



INFRATIL LIMITED

Nomination and Remuneration Committee Charter

1 PURPOSE

1.1 The Nomination and Remuneration Committee (*Committee*) has been established as a sub-committee of the Board of Directors (*Board*). The purpose of the Committee is to:

- (a) manage the identification, consideration and recommendation of director appointments to the Board, succession planning for Directors, and the induction programme for new non-executive Directors; and
- (b) review, and make recommendations to the Board in respect of, Directors' remuneration.

1.2 The purpose of this charter is to set out the Committee's authority, objectives, duties and responsibilities.

1.3 This charter has been approved by the Board.

2 AUTHORITY

The Board authorises the Committee, within the scope of its responsibilities, to:

- 2.1 obtain external legal or other professional advice as the Committee deems necessary;
- 2.2 request information from any officer or employee of Infratil or Morrison & Co, all of whom are directed to co-operate with any request for information made by the Committee; and
- 2.3 instruct any director, officer or employee of Infratil or Morrison & Co or any external professional adviser to attend any Committee meeting and to provide any pertinent information as the Committee considers necessary.

3 OBJECTIVES

The objectives of the Committee are to:

- 3.1 identify and consider potential new Directors;
- 3.2 recommend to the Board any potential new Director to be approved by the Board or to be put forward for approval by shareholders at the next general meeting;
- 3.3 ensure letters of appointment (or an equivalent written agreement) are in place for all Directors (including new Directors);
- 3.4 ensure there is an appropriate induction programme in place for new non-executive Directors;

- 3.5 ensure there are succession plans in place to maintain the appropriate mix of skills, capabilities, experience and diversity on the Board;
- 3.6 review the remuneration of Directors and make recommendations to the Board for:
 - (a) the remuneration of Directors within the amounts approved by Shareholders (from the approved collective pool);
 - (b) increases to the collective pool for remuneration of Directors for consideration by shareholders.
- 3.7 review, and make recommendations to the Board for, the remuneration of the Chairs and members of Board Committees; and
- 3.8 be responsible for any other matter relating to the nomination and induction process, and the remuneration of Directors, delegated to the Committee from time to time by the Board.

4 MEMBERSHIP AND MEETING PROCEEDINGS

- 4.1 The Committee will comprise a minimum of three Directors, a majority of whom will be Independent Directors (in accordance with the independence criteria set out in the Board Charter).
- 4.2 Members will be appointed by the Board and will hold office until removed and substituted by Board resolution.
- 4.3 The Chair of the Committee shall be an Independent Director and may be the Chair of the Board.
- 4.4 The Committee will formally meet on such occasions as the Chair considers necessary. The Chair will also convene a formal meeting upon request of any Committee member who considers it necessary. For the avoidance of doubt, this means that the Committee might not meet formally in a given year, if neither the Chair nor a Committee member considers it necessary.
- 4.5 A quorum will be two Committee members.
- 4.6 At least seven business days' notice will be given for each meeting, unless circumstances require an urgent meeting to be called.
- 4.7 Agendas and associated papers will be distributed to, and received by, Committee members at least five business days prior to each meeting.
- 4.8 The Company Secretary must sign off agendas and associated papers prior to distribution to Committee members.
- 4.9 The Board may appoint the Company Secretary or his or her nominee to act as secretary of the Committee.

- 4.10 Formal minutes will be taken at each Committee meeting. These minutes will record the discussion, the decisions taken and all resulting recommendations to the Board. These Minutes will be tabled, or reported on, at the earliest available Board meeting.
- 4.11 The Committee may request information from any officer or employee of Infratil or Morrison & Co.
- 4.12 The Committee may instruct any director, officer or employee of Infratil or Morrison & Co or any external professional adviser to attend any Committee meeting and to provide any pertinent information as the Committee considers necessary.

5 **PERFORMANCE**

- 5.1 The Committee will review this charter annually, or earlier where necessary, to reflect changed circumstances. It will forward any updated charter to the Board for approval.
- 5.2 The Board will annually review the:
 - (a) necessity for and composition of the Committee; and
 - (b) performance, processes and procedures of the Committee to ensure that they are not unduly complex and are designed to assist the Board in effectively fulfilling its role (as set out in the Board Charter).

6 **DUTIES AND RESPONSIBILITIES (INDUCTION AND NOMINATION OF NEW DIRECTORS)**

The Committee's duties and responsibilities in relation to the induction and nomination of new Directors are set out in the Appendix.



APPENDIX – RESPONSIBILITIES AND DUTIES (INDUCTION AND NOMINATION OF NEW DIRECTORS)

- 1 The Committee identifies potential new Directors through:
 - 1.1 Infratil’s board associations, the Board’s extensive network of business associates and professional intermediaries; and
 - 1.2 nominations made to the Committee, either through the Chair or a director or officer of Infratil. The Chair considers these nominations and then discusses them with the other Committee members.
- 2 In considering potential new Directors, the Committee will have an open and frank conversation including as to who may be available, and the skills, capabilities and diversity sought to add value to Infratil’s businesses and strategic objectives.
- 3 The key factors taken into account in assessing potential new Directors include:
 - 3.1 their ability to add value to Infratil’s investments through a particular industry or sector;
 - 3.2 their financial or commercial experience relevant to Infratil’s strategic intent and areas of business; and
 - 3.3 the importance of ensuring that a diversity of views can be brought to Board discussions.
- 4 The Committee considers equal opportunity status as critical in selecting new Directors, except where there is legitimate cause in Infratil’s best interests to warrant otherwise.
- 5 The Committee will also have regard to the Board skills matrix developed by Infratil. This matrix sets out the skills and experience that Infratil regards as being important and the skills and experience currently represented by the Directors.
- 6 The Committee will recommend to the Board a candidate to either be approved by the Board (in the case of a casual vacancy) or to be put forward for approval by shareholders at the next general meeting.
- 7 The Committee will ensure that appropriate checks are undertaken before recommending a candidate to the Board.
- 8 The Committee will ensure that potential new Directors understand the role of the Board (as set out in the Board Charter) and will encourage individuals that it identifies as potential new Directors to carry out appropriate “due diligence” on Infratil before accepting an appointment to the Board.
- 9 The Committee will review the terms and conditions of the appointment of the new Director other than the remuneration and ensure that a letter of appointment (or equivalent written agreement) is put in place for the new Director.
- 10 The Committee will administer an induction programme for new non-executive Directors which is aimed at deepening their understanding of Infratil, its business, and the environment and markets in which it operates.



- 11 New non-executive Directors will go through this induction programme and as part of this will receive a folder of essential Board and Infratil information and meet key management. All new non-executive Directors are expected to participate in such programmes.
- 12 The Committee will administer the Board skills matrix (but any changes to the skills matrix will be subject to Board approval).
- 13 The Committee will develop and maintain a succession plan for each Director on the Board.