



# Human Resources and Compensation Committee Charter

**January 2019**

## **Introduction**

This charter sets out the governance requirements for the Spark New Zealand Human Resources and Compensation Committee including the roles and responsibilities, procedures, and members' powers.

## **Role**

The Human Resources and Compensation Committee ("the Committee") has the role of assisting the Board in overseeing the management of the human resources activities of the Spark New Zealand Group.

## **Composition**

The Committee shall have a minimum of three members. A majority of members of the Committee must be independent in accordance with the independence criteria set out in the Board Charter and no member shall be an executive director.

The Board shall appoint the Chairperson of the Committee who shall be independent.

The appointment and removal of Committee members shall be the responsibility of the Board.

## **Procedure**

The Committee shall meet approximately four times per year and on such other occasions as the Chairperson considers necessary.

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The Committee may have in attendance such members of management and such other persons as it may deem necessary to provide appropriate information and explanations. Members of management should only attend at the invitation of the Committee.

From time-to-time the Chairperson of the Committee shall be entitled to request that the Committee meet without the presence of a particular member.

From time-to-time the Chairperson of the Committee shall be entitled to call informal meetings to discuss draft proposals and/or discuss senior executive issues.

The Committee may ask any party to withdraw from any part of any meeting where his or her performance is being discussed.

The agenda and Committee papers will be prepared and circulated to all Directors of the Company including the members of the Committee prior to the meetings.

The Chairperson of the Committee will report back to the full Board the recommendations of the Committee at the Board meeting immediately following the Committee meeting.

## Responsibilities and Duties

The Committee does not take action or make decisions on behalf of the Board unless specifically mandated.

The Board has delegated certain of its functions to the Committee which is responsible for:

- reviewing the current remuneration and human resources strategy, structure and policy for the Company;
- overseeing the Company's recruitment, retention and termination policies and procedures for senior management;
- approving the appointment or termination of the Managing Director's direct reports (except for the Chief Financial Officer);

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- reviewing and recommending to the Board the appointment or termination of the Chief Financial Officer;
- approving the conditions and terms of employment of the Managing Director's direct reports;
- reviewing the Managing Director's performance evaluation of the Managing Director's direct reports and approving the remuneration and any other variation of the conditions and terms of employment of the Managing Director's direct reports;
- making recommendations (including proposing amendments) to the Board with respect to senior executive incentive remuneration plans, share option plans and other employee benefits (including superannuation);
- exercising authority with respect to the administration of any such plan (referred to above) adopted by the Board as shall be conferred upon the Committee under the terms of such a plan, including setting remuneration measurement measures under any such plan;
- making recommendations to the Board with respect to the measurable objectives to be set by the Board for achieving diversity;
- annually assessing the effectiveness of the diversity policy, the measurable objectives set for achieving diversity, the progress toward achieving them and making recommendations to the Board in respect of such assessments;
- ensuring that the appropriate disclosures with respect to diversity are made in the Company's annual report;
- annually reviewing and reporting to the Board on (amongst other indicators) the relative proportion of women and men which make up the Company's workforce, at all levels of the business;
- conducting an annual review to ensure remuneration practices are consistent with Board policy;
- approving remuneration increase guides and budgets for the Company;
- overseeing management succession planning for agreed key roles in the Company;
- in relation to the Managing Director:
  - reviewing candidates to be appointed to the position of Managing Director;
  - reviewing and evaluating the Managing Director's performance against key performance objectives;

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- reviewing the key performance objectives relevant to the Managing Director's performance and remuneration for the following year;
  - reviewing the Managing Director's current remuneration and considering proposed changes to the remuneration and any other variation of the Managing Director's conditions and terms of employment;
- and reporting the Committee's recommendations to the Board.
- reviewing non-Executive Directors' remuneration having regard to any relevant factors and recommending to the Board changes to non-Executive Director remuneration, such change to be subject to shareholder approval, as appropriate; and
  - ensuring that this Committee Charter appears on Spark New Zealand's website.

## Members' Powers and Authority

The Committee may delegate any of its responsibilities to the Chairperson of the Committee from time-to-time and on such conditions as the Committee considers appropriate.

The Committee is authorised by the Board to investigate any activity covered by its roles.

The Committee members may communicate with any Company employee to seek any information they require in order for the Committee to carry out its role.

The Committee and each member of the Committee shall have the authority of the Board to:

- retain, terminate and consult with outside or other independent external advisers and experts (including legal and remuneration consultants) at the Company's expense; and
- secure the attendance at meetings of outsiders with relevant experience and expertise;

where the Committee or a Committee member deems it necessary to carry out the functions of the Committee.

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Committee members are generally entitled to rely on Spark New Zealand executives, in relation to matters within their responsibility and on external professionals in relation to matters within their area of expertise , provided such professionals are privy to all relevant information and so long as the Committee member (acting reasonably) is not aware of any grounds upon which such reliance or assumption may be inappropriate (in which case further enquiry will be warranted for the Committee member to establish reasonable grounds for the explanations given).

## **Accountability to the Board**

The Board reviews annually the Committee's performance against this Charter.

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