

**SKYCITY ENTERTAINMENT GROUP LIMITED**

**REMUNERATION AND HUMAN RESOURCES COMMITTEE**

**CHARTER**

**LAST REVIEWED DECEMBER 2018**

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The Board of directors of SKYCITY Entertainment Group Limited has established a Committee of directors known as the Remuneration and Human Resources Committee. The objectives, composition, duties and responsibilities of the Committee are as set out in this Charter and in the Board Charter to which this Committee Charter is attached as Schedule 5.

### **1. Objectives**

- 1.1 The Board's Remuneration and Human Resources Committee oversees the management of the human resource activities of the company, the senior management structure, senior executive performance, remuneration and incentivisation, and succession planning.
- 1.2 The Remuneration and Human Resources Committee also seeks to assist the Board:
  - to ensure that the company's remuneration policies and practices reward fairly and responsibly with a clear link to the company's strategic objectives and corporate and individual performance
  - in determining the remuneration of non-executive directors, having regard to sound corporate governance.

### **2. Duties, Responsibilities and Scope**

- 2.1. The main responsibilities of the Committee are:
  - human resource matters (refer section 3)
  - performance and remuneration (refer section 4)
  - senior personnel structure and effectiveness
  - senior executive succession planning.
- 2.2 Matters pertaining to the Chief Executive Officer are for Committee recommendation to the Board for approval and matters pertaining to the Senior Executives are for approval by the Remuneration and Human Resources Committee.

### **3. Human Resource Matters**

- 3.1 The Committee reviews and monitors (and receives reports from the Chief Executive Officer prepared in conjunction with the Group General Manager Human Resources) the human resources strategy of the company including key human resource policies, procedures, initiatives and programmes.

- 3.2 In respect of employment arrangements, the Committee undertakes the following functions in respect of the Chief Executive Officer and the Senior Executives:
- overseeing the recruitment and retention policies for, and recommending to the Board the appointment or termination and the terms and conditions of employment of, the Chief Executive Officer
  - overseeing the recruitment and retention policies for, and approving the appointment or termination and the terms and conditions of employment of, the Senior Executives
  - overseeing and recommending to the Board the annual performance goals for the Chief Executive Officer and making recommendations to the Board in respect of the Chief Executive Officer's performance
  - reviewing the Chief Executive Officer's performance ratings of his/her direct reports
  - overseeing management succession planning for the Chief Executive Officer position and agreed key roles within the company.
- 3.3 The Committee sets and monitors the company's diversity policy, initiatives and targets

#### **4. Remuneration**

- 4.1 Subject to the limitations on the Committee's authorities (as set out in paragraph 3 above), the responsibilities of the Committee as regards remuneration are as follows:
- to review and recommend to the Board the total remuneration strategy, policies and practices of the company to ensure alignment with the company's strategic objectives and performance
  - to review and recommend to the Board the remuneration package and terms of employment for the Chief Executive Officer
  - to annually review and approve Senior Executive (as defined in paragraph 4.4 below) remuneration and terms of employment as recommended by the Chief Executive Officer and be advised annually of the remuneration paid to the Key Management Group (as defined in paragraph 4.4 below)
  - to review the company's retirement, termination, retention and redundancy policies for Senior Executives to ensure alignment with best practice
  - to review and make recommendations to the Board on the structure and terms of the company's short term and long term incentive plans to ensure these plans remain effective, are aligned with shareholder interests and the company's strategic objectives and reward performance appropriately
  - to review and recommend to the Board the short-term incentive plan and long-term incentive plan performance targets for the Chief Executive Officer and Senior Executives
  - to review and recommend to the Board the incentive payments under any short-term incentive plan for the Chief Executive Officer
  - to review and approve the incentive payments under any short-term incentive plan for Senior Executives
  - to review and recommend to the Board grants under any long-term incentive plan to the Chief Executive Officer, Senior Executives and/or other employees
  - to review and recommend to the Board the vesting of shares under any long-term incentive plan based on the performance of the company

- to review and recommend to the Board the remuneration to be paid to non-executive directors and recommend any changes to the structure of non-executive director remuneration (any such changes to be subject to shareholder approval as appropriate)
  - to review and recommend to the Board the policy for authorising claims for expenses from the Chief Executive Officer, chairperson of the Board and non-executive directors
  - to exercise authority with respect to the administration of the company's incentive plans or benefits as conferred on the Committee by the Board.
- 4.2 The Committee will report to the Board at such intervals as the chairpersons of the Board and Committee determine, but at least annually, covering inter alia:
- a summary of material changes to the company's remuneration practices in the previous 12 months
  - a summary of Senior Executive remuneration and benefit changes in the previous 12 months
  - the alignment of remuneration policies and practices with the company's strategic objectives
  - how the company's remuneration policies and practices align with corporate governance guidelines
  - trends in executive and employee remuneration
  - any material changes to the laws and regulations affecting employment and remuneration.
- 4.3 Each year, the Committee will prepare the summary of remuneration (as referred to in paragraph 4.2 above) for inclusion in the company's annual report and ensure that the chairperson (or in his or her absence, an alternative member) of the Committee attends the company's Annual Meeting to answer questions concerning the company's remuneration policies and practices.
- 4.4 In this Charter, the term:
- "**Senior Executives**" is defined as the direct reports to the Chief Executive Officer plus such other strategic positions as the Committee may from time to time determine. The Senior Executives as of the date of this Charter are listed in Appendix 1 to this Charter; and
  - "**Key Management Group**" is defined as those employees of the company whose base salaries exceed NZ\$150,000 per annum.

## 5. Composition

- 5.1. The Committee is appointed by the Board and comprises a minimum of three directors, all of whom are non-executive and a majority of whom are independent, as defined in Schedule 2 of the Board Charter.
- 5.2. The Board appoints the chairperson of the Committee who shall be independent. The chairperson is appointed (or reappointed) at the first scheduled Board meeting after the Annual Meeting of shareholders in each calendar year. In the absence of the chairperson at any meeting of the Committee, the attending members shall elect one of themselves to chair the meeting.

## **6. Meetings**

- 6.1 The Committee holds at least two scheduled meetings in a financial year plus such additional meetings as the Committee shall decide are required in order to carry out its responsibilities.
- 6.2 The Chairperson will call a meeting of the Committee if requested to do so by any Committee member or by the Chief Executive Officer.
- 6.3 The Chief Executive Officer attends each meeting of the Committee. The Group General Manager Human Resources attends meetings, as requested by the Committee, to report on human resources, organisational and remuneration matters.
- 6.4 The Committee may have in attendance such members of management and such other persons as it deems necessary to provide required information and explanations. All directors have a standing invitation to attend any meetings of the Committee.
- 6.5 The Company Secretary acts as secretary to the Committee and is responsible, in conjunction with the chairperson, for drawing up and circulating the agenda, supported by explanatory papers and reports, to Committee members prior to each meeting.
- 6.6 The Company Secretary will record the minutes of the meetings of the Committee and ensure the minutes are circulated to all directors.
- 6.7 A quorum is a majority of the members attending a meeting of the Committee.
- 6.8 All directors have a standing invitation to attend any meetings of the Committee.
- 6.9 The chairperson of each meeting of the Committee will report back to the Board at its next scheduled meeting on the key points of discussion, the decisions taken, and the recommendations of the Committee.

## **7. Decision-Making**

- 7.1 The Committee does not take action or make decisions on behalf of the Board unless specifically mandated to do so. The Committee makes decisions or makes recommendations to the Board on the matters as set out in this Charter or which would otherwise be seen as falling within the scope of the Committee's mandate.

## **8. Members' Powers and Authority**

- 8.1 The Committee may delegate any of its responsibilities to the chairperson of the Committee or a subset of its members, from time to time and on such conditions as the Committee considers appropriate.
- 8.2 The Committee is authorised by the Board to investigate any activity covered by its terms of reference.
- 8.3 The Committee members may communicate with any company employee to seek any information they require in order for the Committee to carry out its role, taking care to recognise and avoid conflicts of interest.

- 8.4 The Committee is authorised by the Board to, at the expense of the company:
- obtain such outside information and advice, including market surveys and reports
  - consult with such management and remuneration consultants and other outside advisors with relevant experience and expertise,
- as it thinks necessary in carrying out its responsibilities. The Committee will agree with the Board an annual budget for such expenditure.

- 8.5 Committee members are not full-time employees of SKYCITY. Committee members are entitled to rely on SKYCITY executives on matters within their responsibility and on external professionals on matters within their area of expertise and may assume the accuracy of information provided by such persons, provided that the Committee member is not aware of any reasonable grounds upon which such reliance or assumption may be inappropriate.

## **9. Accountability to the Board**

- 9.1 The Board annually reviews this Charter and the Committee's performance in terms of its responsibilities as set out in this Charter.

## **10. Disclosure**

- 10.1 A copy of this Charter is maintained on the company's website.

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## **Appendix 1**

### **Positions to be Included in the Definition of Senior Executives as at December 2018**

- Group Chief Operating Officer
- Chief Financial Officer
- General Counsel and Company Secretary
- Group General Manager Human Resources
- Chief Information Officer
- Chief Marketing Officer
- General Manager Auckland
- General Manager Adelaide
- General Manager Darwin
- General Manager Hamilton
- Group General Manager – NZICC Development and Tourism
- President – International Business