interest).

The Committee may extend an invitation to any person to attend all or part of any meeting which it considers appropriate. In particular the Committee may meet with external advisers, any executive or other employee, any other non-executive Director, and may do so with or without management present.

The CEO, the head of the Human Resources department and the Company Secretary will normally be invited to attend meetings.

#### **4.5 Quorum**

A quorum for the meeting of the Committee is two members.

#### **4.6 Committee Chairman**

In the absence of the Committee Chairman or appointed delegate, the members shall elect one of their number who is an independent non-executive Director as Chairman of the meeting.

#### **4.7 Agenda**

The agenda for each Committee meeting is settled by the Committee Chairman, with the Company Secretary, and with input from the head of the Human Resources department.

#### **4.8 Minutes**

Minutes of the meetings of the Committee are distributed first to the Chairman of the Committee for confirmation and then to members as soon as practicable, and distributed to all Directors with their Board papers (unless circumstances otherwise require, for example where there is a conflict of interest).

### **5 AUTHORITY**

#### **5.1 Access**

The Committee has unrestricted access to executive management, all employees and all relevant Company records (except in circumstances where there is a conflict of interest) and to financial and legal advisers.

#### **5.2 Independent advice**

The Committee is authorised to obtain outside legal or other independent professional advice, and to secure the attendance of such advisers if it is considered necessary.

*Revised by the Woodside Petroleum Ltd Board on 18 October 2017*