



# People Committee Charter

12 September 2018

## 1. Purpose

The role of the People Committee is to:

- support the Board in ensuring the Company's vision and commitment to its people is creative and enables achievement of our business strategy and plans.
- ensure the Company has effective people strategies and processes with a specific focus on leadership and capability, succession, employee development, inclusion and diversity, employee engagement and culture.
- support and advise the Board on matters relating to remuneration, including remuneration policy and practices for employees, remuneration for the Chief Executive Officer, Leadership Team and Directors
- Support the Board with recommendations relating to Contact's Board composition and performance
- Monitor key risks that relate to Contact's people
- Support the Board in ensuring Contact's legal and NZX obligations in relation to people and remuneration are met

## 2. Responsibilities

### Remuneration

The Committee will provide advice and make recommendations to the Board on the following matters:

- remuneration policy and any changes to policy and practices for all employees;
- the remuneration for the Chief Executive Officer and members of the Leadership Team, being those executives reporting to the Chief Executive Officer;
- performance-based (at risk) components of remuneration and targets for the Company's financial performance as they relate to incentive plans;
- allocations made under all equity-based remuneration plans;
- the remuneration of Directors within the aggregate fee pool approved by shareholders;
- corporate governance processes relating to remuneration; and
- Contact's risks that relate to remuneration including reviewing controls and treatment plans to reduce risk.

The Committee will carry out its functions with a view to ensuring that Directors and employees are appropriately and equitably compensated for their services and motivated to perform to the best of their abilities in the interests of shareholders.

The Committee has the authority to approve parameters used in determining salary scales and aggregate annual movements for all employees whose remuneration is not determined through collective employment agreements.

### **Chief Executive Officer appointment and performance**

The Committee will provide advice and make recommendations to the Board on the following matters:

- that the Chief Executive Officer has the desired skills and experience required for the Company;
- suitable process is undertaken for securing the best Chief Executive Officer candidate for appointment, with regard to the skills and experience identified above;
- ensure an individual employment agreement and appropriate induction programme is in place for the Chief Executive Officer; and
- evaluation of the performance of the Chief Executive Officer.

The Committee will carry out its functions with a view to ensuring that the Chief Executive Officer appointee is appropriate to discharge his/her responsibilities and duties having regard to the law and the highest standards of leadership.

### **Board composition and performance**

The Committee will provide advice and make recommendations to the Board on the following matters:

- the size, composition and diversity of the Board, including the desired skills and experience for the Board and the extent to which these are represented on the Board;
- suitable candidates for appointment to the Board, including reviewing nominations received from shareholders, as additional Directors or to succeed existing Directors, having regard to the skills, diversity and experience identified above;
- ensure letters of engagement are in place for all Directors and there is an appropriate induction programme in place for all new Directors;
- re-appointment of incumbent Directors (following resignation by rotation);
- structure of Board committees;
- evaluation of the performance of the Board, its committees and individual Directors; and
- the Company's risks that relate to Board appointments and structure, including controls and treatment plans to reduce risk.

The Committee will carry out its functions with a view to ensuring that the composition of the Board is appropriate to discharge its responsibilities and duties having regard to the law and the highest standards of governance.

## **People strategies and processes**

The Committee will provide advice and make recommendations to the Board on the following matters:

- the Company's people strategy and how it enables the Company's business performance;
- the Company's effectiveness in identifying, attracting and retaining the people capability needed to achieve its business strategies and plans;
- the policies and guidelines in place to facilitate management performance assessment and development;
- succession planning and associated executive development plans for critical senior and executive roles;
- the health of inclusion and diversity, along with engagement and culture within the Company
- the Company's key people risks including compliance with employment law and regulations;
- any other matters referred to it by the Board.

## **Membership of Committee**

- The Committee should comprise a minimum of three members and a majority of Independent Directors. The Chairman and members of the Committee are appointed by the Board. The Chairman of the Board may be the Chairman of the Committee.

## **Meeting**

- The Committee shall meet as frequently as required, but should meet at least three times per year. The Committee will invite the Chief Executive Officer and other executives to participate in meetings, as required.
- Executives will not participate in that portion of the meeting at which their own remuneration and its structure are under discussion.
- A quorum shall comprise two members.
- An agenda will be prepared for each meeting and distributed in advance of the meeting. Minutes of meeting will be prepared and will be circulated to all Directors.
- In the first instance, the Head of Organisational Development, will provide assistance to the Committee in the preparation of agenda and minutes of meetings and will provide secretarial support to the Committee.
- The Committee may seek advice or assistance from external advisors or consultants if required to enable the Committee to fulfil its role. The Committee will have access to senior management and Contact's auditors as necessary.

## **Approval and Review**

- The Committee Charter shall be approved by the full Board. The Committee shall regularly review the charter to ensure its relevance and the effectiveness of the Committee and make recommendations for any amendments to the Board.