

Remuneration and Nomination Committee Charter

Purpose and Authority

The Remuneration and Nomination Committee (the **Committee**) is a committee of the board of directors (the **Board**) of Napier Port Holdings Limited (**Napier Port**). Its primary function is to assist the Board in fulfilling its responsibilities in relation to the:

- Formal and transparent method for nominating and appointing directors to the Board.
- Remuneration of directors of the Napier Port Group.
- Appointment, remuneration and evaluation of the Chief Executive Officer and succession planning in relation to him/her.
- Review of the remuneration recommendations of the Chief Executive Officer for the Senior Management Team.
- Review of the annual incentive payment targets and calculations for the Chief Executive Officer and Senior Management Team.
- Review of the overall Napier Port Group-wide salary and incentive policies.
- Management and risk compliance of statutory and regulatory requirements in relation to Human Resources by the Chief Executive Officer and Senior Management Team.
- Consideration of, and if thought fit, the making of recommendations to the Board in relation to, any long term or short-term incentive plan for the Senior Management Team and any amendments to it.

For the purposes of this Charter:

- the “Senior Management Team” means the Chief Executive Officer, Chief Financial Officer and each General Manager that reports to the Chief Executive Officer, of the Napier Port Group; and
- the “Napier Port Group” means Napier Port and its subsidiaries.

Membership and Meetings

The following are the membership and meeting requirements of the Committee:

1. The membership of the Committee shall consist of at least three members of the Board.

2. The members and the Chair of the Committee will be appointed by the Board on a recommendation from the Chair of the Board.
3. Members of the Committee shall be appointed at the Board's discretion.
4. The Chair of the Committee shall be an Independent Director (as defined in the NZX Listing Rules).
5. At least a majority of the Committee shall be Independent Directors.
6. If not an appointed member of the Committee, the Chair of the Board shall have an ex-officio position on the Committee.
7. The duties and responsibilities of the members of the Committee are in addition to those as a member of the Board.
8. The Committee shall meet at least two times per year or more frequently if circumstances require.
9. The Committee may ask members of management or others to attend meetings to provide necessary and relevant information. Other than as set out in paragraph 10, members of management shall not attend meetings of the Committee unless they have been invited by the Committee.
10. The Chief Executive Officer or Company Secretary will act as secretary to the Committee. The Chief Executive Officer is responsible for circulating the meeting agenda and supporting material to all Committee members. Normal committee distribution requirements for Minutes, Agendas and supporting material will apply.
11. Directors who are not members of the Committee are to be advised of the timing of meetings and are welcome to attend meetings and/or request copies of the agenda and supporting material.
12. Following each meeting of the Committee, the Committee Chair will report to the Board on any matter that should be brought to the Board's attention and on any recommendation.
13. The membership of the Committee shall be reviewed annually by the Board and confirmed after the first Board meeting after the annual meeting each year.

Nomination Responsibilities

To meet its responsibilities, the following functions and responsibilities of the Board are delegated to the Committee:

Nomination to the Board

- (a) The Committee will review from time to time the structure, size and composition of the Board and its committees to ensure an appropriate balance of skills, qualifications, knowledge, experience and background, and will recommend any proposed changes to the Board following any such review.
- (b) The whole Board will have the opportunity to consider candidates for appointment to the Board.
- (c) To be eligible for selection the candidates must demonstrate appropriate qualities and experience, and the Committee must be satisfied that a candidate will commit the time needed to be fully effective in their role. Directors will be selected based on a range of factors including the perceived needs of the Board at the time having regard to the procedure established by the Board in respect of identifying suitably qualified director candidates.
- (d) In selecting proposed new directors, the Committee will ensure:
 - proper checks as to the proposed director's character, experience, education, criminal record and bankruptcy history are conducted; and
 - key information about the proposed director is provided to shareholders to assist their decision as to whether or not to elect or re-elect the candidate (e.g. biographical details, relevant skills and experience, any other material directorships they hold); and
 - if the proposed director is standing for the first time, any material adverse information is revealed by the checks the entity has performed (e.g. information regarding the proposed director's character, criminal record or bankruptcy history); or
 - if the proposed director is being re-elected, information about the term of office served by the director is provided.
- (e) Napier Port will enter into a written agreement with each newly appointed director establishing the terms of their appointment.

Succession

Board succession should occur on a planned and on-going basis. As part of the succession process and planning:

- there should be sufficient overlap in director succession so that gaps in skills, experience, subject matter expertise or corporate memory do not occur, to the extent this is practicable;
- any future skill gaps should be identified by following a Board evaluation process;

- when considering a director who holds, or has held, other directorships, past performance of the director and those companies should be considered;
- Directors should communicate their intentions to retire from the Board as soon as possible to assist succession; and
- the Committee shall:
 - establish and review the procedure by which suitably qualified potential director candidates are identified, including the criteria for determining suitability of potential directors in terms of balance of the Board, qualities, qualifications, skills and experience, and recommending to the Board any necessary alterations;
 - identify and maintain a list of suitably qualified potential directors in respect of future Board vacancies;
 - in the event of any vacancies on the Board, including any casual vacancy, consider any person(s) nominated, either by directors or shareholders, and make recommendations to the Board in respect of such nominations;
 - ensure there is an appropriate induction and education programme in place for all new directors; and
 - ensure Napier Port's Diversity and Inclusion Policy objectives are considered in the context of Board succession.

Remuneration Responsibilities

In meeting its responsibilities, the Committee is authorised by the Board to:

Remuneration of Directors

- (a) Bi-annually review directors' remuneration and determine whether director remuneration remains appropriate.
- (b) Make recommendations to the Board to put forward any proposed increases to be considered by Napier Port shareholders at the next annual shareholder meeting following a bi-annual review (or any earlier meeting).

Remuneration of the Chief Executive Officer and other relevant matters as required

- (a) Advise the Board on the appointment and the conditions and terms of employment of the Chief Executive Officer.
- (b) Annually review the Chief Executive Officer's salary package.

- (c) Review and evaluate the performance of the Chief Executive Officer against key performance objectives and goals.
- (d) Advise the Board on the amount of any annual performance incentive payment.
- (e) Advise the Board on any termination or retirement payments for the Chief Executive Officer.
- (f) Advise the Board on succession plans for the Chief Executive Officer.

Incentive schemes

- (a) Review the Napier Port Group's incentive schemes in place from time to time and review the effectiveness and appropriateness of them.
- (b) Advise the Board on any awards and participation to be offered under incentive schemes.
- (c) Review performance, achievement and eligibility under incentive schemes and make recommendations to the Board accordingly.

Senior Management Team

- (a) Annually review the Chief Executive Officer's recommendations for direct report salary packages and key performance objectives and goals.
- (b) Periodically review the structure and succession plans for the Senior Management Team.

Company salary/wage review

- (a) Review the overall Napier Port Group-wide wage and salary position annually to ensure salary/wage reviews meet the long-term strategic objectives and policies of the Napier Port Group.

Key Human Resources Policies

- (a) Review the Chief Executive Officer's recommendations and advise the Board with respect to employee remuneration, benefits and incentive schemes.
- (b) Ensure remuneration policies implemented by the Senior Management Team are in line with national levels and practices.
- (c) Ensure the HR strategy and annual HR plans and policies are reviewed by the Senior Management Team on a regular basis and meet the strategic objectives of the Napier Port Group.

- (d) Ensure that the Napier Port Group complies with statutory HR responsibilities.

Other

- (a) Obtain independent professional advice, independent research, and generally engage such advisers and involve such consultants as it considers necessary for its function.
- (b) Any other such functions as may from time to time be assigned by law, or the Board.

Review

This Charter will be reviewed annually by the Board.

Related Documents

Diversity and Inclusion Policy