



PEOPLE AND GOVERNANCE COMMITTEE CHARTER

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1. Purpose

1.1 The People and Governance Committee (**Committee**) is established by the Board to assist the Board on all material matters in relation to people and governance at Synlait, including:

- ensuring that the Board is fit for purpose by evaluating the balance of skills, knowledge and experience of the Directors and facilitating induction and on-going training programmes for Directors;
- ensuring the Board has selection and succession policies for Directors and Management in a manner that advances our strategy and reflects our policies
- establishing a clear and coherent framework for oversight and management of the Human Resource policy and remuneration structure enabling Synlait to attract, retain and reward management who will ultimately create value for shareholders;
- establishing procedures and practices to ensure compliance with all applicable laws, rules and regulations, including the Companies Act 1993, NZX Listing Rules, the Board Charter and Synlait Standards.

1.2 The Committee does not relieve the Board of any of its responsibilities or legal obligations.

2. Role and Responsibilities of the Committee

2.1 The key responsibilities of the Committee, (detailed in Appendix 1) include:

- To monitor, review and report on compliance with Synlait's corporate governance principles and make recommendations to the Board;
- To monitor the implementation and operation of the Synlait Standards, the Code of Ethics, the Directors' Conflicts of Interest and the Continuous Disclosure policies; and
- To monitor and review the effectiveness of our Human Resources strategy, talent management and processes.

- 2.2 In addition, the Committee will examine any other matters referred to it by the Board.
- 2.3 In fulfilling its responsibilities, the Committee can request the attendance of any employee, including the CEO, at Committee meetings and obtain external legal or other professional advice at Synlait's expense.

3. Committee Composition

- 3.1 The Board appoints (and may remove) Committee members. The Board also appoints the Committee Chairperson.
- 3.2 The Committee consists of at least three members, the majority of whom are independent directors (and cannot include the Managing Director). The Committee will have a broad range of skills and experience relevant to the operations of Synlait, with at least one member having experience with a listed company.
- 3.3 The Board will review membership annually. Members are to be on a rolling 12 month staggered term so that no more than one member is ever finishing at the same time.

4. Committee Meetings

- 4.1 The Committee meetings will be held at least three times a year. Special meetings may be convened as required.
- 4.2 A majority of Committee members will represent a quorum at a meeting. However, members of the Committee should try and attend all meetings. All Board members are entitled to attend meetings.
- 4.3 The Director of People, Culture and Performance and General Counsel will be invited to attend each meeting (as required), unless requested not to do so by the Chairperson.

5. Reporting

- 5.1 The Committee will report to the Board regularly and at least once a year on its operation and activities during the year.
- 5.2 On any substantive matter, the Committee will report to the Board and/or CEO at the next appropriate opportunity. A member of the Committee can request a meeting with the Board or CEO at any time.

6. Review of the Charter

- 6.1 The Board will review the Committee charter annually.

APPENDIX 1: DETAILED RESPONSIBILITIES

(A) GOVERNANCE

The Committee's responsibilities are to:

- monitor, review and report on compliance with Synlait's corporate governance principles, making recommendations to the Board based on such review;
- monitor the implementation and operation of the Synlait Standards and the Directors' Code of Ethics;
- monitor and report on Directors' Conflicts of Interest; and identify and recommend on-going governance training for Directors and Management (as appropriate);
- ensure the Board is in compliance with the Board Charter;
- make recommendations to the Board in respect of the criteria for the selection or nomination of new Directors;
- monitor and review the time commitment required by Directors to Board matters to ensure that each Director can commit the time needed to be fully effective in their role on the Board. The Chair of the Committee will raise any concerns identified from time to time promptly with the Chair of the Board;
- put in place processes to review the performance of the Board and individual Directors on a regular basis (including an external review at least every three years). This will include a process for separately reviewing the performance of the Managing Director, and each of the Chairs of the People & Governance Committee, Audit & Risk Committee, and the Chair of the Board;
- ensure that Synlait and the Board adheres to both the Code of Ethics and Synlait Standards;
- ensure Synlait puts in place and monitors policies to ensure compliance with all employment and workplace laws, regulation, industry standards and procedures. This includes the Employment Relations Act, Health & Safety at Work Act, Parental Leave and Employment Protection Act, ACC requirements and procedures, Privacy Act and Protected Disclosures Act; and
- ensure Synlait and the Board has in place procedures to deal with complaints from staff and third parties (including whistleblowing protections), addressing concerns over financial controls, improper behaviour (including sexual harassment, workplace bullying, discrimination), health & safety, misuse of company property, abuse of position or any other activity, problem or issue relating to the affairs of Synlait, staff, Directors, customers or suppliers.

(B) PEOPLE

The Committee's responsibilities are to:

- establish and review the overall human resources strategy, policies and procedures and monitoring their implementation;
- conduct an annual audit to ensure remuneration practices are consistent with the Board policy, the Board Charter, the Constitution and remain aligned to best practice for organisations similar to Synlait;
- ensure there are succession plans in place to maintain an appropriate mix of skills, experience, expertise and diversity of thought on the Board;
- review candidates to be appointed to the position of CEO, with the ultimate selection to be made by the full Board;
- ensure there is an appropriate induction programme in place for all new Directors;
- recommend to the Board the remuneration for the CEO;
- recommend to the Board the key performance objectives for the CEO, and review and evaluate the performance of the CEO against those objectives;
- establish principles for employment agreement structures for Synlait and review employment agreements for the CEO and Executive Leadership Team;
- oversee remuneration and performance management for the Executive Leadership Team;
- approve the CEO's recommendations on remuneration for the Executive Leadership Team;
- approve the CEO's recommendations on the performance of members of the Executive Leadership Team;
- undertake succession-planning processes for positions within the Executive Leadership Team;
- assist the Board in succession planning by ensuring that rigorous and formal processes are in place, designed to give the Board a range of relevant skills and experience;
- review and agree Synlait's Strategic Remuneration Policy and principles that govern the periodic and structural remuneration adjustments for Synlait's employees; and
- review the structure of remuneration for the Chair of the Board, Chairs of Board Committees and non-Executive Directors; having regard to any relevant factors and recommending to the Board changes to non-Executive Director remuneration, such changes to be subject to shareholder approval, as appropriate.