

# Steel & Tube Holdings Governance & Remuneration Committee Charter

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<b>Purpose</b>	The Board of Directors of Steel & Tube Holdings Limited has established a Committee of Directors known as the Governance and Remuneration Committee (Committee). The objectives, composition, terms of office, duties and responsibilities, and powers and authority are set out in this Charter.
<b>Company Purpose Statement</b>	Steel and Tube is New Zealand's leading Distributor and Processor of metal and related products. Our commitment to delivering exceptional service, quality and value to our customers and shareholders is maintained through our people who always act safe and are reliable, accountable and committed.
<b>Governance Objectives</b>	<p>The main objective of the Committee is to assist the Board of Directors in fulfilling its responsibilities to exercise due care, diligence and skill in relation to:-</p> <ul style="list-style-type: none"> <li>• Corporate governance policies and procedures</li> <li>• Remuneration of S&amp;T executive</li> <li>• Remuneration frameworks, policy and procedures</li> <li>• Remuneration of non-executive directors</li> <li>• Employee share schemes</li> <li>• High performing personnel</li> <li>• Diversity</li> </ul>
<b>Committee Composition</b>	<p>Committee members must be Independent Directors.</p> <p>The Committee will be appointed by the Board and will comprise at least two Directors, and the Company Chair.</p> <p>The Board shall appoint the Chair of the Committee. The appointment and removal of Committee members is the responsibility of the Board.</p> <p>Independence of Directors is as defined in the NZX Listing Rules.</p>
<b>Role of the Chair</b>	<p>The Chair carries out a leadership role in the conduct of the Committee.</p> <p>The Chair must ensure that all member of the Committee are encouraged to participate in the affairs of the Committee and have an adequate opportunity to express their views.</p>

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**Committee Authority**

The Committee is authorised to investigate any activity covered by its areas of responsibility under the Charter.

The Board has authorised the Committee and to have the authority to:-

- Engage, retain, terminate and consult with independent external advisors as required at the company's expense;
- To fulfil the Committees requirements, request the attendance at meetings of external advisors with relevant experience

The Committee has the powers to delegate to the Chair to act in the capacity as the Committee where deemed appropriate.

The Committee are able to rely on Steel & Tube executives for matters within their responsibility and external advisors on matters for which they have deemed expertise after reasonable due diligence and review.

The Committee shall make recommendations to the Board as it does not have the authority to make decisions on behalf of the Board except as specifically noted in the Charter.

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**Access to advisors**

The Committee may communicate directly with, and is to have unrestricted access to advisors as it sees fit.

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**Frequency and duration of meeting**

The Committee shall meet as required, but at least bi-annually.

The Chair will call a meeting of the Committee if requested to do so by any Committee member, by the Board Chair or by the Chief Executive Officer.

A quorum shall be formed when the Chair and one member of the Committee is in attendance.

All Directors have a standing invitation to attend any meetings of the Committee, will be notified of all meetings and will receive the papers for each Committee meeting.

The Chief Executive Officer may attend each meeting by invitation. The Committee may invite other senior managers or external advisors to attend the Committee meetings.

If in attendance, the Chief Financial Officer as Company Secretary is responsible for recording the minutes of the meeting, otherwise the Chair is responsible for keeping the minutes; and after confirmation by the Committee present to the Board in the next circulation of Board papers.

The General Manager HR or Company Secretary to be responsible for circulating papers to all Committee members and other Directors prior to each meeting.

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**Agenda**

The agenda is determined by the Chair.

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**Duties and responsibilities**

The duties and responsibilities of the Committee include but are not limited to the matters outlined below;

Review the corporate governance procedures of the company and any statement on corporate governance and recommend changes to the Board as appropriate;

Review the remuneration framework, policies and practices for directors and executives.

Review the remuneration of non-executive directors and recommend any changes to the Board;

Make specific recommendations to the Board on remuneration packages and policies applicable to the CEO;

Review and recommend approval to the Board of remuneration packages for senior management.

Review all remuneration disclosures in the Annual Report and recommend for Board approval.

Provide advice to the Board in relation to short-term incentive performance packages and longer term incentive plans.

Review processes relating to the identification and development of Key and high potential employees.

Review annually succession plans for the CEO and senior executives.

Ensure that an appropriate Diversity Policy is established and regularly review performance against this policy.

The Committee may commission any study, survey and/or advice that it sees fit to assist in its consideration of any matter, and specifically shall review and consider independent advice on remuneration issues.

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**Ownership & review**

- Approver: Steel & Tube Board
  - Reviewer: General Manager, Human Resources
  - Owner: Company Secretary
  - Review: Two Yearly or as required
  - Date: 21 September 2017
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