



Remuneration & Nomination Committee Charter

Appendix 3

Tourism Holdings Limited
31 May 2019

1. PURPOSE & OBJECTIVES OF THE COMMITTEE

- The Remuneration and Nomination Committee (**Committee**) is a committee of the Board of Directors of Tourism Holdings Limited (**thl**).
- The main objectives of the Committee are to:
 - Ensure **thl** has in place a sound remuneration policy framework designed to make sure that:
 - **thl**'s management team is fairly and equitably remunerated;
 - the senior employees of **thl** are appropriately rewarded for excellent achievement and performance; and
 - **thl** is able to attract and retain high performing people whose skills and attributes are well matched to **thl**'s requirements.
 - Ensure that appropriate and required disclosure is made (in Annual Reports and Accounts) of director and executive remuneration, in accordance with regulatory requirements and good governance practices.
 - Ensure that there is an environment and framework where management talent and potential is assessed and developed in line with the requirements of **thl**.
 - Review key executive positions within **thl** to ensure robust succession planning exists.
 - Review the composition of the Board and make recommendations to ensure an appropriate mix of skills and experience is maintained and that the Board is operating to a best practice standard of governance.
 - Identify and nominate, for the approval of the Board, candidates to fill vacancies on the Board as and when they arise.
 - Review the independence of directors on behalf of the Board.

2. MEMBERSHIP OF THE COMMITTEE

- The Committee will be comprised of at least three non-executive directors of the Board, appointed by the Board. Membership of the Committee shall be reviewed by the Board periodically as the Board considers necessary.
- A majority of Committee members shall be Independent Directors (as that term is defined in the NZX Listing Rules).
- The Chief Executive Officer (**CEO**) shall not be a member of the Committee.
- The Board will appoint a chairperson of the Committee (**Chairperson**) from among the independent members of the committee.

- The Chairperson of the Board shall not be the Chairperson.

3. MEETINGS OF THE COMMITTEE

- Meetings of the Committee will be held at least twice a year or at the discretion of the Chairperson.
- Any member of the Committee or the CEO may request a meeting at any time they consider it necessary.
- A quorum for a meeting of the Committee shall be three members, with at least two being non-executive directors.
- The 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.
- Subject to the Chairperson's approval, any director not on the Committee may request attendance at a meeting of the Committee. Executive directors will not be entitled to attend meetings where they are conflicted for personal reasons.
- The CEO will attend at the invitation of the Committee.
- Reasonable notice of meetings and the business to be conducted shall be given to the members of the Committee, all other members of the Board, and the CEO.
- Minutes of all meetings shall be recorded.

4. RESPONSIBILITIES OF THE COMMITTEE

The Committee supports the Board on matters relating to staffing and personnel (human resources) and remuneration (both cash and non-cash). The Committee assesses the role, responsibilities, composition, training and membership requirements and remuneration for the Board, including the necessary and desirable competencies of Board members, director succession planning, performance evaluation of the Board and its committees, procedures for selection and appointment of new directors, independence of directors, time commitments of non-executive directors, and recommendations for the appointment and removal of directors. The Committee determines the process for evaluation of Board and director performance and oversees the process so determined.

The Committee's responsibilities are:

- Ensuring that effective remuneration management systems are in place and that they support *thl's* wider objectives and strategies. The director and officer remuneration policy is included in section 6 of this Charter;

- Setting and reviewing the remuneration of the CEO, senior management team and executive directors. The remuneration of the senior executives who report to the CEO is subject to prior recommendation of the CEO;
- Setting the fees of directors and in the process the Committee will consider the advice of consultants, the performance of *thl*, requirements as set out in the service contracts between *thl* and directors and other relevant requirements of *thl*;
- Setting and reviewing the terms of employment contracts for the personnel referred to above;
- Setting and reviewing the terms of *thl*'s short and long term incentive plans including any share and option schemes for employees;
- Ensuring policies and guidelines are in place to facilitate management performance assessment and development, and the encouragement of team member self-development;
- Considering such other matters relating to remuneration issues as may be referred to it by the Board;
- Being responsible for identifying and nominating (for approval by the Board), candidates to fill board vacancies as and when they arise;
- Satisfying itself with regard to succession planning, that the processes and plans are in place with regard to both Board and senior appointments;
- Ensuring that the *thl* secretary on behalf of the Board has formally written to any appointees, detailing the role and time commitments and proposing an induction plan produced in conjunction with the Chairperson;
- Instigating and overseeing the process to identify a shortlist of candidates for the appointment of the CEO;
- Reviewing the independence of each director based on criteria set by NZX and under the Board Charter; and
- Maintaining and reviewing registers of outside directorships held by directors of *thl*, and considering any potential conflict of interest arising from the appointment of directors to outside boards.

5. DIRECTOR NOMINATION

The responsibilities of the Board in relation to Board nominations are:

- Being responsible for maintaining and disclosing a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership. The current Board skills matrix is included at clause 7 below;

- Identifying and assessing the necessary and desirable competencies and characteristics for Board membership, including:
 - relevant industry experience;
 - financial literacy and legal and regulatory knowledge;
 - skills, expertise, background and perspective that add to and complement the range of skills, expertise, background and perspective of the existing directors;
 - diversity;
 - health, safety and social responsibility;
 - organisation development and human resources; and
 - the extent to which the candidate would fill a present need on the Board;
- Establishing processes for identifying suitable candidates for appointment to the Board, aiming at an appropriate mix of expertise, diversity, experience and succession;
- To oversee that **thl**:
 - undertakes appropriate checks before appointing a person, or putting forward to its shareholders a candidate for election, as a director, including checks as to a candidate's character, expertise, education, criminal record and bankruptcy history;
 - provides its shareholders with all key information about a candidate to assist their decision as to whether or not to elect or re-elect the candidate;
 - if the director is appointed by the Board, ensure that all material information regarding the candidate, including negative information, is provided to the Board;
 - if the candidate is being re-elected, provides its shareholders with information about the term of office served by the director; and
 - has a written agreement with each director and member of the executive setting out the terms of his or her engagement or employment;
- See that appropriate succession plans for the Board and the executive are in place; and
- Recommending the removal of directors from the Board.

6. ACCESS AND AUTHORITY

- The Committee is authorised by the Board to investigate any activity within its terms of reference as set out in this Charter.
- The Committee is authorised to seek any information it requires from any employee and all employees will be directed to co-operate with any request made by the Committee.
- The Committee is authorised by the Board to obtain, at the expense of **thl**, such information and outside legal or other independent professional advice as it

considers necessary to carry out its responsibilities. Such arrangements are to be between the Committee and the relevant advisor and should not include the Human Resource department of *thl*.

7. REVIEW OF THE COMMITTEE

- The Committee shall undertake periodic self-review of its performance and compliance with this Charter.

8. ACCOUNTABILITY AND REPORTING

- The Committee will be accountable to the Board. After each meeting the Chairperson will report the Committee's recommendations and findings to the Board.
- The Committee will make recommendations to the Board on all matters noted in this Charter requiring a decision. The Committee does not have the power or authority to make a decision in the Board's name or on its behalf.
- The minutes of all Committee meetings will be circulated to members of the Board. Extracts from the minutes will be made available to such other persons as the Board directs, to enable them to properly carry out their functions.

Approved by the Tourism Holdings Limited Board of Directors effective from 31 May 2019.