

# People and Capability Committee Charter

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## Auckland International Airport Limited (“Auckland Airport”) People & Capability Committee (“Committee”)

### 1. Purpose of the Committee

The purpose of the Committee is to ensure that Auckland Airport has sound remuneration policies and processes in place to attract and retain high performing Directors, Senior Executives and employees and to carry out specific functions delegated to it by the Board from time to time. The Committee's role is also to recommend remuneration packages for Directors for consideration by shareholders and to recommend to the Board a policy for remuneration of the Chief Executive.

The Board has also delegated to this Committee the task of establishing work plans, objectives and activities for achieving diversity and inclusiveness at Auckland Airport.

### 2. Functions of the Committee

The Committee shall:

- a) Annually review and recommend to the Board policies for the remuneration of Directors to be submitted to Shareholders for approval, with a view to attracting and retaining the Directors required to ensure the achievement of Auckland Airport's objectives.
- b) Ensure appropriate employment agreements and remuneration arrangements are in place for the Chief Executive and his/her direct reports and recommend to the Board a policy for Chief Executive and Senior Executive remuneration.
- c) Provide normal one-over-one governance for any matter involving the employment conditions, succession planning, remuneration, performance management or disciplinary action pertaining to the Chief Executive's direct reports and/or the Chief Executive.
- d) Manage a succession planning system for the Chief Executive position which identifies and targets individuals for development as appropriate.
- e) Review the performance of the Chief Executive and his/her direct reports from time to time and facilitate formal periodic reviews of the Chief Executive's performance by the Chair of the Board.
- f) Provide oversight of the development of Auckland Airport's general remuneration policies and human resources practices as appropriate from time to time and provide guidance to the Chief Executive when changes are required and report to the Board on the decisions

made.

- g) Reviewing and making recommendations to the Board with respect to any Senior Executive incentive remuneration plan, share option plan, employee share ownership plan or other employee benefits (including superannuation).
- h) Review on an annual basis the effectiveness of Auckland Airport's Diversity and Inclusiveness Policy, the work plans, objectives and activities for achieving and improving diversity, progress towards achieving diversity and inclusiveness objectives, and make recommendations to the Board in respect of such assessments.
- i) Annually review and report to the Board on (amongst other diversity indicators) the gender composition of Auckland Airport's workforce at all levels of the business.
- j) Appoint an independent expert remuneration advisor to provide guidance to the Board on executive remuneration including the Long-Term Incentive Plan (if any).
- k) Review and make recommendations to the Board arising from its functions, including remuneration policies and processes, diversity and inclusiveness.

### 3. Functions of the Chief Executive

For the avoidance of doubt, the following functions are the responsibility of the Chief Executive, not the Committee:

- a) The operating framework for employee remuneration, with the exception of employees who are direct reports of the Chief Executive, of Auckland Airport (and any subsidiaries) with a view to ensuring that:
  - such staff are fairly and equitably remunerated relative to comparable positions within relevant markets;
  - such staff are adequately rewarded for performance; and
  - Auckland Airport is able to attract and retain people who are high performers and capable of achieving Auckland Airport's objectives.
- b) Performance management of all of Auckland Airport's employees.
- c) Recruiting, engaging, disciplining and terminating the employment of all employees below direct report to the Chief Executive.

### 4. Structure and Composition

The Committee shall comprise of at least three Directors, the majority of whom shall be independent non-executive Directors, with a quorum of at least two members of the Committee. Members of the Committee are expected to have the capacity to devote the required time and attention to attend all Committee meetings and prepare thoroughly.

Members and the Chair of the Committee will be appointed by the Board and will hold office until changed by Board resolution.

Management will not be represented on the Committee and should only attend Committee meetings at the invitation of the Committee. However, the General Manager Corporate Services,

Company Secretary or the Chief Executive may be invited to act as Secretary to the Committee. The Chief Executive will provide recommendations to the Committee in respect of his/her direct reports and will participate in the deliberations of the Committee except in respect of matters relating to the Chief Executive's remuneration. The Committee shall be able to request at any time the retirement from the meeting of any invited person.

## 5. Authority

The Board authorises the Committee, within the scope of its responsibilities, to:

- a) Keep the Chief Executive informed in respect of any ancillary information it requires from any employee of Auckland Airport other than the Chief Executive and/or any other external party.
- b) Obtain access to such internal and external resources (including access to external legal or other professional advice) as the Committee considers necessary to discharge its responsibilities.
- c) Require the attendance of Auckland Airport's officers at meetings as the Committee deems appropriate.
- d) Authorise any annual allocation of options under any share scheme run by Auckland Airport from time to time in accordance with authorities established by the Board.
- e) Authorise any annual payment of short-term incentives in accordance with authorities established by the Board.
- f) Exercise the following delegated authorities on behalf of the Board:
  - Approve all employment agreements, remuneration policies, remuneration structures, remuneration changes and incentive payments of the Chief Executive's direct reports.
  - Approve any matter affecting the employment of the Chief Executive's direct reports required as part of a normal one-over-one approval policy.
  - Respond to any request for advice or approve any recommendation of the Chief Executive pertaining to human resources or remuneration matters applying to the general staff.
  - Make recommendations to the Board for final approval on any matters pertaining to the performance of management, remuneration, incentive payments or employment conditions of the Chief Executive.

## 6. Meetings

The Committee shall meet formally at least once a year and at other times as it thinks necessary. The proceedings of all meetings should be minuted.

## 7. Access and Reliance

The Committee may require the attendance of non-committee members of Auckland Airport at its meetings as appropriate

Committee members are entitled to rely on information or advice from Auckland Airport employees on matters within their responsibility, and on external professional advisers or experts (including Auckland Airport's auditors) on matters within their professional or expert competence, provided that:

- a) the Committee members do not know, or have reason to believe, that such reliance is unwarranted;
- b) the Committee members have reasonable grounds to believe that each person on which the Committee relies is reliable and competent in relation the matters concerned; and
- c) the Committee members make proper inquiry where the need for inquiry is indicated by the circumstances (including whether further information is required or available in order to make a decision on a given matter).

Each Committee member must apply an independent and enquiring mind, as well as his or her own knowledge of Auckland Airport and its business, to evaluate a given matter, and to form his or her own opinion on that matter. Each Committee member must not substitute any information or advice provided by an employee or external professional adviser for his or her own examination of important matters.

It is the responsibility of each Committee member to bring to the attention of the Committee any issue which a Committee member becomes aware of which is relevant to the ability of the Committee to fulfil its responsibilities under this Charter.

The Committee may delegate any of its responsibilities to the Chair of the Committee or a subset of its members from time to time and on such terms as the Committee considers appropriate.

## **8. Accountability and Reporting**

The Committee is accountable to the Board. In this regard, the Committee shall:

- a) regularly report to the Board on all matters relevant to the Committee's responsibilities and make appropriate recommendations;
- b) provide copies of minutes of all Committee meetings to all members of the Board at the next scheduled meeting of the Board.

The Committee shall review and assess the adequacy of this Charter every two years, discuss any required or recommended changes with the Board, and ensure any revisions to the Charter are approved by the Board.

### **Next Review Date**

August 2021