

# People, Iwi and Remuneration Committee Charter

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## Auckland International Airport Limited (“Auckland Airport”) People, Iwi & Remuneration Committee (“Committee”)

### 1. Objectives

- 1.1. The purpose of the Committee is to provide oversight and review of three critical strategic areas for Auckland Airport.
- 1.2. **People** strategy and policies including:
  - (a) ensuring that Auckland Airport has an effective culture, engagement, wellbeing and retention strategy, management of succession planning and an effective union bargaining strategy; and
  - (b) the strategy, framework and workplan to implement Auckland Airport’s Diversity, Equity and Inclusion (DEI) Policy and to achieve the diversity and inclusion targets in Auckland Airport’s Sustainability Framework.
- 1.3. **Remuneration** strategy and policies including:
  - (a) ensuring that Auckland Airport has sound remuneration policies and processes in place to attract and retain high performing Directors, Senior Executives and Employees.
- 1.4. **Iwi** strategy and policies including ensuring that Auckland Airport:
  - (a) has a meaningful, co-ordinated and integrated approach to iwi relationships including recognising the importance that Te Manukanuka o Hoturoa Marae represents in this area;
  - (b) understands the evolving operation of the Treaty in the Auckland Airport context through developments in government legislation and policy, and its application more generally, that may impact on Auckland Airport operations; and
  - (c) has a culture and workplan to develop internal Māori cultural competency and identity.
- 1.5. The Committee will also carry out specific functions delegated to it by the Board from time to time.

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Approved by the Board February 25 – Next Review Date Feb - 27

## 2. Composition

- 2.1. The Committee shall comprise a minimum of three Directors, with a quorum of Committee members who must be non-executive Directors. Members and the Chair of the Committee will be appointed by the Board. .
- 2.2. The Chairperson of the Committee shall be an Independent Director and shall not be the Chairperson of the Board. 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.
- 2.3. Management will not be represented on the Committee and should only attend Committee meetings at the invitation of the Committee. However, the Chief Risk & Corporate Services Officer, 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 their 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.

## 3. Authority

- 3.1. 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 sharescheme 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:
    - i. Approve all remuneration policies, remuneration structures, remuneration changes and incentive payments of the Chief Executive's direct reports.
    - ii. Approve any matter affecting the employment of the Chief Executive's direct reports required as part of a normal one-over-one approval policy.
    - iii. Respond to any request for advice or approve any recommendation of the Chief Executive pertaining to people experience or remuneration matters applying to the general staff.
    - iv. 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; and

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- v. Review and recommend remuneration for Directors for consideration by Board and shareholders as appropriate.

3.2. 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).

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

3.4. The Board may rely on information provided by the Committee and its members in relation to matters within the Committee's responsibility under the terms of this Charter (subject to the same provisos as set out above).

3.5. 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.

3.6. 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.

#### **4. Responsibilities**

The responsibilities of the Committee will include:

##### ***People***

- 4.1. 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.
- 4.2. Manage a succession planning system for the Chief Executive position which identifies and targets individuals for development as appropriate.
- 4.3. Review the performance of the Chief Executive and the Chief Executives direct reports (as discussed in the normal one-over-one governance) from time to time and facilitate formal periodic reviews of the Chief Executive's performance by the Chair of the Board.

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Approved by the Board February 25 – Next Review Date Feb - 27

- 4.4. Provide oversight of the development of Auckland Airport's general people experience 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.
- 4.5. Review on an annual basis the effectiveness of Auckland Airport's DEI Policy, the work plans, objectives and activities for achieving and improving diversity, progress towards achieving DEI objectives including those targets contained in the Auckland Airport Sustainability Framework, and make recommendations to the Board in respect of such assessments.
- 4.6. Biennially review and recommend to the Board the Diversity, Equity and Inclusion Policy.
- 4.7. Ensuring that the appropriate disclosures with respect to diversity are made in the Company's annual report by recommending the disclosures to the Board for approval.

**Review on an annual basis the effectiveness of Auckland Airport's culture, engagement and retention strategy including the workplans and activities to build culture and employee engagement and to report to the Board on the effectiveness of these activities.**

- 4.8. 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.
- 4.9. Provide oversight of the development of Auckland Airport's union bargaining and industrial relations strategy and to provide guidance to the Chief Executive on approach and report to the Board on the strategy.
- 4.10. Review and make recommendations to the Board arising from its functions, including remuneration policies and processes, diversity equity and inclusion .
- 4.11. Monitoring the key risks that relate to Auckland Airport's employment and people strategy including engagement and wellbeing.

***Remuneration***

- 4.12. Annually review and recommend to the Board 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.
- 4.13. Biennially review and recommend to the Board policies for the remuneration of Directors and Executives.
- 4.14. Ensure appropriate employment agreements and remuneration arrangements are in place for the Chief Executive and their direct reports and recommend to the Board a policy for Chief Executive and Senior Executive remuneration.
- 4.15. Provide oversight of the development of Auckland Airport's general remuneration policies 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.
- 4.16. Review and make 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).

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Approved by the Board February 25 – Next Review Date Feb - 27

Appoint an independent expert remuneration advisor to provide guidance to the Board on executive remuneration including the Long-Term Incentive Plan (if any) and Short-Term Incentive Plan (if any), as required and at least every three (3) years or sooner if considered appropriate.

- 4.17. Considering, and recommending for Board approval, the Remuneration Report for inclusion in the Annual Report.
- 4.18. Annually review and recommend to the Board key performance indicators for the Chief Executives and Senior Executive.

### ***Iwi***

- 4.19. Provide oversight of Auckland Airports approach to iwi relationships including an annual review of approach, internal Auckland Airport competency, and iwi, hapu, marae feedback.
- 4.20. Ensure that the Board is abreast of developments in the application of the Treaty of Waitangi and its principles in the Auckland Airport context through government legislation and policy, including engaging external advisers to report to the Board where appropriate.
- 4.21. Review on an annual basis the effectiveness of Auckland Airport's approach to Māori cultural competency and identity including the workplans and activities to build and support the use of tikanga and reo in the workplace and to report to the Board on the effectiveness of these activities.
- 4.22. Review, as appropriate, the operation of Te Manukanuka o Hoturoa Marae.
- 4.23. Provide general oversight of Auckland Airport's relationship agreements and memoranda of understanding with mana whenua, including as these operate in the context of the consenting process for Auckland Airport capital works.

### Functions of the Chief Executive

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

- 4.24. 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:
  - (a) such staff are fairly and equitably remunerated relative to comparable positions within relevant markets;
  - (b) such staff are adequately rewarded for performance; and
  - (c) Auckland Airport is able to attract and retain people who are high performers and capable of achieving Auckland Airport's objectives.
- 4.25. Performance management of all of Auckland Airport's employees.
- 4.26. Union strategy and bargaining.
- 4.27. Recruiting, engaging, disciplining and terminating the employment of all employees below direct report to the Chief Executive.

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Approved by the Board February 25 – Next Review Date Feb - 27

## **5. Meetings**

- 5.1. The Committee should meet formally at least three times per year and at other times as appropriate. The proceedings of all meetings should be minuted
- 5.2. The Committee, where the Committee thinks it is appropriate in its discretion, may invite any person to attend meetings of the Committee, and may request any such invitee to retire from a meeting of the Committee at any time.

## **6. Accountability and Reporting**

- 6.1. 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) ensure that the Board is made aware of any matters which may significantly impact on the risk profile of Auckland Airport and its business; and
  - (c) provide copies of minutes of all Committee meetings to all members of the Board at the next scheduled meeting of the Board.
- 6.2. The Committee shall review and assess the adequacy of this Charter every two years, conduct a self-evaluation against the objectives of the Charter, discuss any required or recommended changes with the Board, and ensure any revisions to the Charter are approved by the Board.

### **Next Review Date**

February 2027

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