

# NOMINATIONS COMMITTEE CHARTER

## PURPOSE

This Charter sets out the authority, role and responsibilities, composition, and operation of the Nominations Committee (the Committee) for Fletcher Building Limited (Fletcher Building).

## AUTHORITY

The Board, through the constitution and its charter, has delegated authority to the Committee to oversee all matters relevant to the composition of the Board and its committees (including renewal, succession, independence, and diversity), Board performance, and professional development for directors.

The Committee has the authority to decide on all matters within the scope of its role and responsibilities, other than other matters reserved for the Board.

## ROLE AND RESPONSIBILITIES OF THE COMMITTEE

The role of the Committee is to:

- (a) support and advise the Board on the composition of the Board and its committees;
- (b) undertake Board succession planning;
- (c) identify and recommend individuals for appointment and election as directors;
- (d) review, and provide recommendations to the Board for, director nominations from shareholders;
- (e) review and recommend to the Board appropriate remuneration of non-executive directors;
- (f) oversee the program for director induction and continuing professional development; and
- (g) oversee the framework and process for assessing the performance of the Board, its committees, and individual directors.

In addition to the general matters listed above, the Committee is responsible for:

### 1. Board Composition and Renewal

- assessing whether the directors as a group have the skills, knowledge, experience, and diversity to discharge the Board's role effectively and deal with both existing and emerging business and governance issues, and identifying the appropriate capabilities required based on that assessment;
- overseeing the process for managing actual or perceived director conflicts;
- considering the independence of directors individually (assessed against the criteria set out in the attached [guidance note](#)) and of the Board as a whole;
- overseeing the preparation and disclosure of the Board skills matrix;
- establishing a process, based on the Board's skills matrix and the Committee's assessment, for the appointment and re-appointment of directors to the Board, and identification of suitable candidates for appointment to the Board as additional members or to succeed existing members;
- overseeing the process for conducting appropriate checks into a Board candidate's background and experience;
- making recommendations on Board and committee structure; and
- making recommendations to the Board on the appointment of the Chairman of the Board.

## **2. Remuneration**

- reviewing the appropriateness of fees for non-executive directors and making recommendations to the Board for authorisation (within shareholder approved limits);
- making recommendations to the Board regarding Fletcher Building shareholding requirements for non-executive directors;
- seeking and considering external advice as necessary on director remuneration levels and trends; and
- any other director remuneration matters delegated to the Committee from time to time by the Board.

## **3. Induction and Continuing Professional Education**

- overseeing the Board's induction and continuing professional development programmes.

## **4. Board Performance Evaluation**

- overseeing processes for reviewing and evaluating the performance of individual directors, committees, and the Board as a whole; and
- reviewing the time commitment required from directors and confirming that they are fulfilling those requirements.

## **5. Other**

- monitoring the effectiveness of any Fletcher Building policies that are delegated to the Committee to supervise, reviewing incidents of material breaches reported under these policies, and reviewing and recommending any policy changes for approval by the Board;
- overseeing the preparation and verification of Fletcher Building's public disclosures on Committee related matters and responsibilities and recommending them to the Board for approval and release;
- exercising such specific and express powers and discretions as delegated to the Committee by the Board from time to time; and
- performing any other activities consistent with this Charter, Fletcher Building's constitution and applicable laws, regulations or listing rules as the Committee or the Board deems necessary or appropriate.

## **COMPOSITION**

The Committee is comprised solely of independent non-executive directors and must include, at least, the Chairman of the Board and the chairs of each Board committee. The Committee shall be chaired by the Board Chair.

The Committee should be of sufficient size to be able to discharge the Committee's role effectively.

A quorum shall be three members.

All Directors, who are not members, have a standing invitation to attend meetings of the Committee. The Committee may require any employee of Fletcher Building to attend meetings for the purpose of making presentations or participating in discussions.

The Secretary of the Committee will be the Company Secretary, or such other person as nominated by the Board.

## **PROCEDURES**

The Committee will meet as required but should meet at least two times each year.

An agenda will be prepared for each meeting and distributed in advance of the meeting in consultation with the Committee Chair.

Minutes of meeting will be prepared and will be circulated to the Committee Chair and then to the Committee and Board after each meeting.

The Committee Chair will report to the Board after each Committee meeting, including recommendations on any specific decisions or actions the Board should consider and other matters relevant to the Committee's role and responsibilities.

From time to time, matters considered by the Committee may be relevant to the workings of another Board committee. The Committee Chair and the Board Chair (with the assistance of the Company Secretary) will coordinate such cross-committee discussions and reporting.

## **ASSISTANCE AND EXTERNAL ADVICE**

The Committee will have access to adequate internal and external resources, including seeking advice or assistance from external advisors or specialists if it considers this necessary or appropriate to fulfil its role.

In the first instance, the Company Secretary will provide assistance to the Committee in relation to all Committee matters.

## **APPROVAL AND REVIEW OF CHARTER**

The Committee Charter must be approved by the full Board.

The Committee Charter is available on Fletcher Building's website and is intended to be reviewed by the Committee every two years.

**Approved by the Board September 2022**

# NOMINATIONS COMMITTEE GUIDANCE NOTE

## Director independence criteria

In terms of the NZX Listing Rules an **'independent director'** is a director who is not an employee of Fletcher Building and who has no disqualifying relationship.

### **Part A**

A **'disqualifying relationship'** means any direct or indirect interest, position, association, or relationship that could reasonably influence, or could reasonably be perceived to influence, in a material way, the director's capacity to:

- (a) bring an independent view to decisions in relation to Fletcher Building;
- (b) act in the best interests of Fletcher Building; and
- (c) represent the interests of Fletcher Building's financial product holders generally

having regard to the factors described in the NZX Corporate Governance Code that may impact director independence, if applicable.

### **Part B**

In determining whether a director is independent under its Charter, the board will have regard to whether the director:

- (a) is, or has been, employed in an executive capacity by Fletcher Building or any of its subsidiaries and there has not been a period of at least three years between ceasing such employment and serving on the board;
- (b) is or has within the last three years been, a partner, director, or senior employee of a provider of material professional services to Fletcher Building or any of its subsidiaries;
- (c) is, or has been, within the last three years, in a material business relationship (eg. as a supplier or customer) with Fletcher Building or any of its subsidiaries, or an officer of, or otherwise associated with, someone with such a relationship;
- (d) is a substantial product holder<sup>1</sup> of Fletcher Building or a senior manager of, or otherwise associated with, a substantial product holder of Fletcher Building;
- (e) is, or has been, within the last three years, in a material contractual relationship with Fletcher Building or any of its subsidiaries, other than as a director;
- (f) has close family ties with any person who falls within any of the categories describe above; or
- (g) has been a director of Fletcher Building for a such a period that his or her independence may have been compromised.

Materiality should be considered from the perspective of both Fletcher Building and its directors. No quantitative materiality thresholds for independence have been adopted by the board as it is considered more appropriate to determine independence on a case by case basis.

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<sup>1</sup> "a substantial product holder" is a person who has a relevant interest in 5% or more of the voting securities of Fletcher Building.