

## Committee Charter

# PEOPLE REMUNERATION AND DIVERSITY COMMITTEE

The Board of Air New Zealand Limited has established the People Remuneration and Diversity Committee (“the Committee”) which is governed by this Charter.

## Purpose

The purpose of the Committee is to advise and assist the Board in discharging its responsibilities with respect to oversight of the People Strategy of Air New Zealand.

## Role

- Provide oversight of the People Strategy of Air New Zealand including organisation structure, performance, succession planning, development and remuneration strategy and policies and culture surveys;
- Set performance goals for the Chief Executive Officer, review performance and make recommendations to the Board regarding the Chief Executive Officer’s performance and remuneration;
- Approve the performance review ratings and remuneration recommendations of the Chief Executive Officer’s direct reports;
- Participate in annual succession planning reviews and selection processes as required from time to time for the Chief Executive Officer and the Chief Executive Officer’s direct reports’ positions; and
- Provide oversight to ensure best practice principles and practices of diversity and equal employment opportunities are adhered to

## Responsibilities

- Review annually the People Strategy for Air New Zealand including:
  - The organisation structure;
  - The performance management system and processes;
  - The succession planning process and the capability development strategy.
- Review and approve annually the Remuneration Strategy for Air New Zealand including:
  - The remuneration consultant providers;
  - The recommended movements in remuneration for all regions;
  - The recommended on-target short term incentive percentages;
  - The participants in the short term and long term incentive schemes;
  - Any amendments required to the short term and/or long term incentive scheme policy and/or rules;
- Finalise annual goals for the Chief Executive Officer after discussion with the Board, review performance and make recommendations to the Board regarding the Chief Executive Officer’s performance and any recommended adjustment to the Chief Executive Officer’s remuneration annually;
- Review the performance ratings of the LTIP participants not less than twice annually and approve any recommended adjustment to the Chief Executive Officer’s direct reports’ remuneration annually;

- Review the Remuneration of non-executive directors at regular intervals, including by seeking external advice and benchmarking, and make recommendations to the Board and Shareholders as appropriate;
- Review potential successors to the Chief Executive Officer and the Chief Executive Officer's direct reports annually and provide an update to the Board;
- Lead any selection process required from time to time for the role of Chief Executive Officer providing recommendations to the Board and participate in any selection process as required from time to time for the Chief Executive Officer's direct reports' roles.
- Establish, review and approve measurable objectives on diversity and ensure progress is reviewed regularly and disclosed in the Annual Report.

## **Composition and Appointment**

### **Membership/Appointment/Qualifications**

The Committee shall be appointed by the Board and shall consist of at least two (2), and not more than seven (7), members.

All members of the Committee must be non-executive directors and a majority must be independent directors.

### **Chair**

The Chairperson shall be appointed by the Board and will be an independent director.

## **Authority**

Unless specifically mandated, the Committee has recommendatory powers only.

The Committee is authorised by the Board to undertake any activity pursuant to its functions and responsibilities defined in this Charter or otherwise assigned to it by the Board. It is authorised to seek any information it requires from any employee and all employees shall be directed to cooperate with any request made by the Committee.

The Committee shall have the authority of the Board to obtain legal or other independent professional advice, and to secure the attendance at meetings of third parties with the relevant experience and expertise if it considers this necessary.

The Committee shall not have nor exercise any power that the Board is prohibited from delegating under s130 of the Companies Act 1993.

The Committee has authority to sub-delegate. The Committee must ensure any activities outside the scope of the Committee are referred to the appropriate responsible body.

## **Administration**

### **Secretary**

The Chief People Officer shall act as Secretary of the Committee.

### **Meetings**

The Committee will hold at least three (3) meetings per year.

Any Board member may request, through the Board Chair, that the Committee convene to address any matter within the purview of the Committee that is of serious concern.

The Chair of the Committee shall also call a meeting of the Committee if so requested by any Committee member.

The Secretary, in conjunction with the Chair, shall draw up the Agenda.

The Agenda and Committee papers shall be distributed to members at least one (1) week prior to each meeting.

If the Chairperson is absent from a meeting, the members of the Committee participating in that meeting shall elect a chairperson for the meeting from their number.

The contemporaneous linking together by telephone or other means of instantaneous audio or audio-visual communication of sufficient members of the Committee to constitute a quorum and by which all the members participating can simultaneously hear each other throughout the meeting, whether or not one or more of such members of the Committee shall then be out of New Zealand, shall be deemed to constitute a meeting of the Committee.

### Quorum

A quorum shall be more than half of the members of the Committee.

### Conflicts of Interest

A member of the Committee who has an interest in any matter being determined by the Committee shall excuse themselves from the relevant discussions and shall not vote on that matter.

### Attendees

Meetings shall be attended by the Chief Executive Officer and the Chief People Officer, and others as appropriate, at the discretion and invitation of the Committee. Adequate notice shall be given to those to be invited.

Invitees may be requested to withdraw from the meeting at any time by the meeting Chairperson.

### Written Resolutions

A resolution in writing, signed or assented to by more than half of the members of the Committee, is as valid and effective as if it had been passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents (including transmissions by facsimile or e-mail or other similar means of written communication) in like form, each signed or assented to by one (1) or more members of the Committee.

### Records

The Secretary shall ensure minutes, resolutions, papers and other records of the Committee are retained in accordance with any applicable policies or guidelines issued by the General Counsel and Company Secretary.

## Review

The Committee shall undertake a formal review of its objectives and activities regularly, and recommend any consequential changes to this Charter to the Board.

The Committee's objectives and activities shall also be subject to Board review, and review by such other parties (including senior management) as the Board may determine.

## Reporting

### Reporting to the Board

The Chair of the Committee shall make a report to the Board at each Board meeting on the decisions, findings and recommendations of the Committee.

## Annual Report

The Committee is to prepare an annual report to the Board. The Report is to address all matters relevant to the Committee's role and responsibilities.

## Minutes

The Committee must ensure that minutes are kept of all proceedings at its meetings.

Minutes shall be confirmed at the subsequent Committee meeting and/or signed as correct by the chairperson of the meeting.

Approved minutes shall be made available to all directors and attendees of the meeting, the Chief Executive Officer and the Chief Financial Officer, and to other parties as the Committee Chairperson or the Board directs.

*This Charter was last confirmed by the Board of Air New Zealand Limited on 23 May 2018.*