

25 AUGUST 2017

Human Resources and Compensation Committee Charter



Introduction

1. This Board Committee Charter ("**Charter**") governs the Human Resources and Compensation Committee ("**HRCC**") of Chorus Limited ("**Chorus**"). The matters in this Charter apply in addition to the matters set out in Schedule 1 to the Board Charter.

Purpose

2. The HRCC assists the Board in overseeing people policies and strategies.

Role

3. The HRCC's role is to:
 - Review remuneration and human resources strategy, structure and policies and make recommendations to the Board (noting that the Audit and Risk Management Committee reviews remuneration incentive arrangements, and reviews and approves performance objectives and measures, for key internal audit personnel);
 - Review candidates for, and the performance and remuneration of, the Chief Executive Officer ("**CEO**"), and make recommendations to the Board;
 - Review the CEO's recommendations on the appointment or termination of the Chief Financial Officer and the General Counsel and Company Secretary, and make recommendations to the Board;
 - Approve, on the recommendation of the CEO, the appointment of the CEO's Executive direct reports (except the two positions above);
 - Approve, on the recommendation of the CEO, the terms and conditions of employment, or variation, of all of the CEO's Executive direct reports;
 - Approve annual remuneration increase guides and budgets; and

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- Develop and annually review, and assess diversity within Chorus.

Responsibilities and Duties

4. The Schedule to this Charter sets out the responsibilities and duties delegated to the HRCC by the Board.

Powers and Authority

5. This HRCC is specifically authorised by the Board to make resolutions on behalf of the Board to:
 - Approve, on recommendation of the CEO, the appointment of the CEO's Executive direct reports (except for the Chief Financial Officer and General Counsel and Company Secretary);
 - Approve the terms and conditions of employment (or any variation) of all of the CEO's Executive direct reports; and
 - Approve remuneration increase guides and budgets.

Schedule: HRCC Responsibilities and Duties

#	Responsibility	Timing
1	Reviewing Chorus’ current remuneration and human resources strategy, structure and policy and making recommendations to the Board (noting that the Audit and Risk Management Committee reviews remuneration incentive arrangements, and reviews and approves performance objectives and measures, for key internal audit personnel).	Periodically or as needed
2	Overseeing recruitment, retention and termination policies and procedures for senior management.	Periodically or as needed
3	Review the CEO’s recommendations on the appointment or termination of the Chief Financial Officer and the General Counsel and Company Secretary, and make recommendations to the Board.	As needed
4	Reviewing the CEO’s performance evaluation of the CEO’s Executive direct reports.	At least annually
5	Making recommendations (including proposing amendments) to the Board with respect to senior executive (including CEO) incentive remuneration plans, share option plans, employee share ownership plans and other employee benefits (including superannuation).	Periodically or as needed
6	Exercising authority with respect to the administration of any such plan (referred to above) adopted by the Board as conferred on the Committee by the Board or under the terms of such a plan, including setting remuneration measures under such plans.	Periodically or as needed
7	Making recommendations to the Board with respect to the measurable objectives to be set by the Board for achieving diversity.	Annually
8	Annually assessing the effectiveness of the diversity policy, the measurable objectives set for achieving diversity, the progress toward achieving them and making recommendations to the Board in respect of such assessments.	Annually

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#	Responsibility	Timing
9	Ensuring that appropriate disclosures with respect to diversity are made in Chorus’ annual report.	Annually
10	Annually reviewing and reporting to the Board on (amongst other indicators) the relative proportion of women and men which make up Chorus’ workforce (including in relation to Chorus as a whole, senior managers and Chorus’ Board).	Annually
11	Conducting an annual review to ensure remuneration practices are consistent with Board policy.	Annually
12	Overseeing management succession planning and development for agreed key roles in Chorus.	Annually or as needed
13	<p>In relation to the CEO:</p> <ul style="list-style-type: none"> • Reviewing candidates to be appointed to the position of CEO; • Reviewing and evaluating the CEO's performance against key performance objectives which include the performance of the business, the achievement of long term strategic objectives and other non quantifiable objectives agreed at the beginning of the financial year; • 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 CEO of performance and remuneration). 	Annually or as needed
14	Reviewing non-Executive Director remuneration having regard to any relevant factors and recommending any changes to the Board (subject to shareholder approval) as appropriate.	Annually