



# PEOPLE, REMUNERATION AND CULTURE COMMITTEE CHARTER

## 1. Introduction

The People, Remuneration and Culture Committee ("PRAC" or "the Committee") is a committee of the Board of directors of Serko Limited ("Company") established under the Company's constitution.

This Charter sets out the role, composition, authority, responsibilities and operation of the Committee.

In this Charter, the Company and its subsidiaries are collectively called the "Group".

## 2. Role

The role of the Committee is to assist the Board in the effective discharge of its responsibilities in relation to the Group's people, remuneration and culture matters.

The PRAC committee does not take actions or make decisions on behalf of the Board, unless specifically mandated.

## 3. Responsibilities

The Committee has the following responsibilities in respect of people:

- (a) Reviewing and approval of people policies for the Group;
- (b) Reviewing the performance of the CEO and making recommendations to the Board, including in relation to the CEO's progress and succession;
- (c) Approval of the Group Executive Team structure and vetting of the appointment of individuals with direct report to the CEO;
- (d) Supporting the CEO and Chief People Officer (CPO) in reviewing the performance of the Group Executive Team, including succession;
- (e) Reviewing the Group's Talent Management framework, talent acquisition and succession.
- (f) Assessment of non-executive Directors (NEDs) of the Group;
- (g) Assessment of special Advisors (not NEDs) of the Group;
- (h) Review the delivery and performance of learning and development programmes;
- (i) Review diversity principles and practice, and approve any statutory reporting required to be made by the Group.

The responsibilities of the Committee in respect of remuneration matters:

- (j) Reviewing and approving the Group's remuneration principles and framework, and reviewing and approving the provision of any significant employee benefits outside of that framework;
- (k) Reviewing and recommending to the Board arrangements for the Chief Executive Officer (CEO) in relation to their terms of employment, remuneration and participation in the Group's incentive programs (including performance targets);

- (l) Reviewing and recommending arrangements with the CEO and CPO for the Group Executive Team in relation to their terms of employment, remuneration and participation in the Group's incentive programs (including performance targets);
- (m) Reviewing and recommending to the Board annual discretionary incentive pools and the annual fixed remuneration budget for the Group;
- (n) Reviewing and recommending to the Board any major changes and developments in relation to the Group's equity incentive plans and recommending to the Board whether offers are to be under the Group's plans each year;
- (o) Reviewing and recommending to the Board the remuneration arrangements for all Non-Executive Directors within the approved fee cap;
- (p) Reviewing and recommending to the Board the remuneration arrangements for all Advisors;
- (q) Reviewing and making recommendations to the Board on pay equity, both with respect to and other potential areas of bias;
- (r) Reviewing and recommending applicable superannuation arrangements for Directors, Group Executives and other employees;
- (s) Approving the appointment of remuneration consultants;
- (t) Reviewing and recommending to the Board the Annual Report's Remuneration Report prepared in accordance with Companies Act 1993, the NZX Listing Rules and best practice;
- (u) Facilitating shareholder and other stakeholder engagement in relation to the Group's remuneration policies and practices; and
- (v) Monitoring compliance with any legal and regulatory requirements for remuneration matters, including notifying the Board regarding any shareholder approvals which are necessary to obtain.

The Committee has the following responsibilities in respect of culture matters:

- (w) Reviewing and making recommendations to the Board in respect of the Group's values and Code of Conduct;
- (x) Reporting to the Board on corporate culture and employee wellbeing within the Group and making recommendations to enhance and develop culture, steered by the CPO;
- (y) Reviewing and making recommendations to the Board regarding corporate governance policies to support a strong governance culture;
- (z) Keeping the Board informed of developments in the market of trends or relevant programs in corporate culture.

## **4. Membership**

The Committee shall consist of at least three members all of whom are independent non-executive directors as defined by the NZX Listing Rules, one of whom will be the Chair. The Chair of this Committee shall not also be Chair of the Board.

Each member of the Committee must be free of any relationship that may interfere with the exercise of independent judgement.

The Board shall elect both the Chair and the members of the Committee and ensure the Committee remains of sufficient size, independence and technical expertise to discharge its mandate effectively.



## 5. Meetings

It is intended the Committee meet quarterly at intervals set by the Committee Chair, and at such other times as are required to perform its functions.

The quorum for meetings of the Committee is two members of the Committee. The CPO will be invited to attend each PRAC meeting, at the discretion of the Committee Chair.

Except as otherwise stated in this Charter, the meetings will be conducted in the same manner and rules as Board meetings.

Any Board member who is not a member of the Committee may attend meetings of the Committee with prior notification to the Committee Chair.

Non-committee members, including members of management, may attend all or part of a meeting of the Committee at the invitation of the Committee Chair. The Committee will be provided with access to risk and financial control personnel as required and may engage internal and external advisers for the purposes of assisting the Committee to discharge its responsibilities under this Charter.

## 6. Review

When appropriate, but at least biennially, the Committee shall review this charter and, if necessary, recommend changes to the Board.

## 7. Authority

The Committee has the authority from the Board to review and investigate any matter within the scope of its Charter and make recommendations to the Board in relation to outcomes. The Committee has no delegated authority from the Board to determine the outcomes of its reviews and investigations and the Board retains its authority over such matters.

The Committee, subject to the approval of the Chair of the Board, has unrestricted access to employees, records, internal and external auditors, tax and other financial or legal advisers engaged by the Group. The Committee is authorised to take advice from any external parties as appropriate and at the Group's expense, as approved by the Committee Chair. The external auditors have direct access to the Committee.

## 8. Reporting to the Board

The Committee must, through its Chair:

- (a) regularly report to the Board on all matters relevant to the Committee's role and responsibilities set out in this Charter; and
- (b) advise the Board in a timely manner of material breaches of People, Remuneration and Culture policies and compliance matters which may significantly impact upon the Group.

## 9. Governance

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