

People and Performance Committee Charter

1 Purpose

The purpose of the People and Performance Committee is to assist the Board of Mercury NZ Limited (**Mercury**) to fulfil its resources responsibilities relating to:

- > Mercury's people and culture strategy and plan;
- > the remuneration and performance of the Chief Executive; and
- > people and culture policies and practices.

In addition, the Committee will monitor and provide guidance to management on human resources related matters as provided for in this Charter.

This Charter sets out the composition, authority, roles and responsibilities and procedures of the Committee.

2 Composition

The Committee is a committee of the Board.

The Board will approve all appointments to the Committee.

The Committee comprises a minimum of three directors plus the Chair of the Board as an ex-officio member.

The majority of Committee members will be non-executive, independent directors.

The Chair of the Committee will be appointed by the Board.

A quorum will be at least two Committee members.

The Committee will appoint a secretary who will be the Company Secretary or other Mercury employee as nominated by the Committee.

The Committee may invite members of management, any employee, external experts or any other person to attend meetings as required.

3 Management role

The Committee secretary, in conjunction with the Committee Chair and the Chief People Officer, will be responsible for the co-ordination of all Committee business including meeting scheduling, agendas, scheduling policy reviews, distribution of papers, minutes and communication with the Board and internal auditors.

4 Authority

The Committee does not have the authority to make decisions for or on behalf of the Board unless specifically authorised to do so by this Charter or as directed by the Board. The Committee will make recommendations to the Board as set out in this Charter.

The Committee may delegate any of its responsibilities to the Committee Chair or a subset of Committee members from time to time and on such conditions as the Committee considers appropriate.

5 Roles and Responsibilities

The Board has delegated authority to the Committee to oversee and monitor Mercury's people and culture responsibilities.

The Committee has the following specific responsibilities:

5.1 People and culture strategy and progress

- > Oversee the people and culture strategy and monitor how it supports Mercury's strategy, including matters of culture, people experience, organisational performance, composition, compliance and policy.



- > Oversee the setting of measurable objectives relating to the workplace of the future, including diversity objectives, and annually review these objectives and progress in achieving them.

5.2 Remuneration and executive matters

- > Consider, approve and report to the Board the Chief Executive's recommendations with respect to:
 - remuneration philosophies and policies to be used by Mercury;
 - performance related criteria and recommendations of any remuneration changes for the Chief Executive's direct reports; and
 - appointments and changes to the Chief Executive's direct reports; and
 - allocations made under all equity-based remuneration plans.
- > Annually consider and make recommendations to the Board in relation to the Chief Executive's remuneration including:
 - setting annual performance goals;
 - reviewing Chief Executive performance; and
 - recommending incentive payments and other adjustments to Chief Executive remuneration.
- > Oversee the establishment by management of appropriate remuneration governance processes including:
 - authority levels for all changes in remuneration; and
 - availability, for audit purposes, of all remuneration records approved by the Committee.

5.3 Policies

- > Review the following key policies as required and recommend any proposed changes for Board approval:
 - Workforce of the Future Policy
 - Executive Minimum Shareholding Guidelines (or Policy, as required)
 - Executive Remuneration Policy
 - Mercury Code
 - Whistleblowing Policy

5.4 Other

- > Review disclosures for inclusion in Mercury's annual report in relation to people and performance, including remuneration reporting, and recommend for Board approval and release.
- > Undertake other matters as may be delegated by the Board.
- > Identify and direct any special projects or investigations it deems necessary to achieve the Committee's purpose.
- > Report actions to the Board with such recommendations as deemed appropriate.

6 Meetings

The Committee will meet as required, and at least three times per year.

The Committee secretary will produce minutes of each meeting. Following approval by the Committee, these will be signed by the Committee Chair as a correct record of the proceedings of the meeting. The Committee Chair will report the findings and recommendations of the Committee to the Board after each Committee meeting and will provide copies of the minutes to members of the Board.

7 Access and independent advice

The Committee and its individual members are entitled to:

- > have access to any officer, employee, consultant, or advisor of Mercury at any time to request additional information or explanations; and
- > with the Committee Chair's consent, seek independent professional advice at Mercury's expense.

8 Review and approval of Charter

This Charter has been approved by the Board. The Committee will review the Charter as required, and at least every two years, and recommend any proposed changes to the Board for approval.

