



# People and Culture Committee Charter

The Board is responsible for approving this Charter and any amendments to it.

This Charter was last reviewed by the Board in May 2022.



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## 1. Introduction

- 1.1 The People and Culture Committee (**Committee**) is established as a delegated committee of the Board of Directors (**Board**) of Channel Infrastructure NZ Limited (the **Company**).
- 1.2 This Charter sets out the roles and responsibilities, composition and structure of the Committee.
- 1.3 The Board has delegated certain responsibilities to the Committee which will require formal reporting back to the Board. The ultimate responsibility of people, nomination and remuneration policy matters rests with the Board.

## 2. Role of the Committee

- 2.1 The objectives of the Committee are to assist the Board to provide leadership and policy in people and culture strategy, the appointment of the Chief Executive, remuneration and performance, director nomination and other matters of a similar nature requiring governance input and oversight.

## 3. Duties and Responsibilities

The Committee has the following duties and responsibilities:

### 3.1 People and Culture Strategy

The Committee will review annually the Company's People and Culture Strategy including any changes to organisation structure, the capability and development strategy and succession planning processes including succession planning for executive roles, culture, diversity, pay equity, inclusiveness and wellbeing initiatives to enable the Company to deliver its business strategy and any other strategic people priorities that arise from time to time.

### 3.2 Appointment of the Chief Executive

- a) The Committee will determine the skills and capabilities required in the Chief Executive, by referencing the strategic direction of the Company and understanding the business environment in which the Company operates.
- b) The Committee will identify, interview and recommend, for the approval of the Board, candidates to fill the position of Chief Executive.
- c) The Committee will recommend to the Board the proposed remuneration and terms of employment of the nominated candidate consistent with the Company's executive remuneration and performance policies.
- d) The Committee will recommend to the Board any performance or disciplinary process that may be required with the Chief Executive and undertake such processes on behalf of the Board as may be required.

### 3.3 Remuneration and Performance Policy and Practices

- a) The Committee is responsible for:
  - (i) Recommending for the Board's approval the appointment of the Company's external independent executive remuneration advisers as required from time to time,



- (ii) Ensuring that any such advisers sign a declaration of independence<sup>1</sup> prior to commencing work and attest to this in their report where the Company intends to make public statements in reliance on such advice as it relates to remuneration,
- (iii) Reviewing and approving the Company's remuneration and performance policies and processes, including policies relating to salary scales and positioning within New Zealand, and any incentive payments (including employee share or equity schemes), and
- (iv) Considering such other matters relating to remuneration and performance issues as may be referred to it by the Board.

### 3.4 Executive Remuneration and Performance

- a) In accordance with the Company's remuneration policies and practices, the Committee will review and make recommendations to the Board regarding:
  - (i) The Chief Executive's and the Company's Business Performance Scorecards including annual targets and performance against targets,
  - (ii) All components of the remuneration of the Chief Executive and such other senior executives as the Board may from time to time specify. The components shall include base salary, reimbursable expenses, bonuses, entitlements under employee incentive plans and all other entitlements and benefits arising from their employment. The remuneration of senior executives who report to the Chief Executive is subject to prior recommendation from the Chief Executive,
  - (iii) The terms of employment contracts for the personnel referred to in (ii) above,
  - (iv) The terms of any short-term and long-term incentive plans including any employee share or equity schemes, and
  - (v) The annual Company Scorecard, including as applied in the determination of any short and/or long-term incentive payments.

### 3.5 Director Remuneration

- a) The Committee will review and make recommendations to the Board with respect to:
  - (i) The size of the Directors' fee pool which is ultimately authorised by ordinary shareholder resolution at a Shareholders Meeting,
  - (ii) The disclosure to be made to shareholders relating to remuneration reporting and approval of any increase in the Directors' fee pool,
  - (iii) The level of remuneration for each Director, to be allocated from the "approved pool", and
  - (iv) The Board may determine that additional fees be paid to directors to reflect additional services provided over and above that normally expected of the Director, provided such fees are paid from within the fee pool, are at a relevant market rate and are disclosed in the annual remuneration report.
- b) The level of Director Remuneration is to be recommended with a view to attracting the best

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<sup>1</sup> A consultant or adviser will be independent where they have not been subject to any influence from Management, any Board member or any other party in relation to the services provided or the outcomes of those services.



candidates for the Board while maintaining a level commensurate with boards of a similar size and type.

- c) Where the Committee recommends the making of public statements referring to reliance on independent remuneration reports from remuneration consultants in relation to recommendations and decisions on Director Remuneration proposals put to shareholders for their approval, it will oversee the preparation for the Board's approval of a summary of such report for public release in the relevant Notice of Shareholders Meeting.

### 3.6 **Nomination Matters - Skills and Competencies**

The Committee will periodically review and make recommendations to the Board regarding the skills and competencies required of Directors in order to discharge the Board's duties having regard to the strategic direction and performance of the Company.

### 3.7 **Nomination Matters - Identification of Candidates**

- a) Before recommending the appointment of a new Director, the Committee will evaluate the balance of skills, knowledge and experience on the Board and, in light of the evaluation against the Board Capabilities Matrix, determine the skills and capabilities required for the appointment.
- b) The Committee will identify and nominate, for the approval of the Board, candidates to fill Board vacancies as and when they arise. In relation to the selection of Independent Directors, the Committee will have regard to the factors outlined in the NZX Corporate Governance Code.
- c) The Committee will oversee the preparation of a written agreement with each newly appointed director establishing the terms of their appointment, to accompany the documents provided to the Board with the Committee's recommendation.

### 3.8 **Current Board**

- a) The Committee will review and make recommendations to the Board with respect to:
  - (i) The re-election by shareholders of any Director under the retirement by rotation provisions in the Company's Constitution,
  - (ii) Which Directors are Independent Directors (as defined in the NZX Listing Rules),
  - (iii) Succession plans for Directors taking into account the challenges and opportunities facing the Company and the skills and expertise required on the Board in the future,
  - (iv) Developing, maintaining and implementing an appropriate plan for the succession of the chairman,
  - (v) The composition (including the skills, knowledge and experience) of the Board and any required changes, and
  - (vi) Any other matters relating to the continuation in office of any Director at any time.

### 3.9 **Other Matters**

The Committee shall address such other people matters that arise from time to time and require governance input and oversight including, for example, collective negotiations and workplace relations, employment disputes and culture and wellbeing activities.



## **4. Authority of the Committee**

- 4.1 The Committee has the authority of the Board to obtain any information and investigate any matters within its terms of reference.
- 4.2 The Board authorises the Committee, within the scope of the Charter, to obtain outside legal or other independent professional advice, as the Committee deems necessary to execute its duties and responsibilities at the expense of the Company, including market surveys and reports, and to consult with executive search consultants and other outside advisers with relevant experience and expertise, as it thinks necessary for carrying out its responsibilities.
- 4.3 The Committee is authorised to seek any information it requires from any officer or employee of the Company and all employees are directed by the Board to respond cooperatively with any request made by the Committee.
- 4.4 The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to any advisors employed by the Committee.

## **5. Membership**

- 5.1 The Committee shall consist of a minimum of three Directors, at least two being Independent Directors. All members of the Board who are not members of the Committee may attend meetings with the approval of the Chair.
- 5.2 The Board will appoint the Committee chairperson who may be the Chairperson of the Board.
- 5.3 Management should only attend Committee meetings at the invitation of the Committee Chairperson.

## **6. Secretary of the Committee**

- 6.1 The Secretary of the Committee will be the Company Secretary or such other person as nominated and agreed by the Board.

## **7. Meetings of the Committee**

- 7.1 Meetings of the Committee shall be held as required and shall be convened by the Committee chairperson at his or her discretion or if requested by any member of the Committee, the Board, or the Chief Executive. At least three meetings will be held per calendar year.
- 7.2 A quorum for a meeting of the Committee shall be three members, one of whom must be an Independent Director.
- 7.3 Other than in exceptional and urgent circumstances, Management will provide the meeting agenda, papers and recommendations to the Committee members at least five full business days before the meeting.
- 7.4 The Committee may invite to its meetings any Management or other personnel of the Company, or any third parties, as it deems appropriate in order to carry out its responsibilities.
- 7.5 Committee members may participate in, or conduct, a meeting of the Committee through the use of any means of communication by which all members participating can hear each other during the meeting and participation by such means shall constitute presence in person at the meeting.



- 7.6 The procedural requirements for the Committee meetings, including those relating to the keeping of minutes, shall be the same as those detailed in the Constitution for a meeting of the Board.
- 7.7 After each meeting the Committee chairperson will report the Committee's recommendations and findings to the Board. The minutes of all Committee meetings will be circulated to members of the Board and to such other persons as the Board directs.

## **8. Review of the Committee**

- 8.1 The Committee will review its performance annually against this Charter by means of a self-assessment. The Committee will report the results of this review to the Board so that the Board is able to review the performance of the Committee in accordance with this Charter.
- 8.2 The Committee will review this Charter annually and recommend any proposed amendments to the Board for approval.
- 8.3 The Committee Charter will be posted on the Company's website.