



Tower Limited

People, Remuneration and Appointments Committee Charter

March 2024

Document Information

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Document History

Version	Date	Changes	Reason for change	Author	Date approved
	17 February 2025	Inserted meta data table and document history	Reviewed Charter for CoFI related updates		



1. Background

- 1.1 The Board of Directors (the **Board**) of Tower Limited (**Tower**) has established the People, Remuneration and Appointments Committee (the **Committee**) and delegated to it the responsibility to assist and advise it in relation to various matters related to the engagement, remuneration and leadership of people at Tower, as described in this Charter.
- 1.2 The Committee is a sub-committee of the Board. The Committee has no decision-making powers except where expressly provided by the Board, and it is accountable to the Board for its performance.
- 1.3 Terms used in this Charter have the meaning given to them in the Charter of the Board of Directors unless the context indicates otherwise.

2. Constitution

- 2.1 Provisions of Tower's Constitution relating to meetings and proceedings and quorum of Directors shall, so far as not altered by this Charter, apply to the Committee.

3. Purpose

- 3.1 The purpose of the Committee is to:
 - a. assist the Board with various matters relating to the governance and leadership of Tower;
 - b. review and make recommendations to the Board in relation to human resources strategy, remuneration policies and practices and the remuneration and the performance of the Chief Executive Officer and Executive Leadership Team;
 - c. ensure that people and culture policies promote good conduct and create a highly engaged and diverse workforce.
 - d. oversee the identification and selection of suitable candidates to join the Board as required, and recommendation of those candidates to the Board;
 - e. recommending appropriate candidates for subsidiary boards.

4. Objectives

- 4.1 The objectives of the Committee are to ensure that Tower's:
 - a. Directors are appropriately qualified;
 - b. Chief Executive Officer and Executive Leadership Team are high performing;
 - c. remuneration policies and practices are appropriate and promote good conduct and consider climate metrics and goals;
 - d. policies, frameworks and systems promote diversity, inclusion and equity;
 - e. Board and Committee composition is appropriate;
 - f. subsidiaries have appropriate board composition; and
 - g. succession planning ensures business stability.

5. Responsibilities

5.1 The Committee is responsible for:

Board and Director performance

- a. evaluation of individual Directors' performance;
- b. evaluation of the Board Committees and the Board as a whole;
- c. the removal of Directors, subject to the requirements of Tower's constitution; and
- d. making recommendations to the Board in respect of Board and director performance.

Board and Committee composition

- a. review of Director independence from time to time, to ensure compliance with all relevant legal requirements including those set out from time to time by the Reserve Bank of New Zealand, Financial Markets Authority and NZX;
- b. the Board's composition (including range of skills, knowledge and experience), and succession planning; and
- c. making recommendations to the Board in respect of Board and Committee composition.

Nomination and appointment of Directors

- a. development and maintenance of a skills matrix for the Board;
- b. development of criteria used for the selection of Directors;
- c. certification of the independence of Directors, and their (continuing) fitness and propriety; and
- d. approving a process for identification of individuals for nomination to the Board, based on its developed criteria and skills matrix and making recommendations to the Board in respect of any nomination. The Committee may engage a reputable recruitment agency to assist in the identification of suitable candidates.

Director remuneration

- a. review of non-Executive Directors' remuneration and the Board Committee Members' and Chair's fee and other Directors' fees (if any) to ensure that remuneration remains appropriate and in accordance with shareholder approvals and making recommendations to the Board as required.

CEO appointment, performance and remuneration

- a. determining an appropriate process for the appointment of Chief Executive Officer, including identification of appropriate candidates;
- b. determining and recommending to the Board appropriate remuneration for the Chief Executive Officer at appointment and on an annual basis or otherwise as required;
- c. appraisals of the performance of the Chief Executive Officer and any performance management processes;

- d. reviewing any proposed disciplinary action against the CEO and any proposed removal of the Chief Executive Officer;
- e. reviewing the performance of the Chief Executive Officer;
- f. reviewing the Chief Executive Officer's objectives for the upcoming year; and
- g. making recommendations to the Board as required.

Executive Leadership Team

- a. reviewing of candidates for Executive level roles reporting directly to the CEO (and terms of appointment);
- b. review of Chief Executive Officer's recommendations for remuneration of the Chief Executive Officer's Executive level direct reports (and any changes to the terms of appointment);
- c. oversight of the Chief Executive Officer's review of the performance of its Executive Level direct reports;
- d. review of the performance management processes, and disciplinary action proposed in respect of any executive direct report to the Chief Executive Officer, including the proposed removal of a direct report;
- e. review of the Chief Executive Officer's recommendations in respect of the objectives for its executive direct reports for and the upcoming year;
- f. approval of organizational structure and design to ensure alignment with Company strategy;
- g. recommendation to the Board in respect of the creation and management of any staff or Executive share and incentive schemes and company bonus schemes and the ongoing management of any such scheme; and
- h. making recommendations to the Board as required.

Remuneration Strategy and Policy

- a. reviewing and approving the Remuneration Strategy and Policy.

Diversity, Inclusion and Engagement

- a. recommending to the Board for approval Tower's diversity and inclusion policy;
- b. setting, and reviewing performance against, measurable objectives for achieving diversity and inclusion pursuant to Tower's diversity and inclusion policy and making recommendations to the Board in respect of those objectives;
- c. ensuring that the Company has effective people strategies and processes relating to:
 - i. selection and recruitment of candidates;
 - ii. employment provisions;
 - iii. performance management;
 - iv. talent management and succession planning, including development of internal capability; and
 - v. employee engagement,
- d. approving the annual salary review pool; and
- e. any other matter referred to it by the Board.

General

- a. Considering and responding to any other matters:
 - i. relating to its functions, objectives, duties and responsibilities;
 - ii. referred to it by the Board;
 - iii. referred to it by the Chief Executive Officer, Chief Financial Officer or Chief Administrative Officer;
 - iv. relating to emerging people issues within Tower and the sector; and
 - v. relating to Tower's obligations as an employer.

6. Membership

- 6.1 The Board will annually review and confirm the membership and chairmanship of the Committee, which shall be comprised of a minimum of three suitably qualified Non-Executive Directors, the majority of whom are independent.
- 6.2 The Committee Chair will be appointed by the Board and will be an independent Non-Executive Director.
- 6.3 The role of the Chair is to:
 - a. facilitate effective discussions and contributions by directors at Committee meetings;
 - b. manage the conduct of Committee meetings (in consultation with the Chief Executive Officer and Company Secretary), including approving each meeting agenda, ensuring that adequate time is allowed for discussion of key agenda items; and
 - c. promote open, inclusive and constructive discussion and debate within the Committee, and with Management.

Meetings

- 6.4 The Committee shall meet at least four times a year and may meet at any other time on the request of any Committee member or the CEO.
- 6.5 Any Non-Executive Director of the Board may attend a meeting by invitation of the Committee Chair (on a non-remunerated basis).
- 6.6 Management may attend meetings by invitation only, noting that the Chief Executive Officer, the executive leader responsible for people issues and the General Counsel/Company Secretary have standing invitations to the meetings.
- 6.7 The Chair may ask any person attending a meeting to retire from the meeting. The Chief Executive Officer will retire from any discussions regarding his or her performance and/or remuneration.
- 6.8 Reasonable notice of meetings and the business to be conducted will be given to members. Meeting materials should be provided one week prior to the meeting.
- 6.9 The quorum for any Committee meeting is a majority of Committee Members.

- 6.10 A resolution of the Committee is passed if a majority of the votes cast are in favour of it. The Chair does not have a casting vote.
- 6.11 An appropriately qualified and experienced person will act as Secretary to the Committee. The Secretary is responsible for circulating the meeting agenda and supporting material to all Committee members and any other person advised by the Chair. The Secretary will also prepare minutes of each meeting. The minutes of all Committee meetings will be circulated by the Secretary to Non-Executive Directors of the Board.

7. General scope and authority

- 7.1 The Committee will not take actions nor make decisions on behalf of the Board and will have no powers with regard to its findings and recommendations, except where expressly authorised by the Board.
- 7.2 The Committee may:
- a. take such independent professional advice as it considers necessary; and
 - b. arrange for external third parties with relevant experience and expertise to attend meetings and provide advice,

at the expense of Tower Limited, as it considers necessary.

8. Reporting

- 8.1 The Chair of the Committee will report material findings and recommendations to the Board after each Committee meeting.
- 8.2 The Chair of the Committee will submit an annual report to the Board summarising the Committee's activities, findings and recommendations for the past year.

9. Confidentiality

- 9.1 All proceedings of the Committee, including papers submitted and presentations made to the Board, shall be kept confidential and shall not be disclosed or released to any person other than Board members, except as required by law or as agreed by the Board.

10. Access

- 10.1 Members of the Committee shall have full and free access to executives and other employees of the Company, with requests for such access to be made via the Committee Chair to the Company Secretary.

11. Independent Professional Advice

- 11.1 A director may obtain independent professional advice relating to the affairs of Tower or the discharge of his/her responsibilities as a director or Committee Member. Directors will inform the relevant Board or Committee Chair when they obtain independent professional advice. Tower will meet the reasonable costs of such advice.

12. Review

- 12.1 The Committee will formally review this Charter every two years or at any other interval that the Committee considers appropriate and either:
- a. confirm to the Board its appropriateness; or
 - b. recommend changes to the Board for approval.
- 12.2 The Board may update or amend the Charter outside of this cycle at any time it considers necessary.