



# HUMAN RESOURCES AND REMUNERATION COMMITTEE CHARTER

19 February 2025

## 1. Introduction

This Charter sets out the responsibilities and framework for the operation of the Committee.

## 2. Objective

The Committee assists the Board in overseeing the management of the human resources activities of the NZX Group.

## 3. Responsibilities

3.1 The Committee is responsible for:

### CEO

(a) in relation to the CEO:

- (i) reviewing and evaluating the CEO's performance against key performance objectives;
  - (ii) reviewing the CEO's key performance objectives for the following year;
  - (iii) reviewing the CEO's current remuneration and considering proposed changes to the remuneration and any other variation of the CEO's conditions of employment;
  - (iv) reviewing any proposed disciplinary action against the CEO; and
  - (v) reviewing any proposed removal of the CEO,
- and making recommendations to the Board;

### Direct reports of the CEO or Board

- (b) in relation to direct reports of the CEO or Board (except for members of the CEO's Office (being support roles to the CEO)):
  - (i) reviewing candidates for appointment to a position that reports to the CEO or Board;
  - (ii) reviewing any proposed disciplinary action against a direct report; and
  - (iii) reviewing any proposed removal of a direct report,and making recommendations to the Board;
- (c) in relation to direct reports of the CEO or Board (except for members of the CEO's Office):



- (i) reviewing the CEO's evaluation of a direct report's performance against key performance objectives; and
  - (ii) reviewing the CEO's setting of a direct report's key performance objectives for the following year,
- and making recommendations to the CEO;
- (d) approving the CEO's proposed changes to a direct report's current remuneration and any other variation of the direct report's conditions of employment;
  - (e) in relation to the RegCo CEO:
    - (i) reviewing candidates for appointment;
    - (ii) reviewing the RegCo Board's evaluation of the RegCo CEO's performance against key performance objectives;
    - (iii) reviewing any proposed changes to current remuneration and any other variation of the conditions of employment;
    - (iv) reviewing any proposed disciplinary action; and
    - (v) reviewing any proposed removal,
- and making recommendations to the RegCo Board and Board;

### **Diversity and inclusion**

- (f) as part of maintaining the NZX Group's performance culture, making recommendations to the Board in respect of measurable objectives for achieving diversity and inclusion;
- (g) monitoring the NZX Group's progress towards achieving the measurable objectives;
- (h) ensuring the NZX Group's progress towards achieving the measurable objectives is reported in its annual report;

### **Remuneration**

- (i) conducting an annual review of the NZX Group's remuneration;
- (j) approving remuneration guides and budgets for the NZX Group;
- (k) ensuring the NZX Group's remuneration practices do not conflict with the NZX Group's health and safety obligations;
- (l) making recommendations (including proposing changes) to the Board in respect of short-term and long-term incentive plans and other employee benefits;
- (m) exercising authority in respect of the administration of short-term and long-term incentive plans as shall be conferred upon the Committee under the terms of such plans;



### **Health, safety and wellbeing**

- (n) maintaining an up to date knowledge of key health and safety risks within the NZX Group;
- (o) reviewing and making recommendations to the Board in respect of the NZX Group's health and safety policies;
- (p) making recommendations to the Board in respect of targets for health and safety performance, and assessing performance against those targets;
- (q) monitoring the NZX Group's compliance with health and safety policies and applicable law;
- (r) ensuring that the systems used to identify and manage health and safety risks are fit for purpose, and are being effectively implemented, regularly reviewed and continuously improved;
- (s) ensuring that adequate processes are in place for handling health and safety related incidents and for minimising the risk of recurrence;

### **Other**

- (t) overseeing the NZX Group's human resources and remuneration strategy, structure and policies;
- (u) overseeing the NZX Group's recruitment, retention, succession and termination policies, plans and procedures; and
- (v) providing governance oversight of the 'social' elements of the NZX Group's environmental, social and governance (**ESG**) performance (including employment practices, health & safety, and other social aspects such as modern slavery), considering relevant ESG matters as a standard agenda item twice a year and reporting on the progress of these elements in the monthly Executive Report to the full Board.

## **4. Membership**

### 4.1 The Committee will:

- (a) be comprised solely of directors of the Company;
- (b) have a minimum of three members; and
- (c) have a majority of members that are independent directors.

### 4.2 The Board will appoint and remove the members of the Committee and the Chairperson.

## **5. Meetings**

### 5.1 Committee meetings will be conducted in accordance with the Company's Constitution and otherwise as determined by the Chairperson.



- 5.2 The Committee will meet at least three times a year. The Committee may meet at any other time at the request of a member or the CEO.
- 5.3 The Committee will establish an annual work programme to ensure that it reviews, assesses or reports on each of the areas for which it is responsible under this Charter.
- 5.4 The Committee may seek advice or assistance from independent external advisers (including independent remuneration consultants).
- 5.5 The Committee will have unrestricted access to management and the Company's external auditor as necessary.
- 5.6 If the Committee seeks advice or assistance from an independent remuneration consultant, the advice or assistance would be commissioned by the Chairperson (and not management) and the consultant must certify as to their independence.
- 5.7 Directors of the Company may attend meetings of the Committee.
- 5.8 The CEO will attend meetings. Other members of management may only attend meetings at the invitation of the Committee. The Committee may meet without the CEO present.
- 5.9 The Chairperson may ask any person attending a meeting to leave.
- 5.10 The CEO must excuse himself or herself from all discussions when their performance is considered.
- 5.11 The quorum for a meeting is two members.
- 5.12 Unless the requirement is waived, notice of meetings will be given to all members. Notice will usually be by way of secure electronic transmission to an email address provided by the member.
- 5.13 Members are expected to attend all meetings and may be required to give an explanation to the Chairperson if they miss a meeting. Meetings can take place by means of video conference or telephone conference, provided all members are connected and able to hear each other.
- 5.14 All decisions of the Committee will be by majority vote. In the event of a deadlock, the Chairperson does not have a casting vote.

## **6. Conflicts of interest**

- 6.1 Members must disclose to the Committee any actual or potential conflict of interest.
- 6.2 A member must excuse themselves from all discussions or decisions, in respect of any matter in which they may have an actual conflict. The Chairperson will determine whether a member will receive supporting documentation in respect of any matter in which the member may have an actual conflict.

## **7. Secretarial**

- 7.1 The Company Secretary will act as the secretary to the Committee.



- 7.2 The Company Secretary will generally circulate the agenda and supporting documentation to members and the CEO at least five business days prior to each meeting.
- 7.3 The Company Secretary will take minutes at each meeting and circulate them to members and the CEO.

## 8. Authority

The Committee has authority to undertake any activity set out in this Charter or authorised by a separate resolution of the Board.

## 9. Reporting

- 9.1 The minutes of meetings will be available to the Board.
- 9.2 The Chairperson will report to the Board in respect of the Committee's findings.

## 10. Confidentiality

All discussions, papers and records of Committee meetings will remain confidential to the Company, unless there is specific direction from the Committee or Board, or disclosure is required by law.

## 11. Performance

- 11.1 The Committee will assess its performance against the responsibilities set out in this Charter at least annually.
- 11.2 The Board will review the Committee's performance at least annually.

## 12. Interpretation

In this Charter:

**Board** means the board of directors of the Company;

**CEO** means the Chief Executive Officer of the Company;

**Chairperson** means the chairperson of the Committee;

**Committee** means the Human Resources and Remuneration Committee of the Company;

**Company** means NZX Limited;

**NZX Group** means the Company and its wholly-owned subsidiaries;

**RegCo** means NZX Regulation Limited;

**RegCo Board** means the board of directors of RegCo; and

**RegCo CEO** means the Chief Executive Officer of RegCo.



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