

GOVERNANCE & REMUNERATION COMMITTEE CHARTER

NZME.

The Board of Directors have established a Committee of the Board known as the Governance and Remuneration Committee.

The majority of Committee members shall be independent. Management shall only attend Committee meetings at the invitation of the Committee.

Remuneration

The Committee will perform the following functions:

- 1** Ensure that remuneration policies and practices are consistent with the strategic goals of NZME and are relevant to the achievement of those goals.
- 2** Review on an annual basis the remuneration of the CEO and any executive Directors, including establishing the overall benefits and incentives.
- 3** Review in consultation with the Chief Executive, remuneration packages of executives reporting directly to the Chief Executive.
- 4** To review non-executive Directors' remuneration and benefits.
- 5** To obtain independent advice, as necessary, on the appropriateness of remuneration. If executive and director remuneration consultants are used, they shall be independent and must sign a declaration to the Committee confirming this. "Independent" in this context means that the consultant must not have been subjected to any influence from management, any board member or any other party in relation to the services provided or the outcomes of those services. Such independent advice would provide the Committee with various barometers generally which the Committee may take into account with the Chief Executive in the determination of the appropriateness of remuneration levels within NZME.
- 6** To be responsible for reviewing general incentive schemes and superannuation plans.

Governance and Nomination

The Committee will make recommendations to the full Board of Directors on the following matters:

- 1** Ensuring the requirements in the NZX Listing Rules are met in relation to director appointments and board composition.

- 2 The composition of the Board – this is reviewed by the Committee on an on-going basis to ensure it is comprised of members who provide the required breadth and depth of experience and knowledge to achieve the objectives of the Board.
- 3 Making recommendations to the Board for the nomination, appointment and re-election of directors in accordance with the procedure set out below and the requirements set out in the NZX Listing Rules.
- 4 Providing relevant information to shareholders on directors in notices of meeting in accordance with the procedure set out below.
- 5 If a potential director is nominated by a shareholder, assessing the potential director in accordance with the procedure set out below in order to make a recommendation to the Board as to whether it should support the election of that potential director.
- 6 Reviewing and recommending to the Board for adoption corporate governance policies and practices which reflect contemporary standards in New Zealand, incorporating the NZX Corporate Governance Code.

Nomination and Appointment of Directors

- 1 The Committee shall follow the procedures set out below when considering the nomination, appointment and re-election of directors:
 - when considering the composition of the Board, the Committee:
 - will ensure that the Board will maintain a majority of independent, non-executive directors;
 - will take into account a potential director's independence, having regard to the non-exhaustive factors described in the NZX Corporate Governance Code, to ensure that the Board has at least two independent directors; and
 - may choose to use a skills matrix to help ensure the correct mix of skills is achieved and maintained.
 - proper checks shall be conducted as to any potential director's character, experience, education, criminal record and bankruptcy history;
 - either:
 - if a director candidate is being appointed or elected by the Board or shareholders for the first time, the Committee shall ensure that the Board or shareholders (as applicable) are provided with any material adverse information revealed by the checks the Committee and NZME have performed (e.g. information regarding the person's character, criminal record or bankruptcy history); or
 - if the candidate is being re-elected, the Committee shall ensure that shareholders are advised of the term of office served by the director.

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- 2 The Committee shall provide all material information about a director candidate or a director standing for re-election to the Board or shareholders (as applicable) to assist their decision as to whether or not to appoint, elect or re-elect the candidate (i.e. biographical details, relevant skills and experience, any other material directorships they hold).
 - 3 The Committee may consider and obtain independent advice, as necessary, from executive search firms to identify and solicit potential candidates to fill NZME's director vacancies.

Adopted 27 June 2016 (updated 11 April 2019)