



Z Group - People and Culture Committee Charter

Z Energy Limited and its subsidiaries ("Z") are committed to ensuring that Z's People and Culture Strategy (including organisational design, remuneration strategy, succession planning and any related strategy/policies) is designed to support and deliver Z's business plan and strategy.

Z is committed to developing its people, and to ensuring diversity and inclusion in its business, including (and not limited to) of skills, backgrounds, ethnicities and gender. Z Group is also committed to the continuous development of a strong, open culture with high levels of staff engagement and public transparency around remuneration and other people matters.

INTRODUCTION

- 1 This Board Committee Charter ("**Charter**") governs Z's People and Culture Committee ("**PCC**"). The matters in this Charter apply in addition to the matters set out in Schedule 1 to the Board Charter.
- 2 The PCC is Z's remuneration committee and nomination committee for the purposes of the NZX Main Board / Debt Market Listing Rules.

PURPOSE

- 3 The purpose of the PCC is to guide and review Z's People and Culture strategy and policies, including organisational design, remuneration, Board and senior succession planning, and diversity and inclusion to ensure they are optimally designed to support and deliver the business plan and overall strategy.
- 4 The purpose of the PCC is also to provide assurance to the Board that the People and Culture strategy and policies as defined above are fully compliant with all legislative and listing requirements, and that they are designed and implemented effectively. The PCC should also ensure compliance with all legislative and listing requirements on an ongoing basis.

ROLE

- 5 The PCC's role is to:
 - **Guide and review Z's People and Culture Strategy and Remuneration Strategy** – a role which requires the PCC to:
 - Guide and review Z's People and Culture strategy, implementation plan and policies, to ensure they are aligned with and support the delivery of Z Group strategy, and make recommendations to the Board accordingly;
 - Guide and review Z's remuneration strategy (including short and long term



incentive offers), structure and policies to ensure they are aligned with and support the delivery of Z's strategy and business plan, and make recommendations to the Board; and

- Approve Z's annual remuneration budget increases.
- **Assist the Board with succession planning and recruitment for the Board, CEO, Executive and other agreed upon key people** – a role which requires the PCC to:
 - Directly design and implement Z's succession planning for the Board (including the Chair) and the CEO. Obtain assurance in respect of succession planning for the Executive and other agreed upon key people (including both planned and unplanned vacancies), including visibility of any executive remuneration or other issues that fall outside agreed parameters. In respect of the Board, the succession planning strategy should address continued effective composition, necessary and desirable skills, experience, knowledge, diversity and judgment and appropriate size of the Board;
 - Identify and recommend individuals for nomination (including rotation and re-appointment) to be members of the Board and Board Committees to ensure effective Board and Board Committee composition, taking into account such factors that it considers are appropriate. These factors will include skills, experience, qualifications, tenure (if applicable), diversity, judgment, the ability to work with other Directors, fit with the culture of Z Group, and current and future ability to lead and support Z's strategy;
 - review Board nominations from shareholders and provide recommendations in respect of such nominations to the Board for the next annual meeting of shareholders;
 - review candidates for the CEO, and make recommendations to the Board;
 - consult (as required), with the CEO on CEO appointments to the Executive (other than the CEO); and
 - Review the CEO's recommendations on the appointment or termination of the Chief Governance Officer, and make recommendations to the Board.
- **Agree remuneration in relation to CEO, the Board and the Executive** – a role which requires the PCC to:
 - approve performance criteria for the CEO, noting that the Chair is responsible for the CEO's performance review;
 - approve CEO remuneration and recommend incentive payments or other adjustments to CEO remuneration to the Board, taking into account the CEO's performance review with the Chair;
 - establish, develop and oversee a formal and transparent process for the Board to



review and evaluate the performance of the Board, the Board Committees, and individual Directors, and to determine appropriate Board remuneration, subject to approval by Shareholders as required by the NZX Main Board / Debt Market Listing Rules;

- recommend to the Board an appropriate approach to valuation and disclosure of shares or options that form part of executive remuneration; and
- Consult, on the recommendation of the CEO, on the appointment, terms and conditions of employment (including remuneration), or variation, of all of the Executive (other than the CEO).
- **Review and provide oversight of diversity and inclusion within Z Group** – a role which requires the PCC to:
 - provide guidance and oversight to ensure best practice principles and practices of diversity and inclusion and equal employment opportunities are adhered to;
 - agree and approve measurable diversity and inclusion objectives for recommendation to the Board; and
 - provide oversight of diversity and inclusion within Z Group, including progress against agreed upon measurable objectives.

RESPONSIBILITIES AND DUTIES

- 6 The Schedule to this Charter sets out the responsibilities and duties delegated to the PCC by the Board.

POWERS AND AUTHORITY

- 7 The PCC is specifically authorised by the Board to make resolutions on behalf of the Board to:
- consult on CEO appointments to the Executive team (other than the CEO);
 - confirm the terms and conditions of employment (or any variation) of all of the Executive (other than the CEO); and
 - Finalise remuneration budget increases.





SCHEDULE: PCC RESPONSIBILITIES AND DUTIES

#	Q1 Meeting (Feb/ March) – Performance and Reward	Timing
1	Reviewing the remuneration strategy and policies for Z Group to ensure it will support Z's business plan and strategy.	Annually
2	Reviewing the CEO's performance evaluation of the Executive (other than the CEO).	At least annually
3	Making recommendations (including proposing amendments) to the Board with respect to Executive and other incentive remuneration plans, share option plans, employee share ownership plans and other employee benefits (including superannuation).	Periodically or as needed
4	Exercising authority with respect to the administration of any such plan (referred to above) adopted by the Board as shall be conferred upon the PCC under the terms of such a plan, including setting remuneration measurement measures under any such plan.	Periodically or as needed
5	Arranging an annual review to ensure remuneration practices are consistent with market practice.	Annually
6	<p>In relation to the CEO:</p> <ul style="list-style-type: none"> • reviewing candidates to be appointed to the position of CEO and, in the event of an emergency or the retirement of the CEO, recommending suitable candidates to the Board; • develop performance criteria for the CEO and make recommendation to the Chair; • reviewing the key performance objectives relevant to the CEO's performance and remuneration for the following year; • reviewing the CEO's current remuneration and considering proposed changes to the remuneration and any other variation of the CEO's conditions and terms of employment; and • Reporting recommendations to the Board (see the Board Charter for the process for discussion with the CE of performance and remuneration). 	Annually or as needed
7	Reviewing non-Executive Director remuneration having regard to any relevant factors (including external advice and benchmarking) and recommending any changes to the Board (subject to shareholder approval) as appropriate.	Annually



8	Recommend to the Board an appropriate approach to valuation and disclosure of shares or options that form part of executive remuneration.	Periodically or as needed
9	Establishing, developing and overseeing an evaluation process for the Board to assess the performance of the Board, its Committees and individual Directors.	Annually
#	Q2 Meeting – Succession and Talent	
10	Talent Pool current and future analysis	Annually
11	Guiding and overseeing succession planning and development for Board (including the Chair), CEO, Executive and other agreed upon key people in Z Group.	Annually
12	Considering the size, skills mix and composition of the Board and, in the development and review of selection criteria, making any recommendations it considers appropriate.	Periodically or as needed
13	Recommending appropriate candidates for appointment and re-election to the Board based on the criteria set out in the Board Charter.	Periodically or as needed
14	Review the CEO's recommendations on the appointment or termination of the Chief Governance Officer, and make recommendations to the Board.	As needed
15	Review Director Induction and Learning Plan	Annually
#	Q3 Meeting – Strategy	
16	Reviewing the current People and Culture strategy, structure and policy for Z Group to ensure they will support and deliver Z's business plan and strategy, including organisational design.	Annually
17	Review organisational design to ensure it is designed to deliver the business plan and strategy currently and in the future	Annually
18	Review Charter	Annually
#	Q4 Meeting – Capability	
19	Annual Organisational Design Review	Annually
20	Making recommendations to the Board with respect to the measurable objectives to be set by the Board for achieving diversity and inclusion.	Annually
21	Annually assessing the effectiveness of the diversity and inclusion policy, the measurable objectives set for achieving diversity and	Annually



	inclusion, the progress toward achieving them and making recommendations to the Board in respect of such assessments.	
22	Ensuring that the appropriate disclosures with respect to diversity and inclusion are made in Z's annual report.	Annually
23	Reviewing and overseeing the induction of new Directors.	As needed
24	Review and oversee the continuous education of the Board as referred to in the Board Charter	Annually
25	Obtaining assurance and monitoring compliance with the Z Group Code of Conduct and the Director Code of Ethics.	Annually or as needed

