

Remuneration and Human Resources Committee Charter

Objectives

The objectives of the Remuneration and Human Resources Committee are to assist the Airservices Australia Board (**Board**) to fulfil its responsibilities by:

- considering human resource issues as set out below; and
- reviewing the performance, remuneration and succession plans for the Chief Executive Officer (**CEO**) and the members of the Executive team (**Executive**).

Membership

The Board will appoint three (3) non-executive Board Members to the Committee, with one appointed as the Committee Chair. In addition, the Board Chair and the Chief Executive Officer will be ex-officio members of the Committee.

The Board Secretary is the secretary of the Committee.

Meetings

The Committee will meet (except where the Board determines otherwise) at least three times each year. A special meeting of the Committee may be convened by a member of the Committee at any time by written request to the Board Secretary, stating the reason for calling the special meeting. Special meetings will be held within twenty-one days of receipt of such a request, with not less than seven days' notice being provided to all Committee members (except where all Committee members consent to a shorter notice period).

The quorum for any meeting of the Committee is two non-executive Board Members.

Ex-officio members of the Committee will have the same rights as the other members of the Committee, including the right to vote. Ex-officio members will also be counted in determining whether or not a quorum is present.

The agenda for Committee meetings is determined by the Committee Chair. Minutes are prepared for each Committee meeting and are provided to the Board.

Responsibilities

To assist the Board, the Committee will:

CEO Conditions of Employment

- Undertake an annual review of the CEO's remuneration package and make recommendations to the Board, where appropriate;
- Undertake an annual review of the CEO's performance against the CEO's performance agreement and make recommendations to the Board with respect to the proportion of the short term incentive (**STI**) component of the CEO's remuneration package to be paid to the CEO. The CEO does not participate in the decision making process associated with this annual review; and
- Review and recommend to the Board the terms of the annual CEO's performance agreement, including key performance indicators (**KPIs**) linked to Airservices Corporate Plan.

Senior Executive Recruitment and Conditions of Employment

In compliance with the agreed board position regarding the remuneration and recruitment of the Executive to the CEO, including the protocols set out in **Attachment 1** to this charter:

- Review the recruitment approach for positions reporting directly to the CEO;
- Review the principles applied by the CEO in determining the remuneration packages for the Executive;
- Review the principles applied by the CEO in undertaking an annual review of the performance of the Executive;
- Before STI payments are communicated or paid to the Executive, review and approve the CEO's determination of the proportion of the STI component of each Executive's remuneration package to be paid to that Executive;
- Before the annual performance agreements for the Executive are entered into, review and approve the principles applied by the CEO in determining the terms of the performance agreements, including KPIs linked to Airservices Corporate Plan in the form of cascading accountabilities from the CEO's annual performance agreement; and
- Review written succession plans for the CEO and the Executive.

The Committee will also undertake periodic reviews of the remuneration model for the CEO and the Executive, at intervals to be determined by the Committee.

General Human Resource Issues

- Review major staff issues raised by the CEO which may be required to be brought to the attention of the Board;
- Review workforce planning strategy including attraction, retention and development of key staff;
- Review people strategy;
- Review culture and leadership development strategy and effectiveness;
- Review equity and diversity strategy, planning and progress; and
- Review enterprise agreement bargaining strategies prior to full Board consideration.

Powers and authority

The Committee has no power to make decisions in respect to Airservices' business or affairs except as expressly delegated to the Committee by the Board.

The Board has authorised the Committee to do the following things for the purpose of enabling the Committee to discharge its responsibilities:

- obtain information from management;
- have access to management and employees;
- obtain external, independent advice.

Any request by the Committee for external advice is noted in the minutes of the Committee meeting at which the request is made.

Reporting

In addition to providing the Board with the minutes of Committee meetings, the Committee, through its Chair, reports at Board meetings about the Committee's activities and prepares draft resolutions for the Board's consideration.

Evaluating performance

The Committee assesses its performance against this Charter on an annual basis and provides that information to the Board. The Committee also obtains feedback from the Board about its performance on an annual basis.

Review of Charter

The Board reviews this Charter on an annual basis, after receiving advice about the adequacy of the Charter from the Committee.

Approved by the Board: 1 December 2016

Effective: Immediately

Attachment 1

EXECUTIVE RECRUITMENT AND REMUNERATION

Executive Recruitment

1. Prior to commencement of a recruitment process for an Executive position, the Chief Executive Officer (CEO) will provide the Board Remuneration and Human Resources Committee (Committee) with the following information, to provide the Committee with an opportunity to provide feedback prior to commencement of the process:

- Position / role description;
- Recruitment strategy, including details of the external recruitment firm to be engaged and search methodology (domestic and /or international);
- Remuneration parameters, including information on how the remuneration parameters were determined, such as advice from Mercer Consulting and any relevant industry benchmarking data;
- Assessment / short-listing process, including details of the selection panel; and
- Timeline of the recruitment process.

This information should be provided by the CEO in advance of the commencement of any recruitment activity, to allow the Committee adequate time for proper consideration. The information may be provided to the Committee out-of-session if time is an issue.

2. Prior to an offer being made to the preferred candidate, the CEO will provide the Chair of the Board and the Chair of the Committee with:

- Details of the preferred candidate, including their curriculum vitae; and
- Details of the proposed remuneration package, including base salary, superannuation, attainable performance incentive payments (if any) and relocation and / or living allowances (if any).

CEO and Executive Remuneration

The responsibilities of the Committee in relation to CEO and Executive remuneration as articulated in its Charter under the heading “Senior Executive Conditions of Employment” are reaffirmed. The Committee’s annual program for discharging these responsibilities is:

Q4 (April – June)

- CEO new annual performance agreement (for following financial year)
- Executive annual performance agreements – review of principles to be applied by CEO to determine performance agreements for Executive (for following financial year)

Q1 (July – Sept)

- CEO annual performance review (for preceding financial year)
- CEO annual remuneration review (for current financial year)
- Executive performance and remuneration review – annual review of principles applied by CEO to determine Executive performance incentives (for preceding financial year) and remuneration packages (for current financial year).