

# Remuneration Committee Charter



## **1. ORGANISATION**

- 1.1 The Remuneration Committee is a sub-committee of the board of directors.
- 1.2 The Remuneration Committee will be comprised of at least two non-executive directors of the board.
- 1.3 At least a majority of the members of the Remuneration Committee are to be independent directors.
- 1.4 The members of the Committee will be selected at the board meeting immediately following the Annual Meeting and will hold office for the ensuing year provided that the board may determine after that meeting that there be no change and in the absence of any determination there will be no change (except where a director has ceased to hold office).
- 1.5 The CEO will attend as an "ex officio" member of the Committee.
- 1.6 The board will appoint a chairperson from among the non-executive members of the Committee.
- 1.7 Any director not on the committee may attend Remuneration Committee meetings, subject to the Chairperson's approval.
- 1.8 Executive directors will not be entitled to attend meetings where they are conflicted for personal reasons.

## **2. MEETINGS**

- 2.1 Meetings of the Committee shall be held at least once a year or at the discretion of the Chairman or if requested any Remuneration Committee member or the CEO.
- 2.2 A quorum of members of the Remuneration Committee will be at least two non-executive directors.

- 2.3 The secretary of the board will act as secretary to the Remuneration Committee.
- 2.4 The Remuneration Committee may have in attendance members of management and such other persons including external advisers as it considers necessary to provide appropriate information, explanation and advice.

### **3. OBJECTIVES**

- 3.1 The objectives of the Remuneration Committee are to:
  - a. Ensure the Company has a sound remuneration policy framework designed to make sure:
    - i. the Company's senior management team is appropriately remunerated and rewarded for excellent achievement and performance; and
    - ii. the Company is able to attract and retain high performing people whose skills and attributes are well matched to the Company's requirements.
  - b. Ensure that appropriate and required disclosure is made of director and executive remuneration, in accordance with regulatory requirements and good governance practices.

### **4. ACCOUNTING AND REPORTING**

- 4.1 The Remuneration Committee will be accountable to the board.
- 4.2 After each meeting the chairperson will report the Remuneration Committee's recommendations and findings to the board.
- 4.3 The minutes of all Remuneration Committee meetings will be circulated to the board.
- 4.4 Extracts from the minutes will be made available to the CEO (subject to any personal interest) and to such other persons as the board directs, to enable them to properly carry out their functions.

### **5. ACCESS AND AUTHORITY**

- 5.1 The Remuneration Committee has the authority of the board to seek/access any information from any employees to fulfil its function, duties and responsibilities.
- 5.2 All employees are required to co-operate with any request made by the Committee.
- 5.3 The Committee is authorised by the board, at the expense of the Company, to obtain such outside information and advice as it thinks necessary for carrying out its responsibilities.

5.4 The Committee will make recommendations to the board on matters requiring a decision.

5.5 The Remuneration Committee does not have the power or authority to make a decision in the board's name or on its behalf.

## **6. RESPONSIBILITIES**

6.1 Subject to the limitations on the authorities, the Remuneration Committee's responsibilities are:

6.2 With regard to the Company:

- a. Ensure that effective remuneration management systems are in place and that they support the Company's wider objectives and strategies;
- b. Setting and reviewing the CEO's remuneration, considering proposed changes to that remuneration and any variation of the CEO's conditions or terms of employment and reporting the Remuneration Committee's recommendations to the board for discussion and ratification;
- c. Setting and reviewing both the remuneration and terms of employment of the Company's senior management team. The remuneration of the senior executives who report to the CEO is subject to prior recommendation of the CEO;
- d. Setting and reviewing the terms of the Company's short and long term incentive plans including any share and option schemes for employees and/or directors;
- e. Ensure policies and guidelines are in place to facilitate management performance assessment and development and the encouragement of team member self-development;
- f. Reviewing the terms of the employment arrangements with management so as to develop consistent group-wide employment practices subject to regional differences;
- g. Considering such other matters relating to remuneration issues as may be referred to it by the board.

6.3 With regard to the board, setting and reviewing all components of the remuneration of both the executive and non-executive directors.

## **7. ACCOUNTABILITY TO THE BOARD**

7.1 The board reviews annually the Remuneration Committee’s performance against this Charter.

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**8. CONSTRAINTS**

8.1 In fulfilling its functions the Remuneration Committee and the board will comply with provisions of the Constitution and the Listing Rules with regards to any decision and recommendation to the board to increase the remuneration payable to directors. In particular, the need to obtain shareholder approval and for the details of the proposed increase to be appropriately disclosed and circulated to shareholders before that decision is made.

8.2 The wording of any proposal to increase remuneration must be approved by NZX prior to it being circulated to shareholders.

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