



Sydney Airport Limited

Board Charter

Purpose

This document (Charter) sets out:

- the roles, responsibilities and functions reserved to the Sydney Airport Limited (Sydney Airport) board of directors (Board) as listed in the table at the end of this Charter;
- the way in which the Board operates to discharge those roles, responsibilities and functions; and
- the extent to which the Board has delegated responsibilities to the CEO and management.

The Board is appointed by investors.

The powers of the Board are set out in the company's constitution (Constitution), a copy of which is available at www.sydneyairport.com.au and in the law. In exercising these powers and in discharging its responsibilities under this Charter, the Board must act in accordance with the law and Sydney Airport's Code of Conduct, which has been approved by the Board.

The Board's primary roles are to demonstrate leadership, to set the organisation's values and strategic objectives, to drive performance and to oversee the activities of management.

Board Composition, Appointment and Remuneration

Composition

The size of the Board will be determined in accordance with the Constitution and this Charter.

The Board will be comprised of directors with an appropriate mix of knowledge, skills and experience, diversity and personal attributes to enable the Board to fulfil its responsibilities and to promote effective decision-making. The Nomination and Remuneration Committee will assist and advise the Board on director selection.

Chair

The Chair will be appointed by the Board. The Chair must be an independent non-executive director, and an Australian citizen who resides in Australia. The Chair may not hold the office of CEO.

The Chair is responsible for:

- leading the Board and facilitating the effective contribution of all directors;
- promoting constructive and respectful relations between directors and between the Board and management;

- establishing the agenda for Board meetings, in consultation with the directors, the CEO and the Company Secretary and otherwise overseeing the efficient conduct of the Board's business, including ensuring adequate time is available for discussion of all agenda items in a meeting.

Independence

The majority of the Board must be independent non-executive directors. The Board will regularly consider the independence of directors and has adopted a definition of independence based on that set out in the ASX Corporate Governance Principles and Recommendations.

The Board considers that a director is independent if the director is free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect, their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of Sydney Airport as a whole rather than in the interests of an individual shareholder or other party.

When assessing the independence of a director, the Board will consider all matters that are in its opinion relevant, including whether the director:

- is, or was in the three years before appointment, employed in an executive capacity by Sydney Airport or any of its subsidiaries;
- is, or has within the last three years been, in any other material business relationship (for example, as a supplier, professional adviser, consultant or customer) with Sydney Airport or any of its subsidiaries, or is an officer of, or otherwise associated with, someone with such a relationship;
- is, represents, or has been within the last three years an officer or employee of, or professional adviser to, a substantial holder (as defined in the Corporations Act) of Sydney Airport shares;
- receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, Sydney Airport;
- has close family ties with any person who falls within any of the categories described above; or
- has been a director of Sydney Airport for such a period that their independence from management and substantial holders may have been compromised.

The Board will make its assessment on a case by case basis, based on the materiality of any relevant interest, position or relationship and where such factors exist will disclose the reasons for making its determination.

Each director will inform the Board if there is any change in the director's interests, positions or relationships that could be relevant to an assessment of the director's independence. The Board will then reassess that director's independence.

Appointment letter and notification of interests

A director-elect will be provided with an appointment letter covering the matters set out in the ASX Corporate Governance Principles and Recommendations.

A director-elect is required to notify the Company Secretary of all personal interests relevant to the affairs of Sydney Airport and these will then be notified to the Board.

Induction and training

Management will provide each new director with an induction to enable an in-depth understanding of key aspects of Sydney Airport's business.

Directors should ensure that they keep themselves adequately informed in respect of relevant industry and regulatory issues and changes.

Each director will be invited to participate in:

- training sessions and conferences organised by management from time to time in respect of relevant industry and regulatory issues; and
- airport tours organised from time to time.

Any other training requirements should be discussed with, and if appropriate arranged by the Company Secretary, with the Chair of the Board's (Chair) approval.

Performance evaluation

The Board will undertake periodic assessments of its performance, the performance of its standing committees and the performance of individual directors against the requirements of this Charter and the relevant committee charters and other agreed goals and objectives. The Board will consider in planning each assessment whether it is appropriate to use external facilitators to assist in the assessment.

Following each assessment, the Board will consider the outcomes of that assessment and how performance can be improved.

Independent advice

A director is entitled to obtain reasonable independent legal, financial or other advice at Sydney Airport's cost. Any director seeking independent advice must first discuss the request with the Chair who will facilitate obtaining such advice and, where appropriate, will provide a copy of the advice to each of the other directors.

Other appointments

A director is required to notify the Chair (and the Chair is required to notify the chair of the Nomination and Remuneration Committee) before accepting any new appointment as a director of another listed entity, any other material directorship or any other position requiring a significant time commitment. Directors must assess if any new appointment will affect their ability to commit the time required to discharge their duties as a director of Sydney Airport.

Remuneration

The maximum aggregate remuneration payable to all non-executive directors will be established by the Constitution and any resolution passed by shareholders that increases the maximum aggregate remuneration that can be paid to non-executive directors.

Meetings and minutes

The Board will meet as frequently as it believes is required to effectively discharge its responsibilities. A meeting schedule will be determined in advance and additional meetings may be convened if matters arise between scheduled meetings that need immediate consideration. Where a meeting is called at short notice, consideration (including in respect of the time and place) will be given to ensure a maximum number of directors are available to attend. the Company Secretary is required to convene a meeting if requested in writing by any director.

Board papers will be distributed at least five days prior to each scheduled meeting. Late papers may be considered with the consent of the Chair.

All directors are expected to be fully prepared for, attend and actively participate in each Board meeting unless there are exceptional circumstances preventing attendance at a particular meeting. Directors may attend in person or, where necessary, by telephone, videoconference, or similar technology.

The CEO and the Company Secretary attend Board meetings by standing invitation but may be asked to leave the meeting at any time. Other members of management and external advisers may be invited by the Chair or where directors agree should attend any meeting or part of any meeting.

Draft minutes of each Board meeting will be prepared by the Company Secretary, approved by the Chair and circulated to all directors as soon as practicable.

Non-executive directors may periodically meet in the absence of management. Where such a meeting forms part of the formal business of the Board, the Chair will confirm to the Company Secretary what is to be recorded in the minutes in respect of that item of business.

Committees

The following standing committees have been established to assist the Board in fulfilling its duties and responsibilities:

- Audit and Risk Committee
- Nomination and Remuneration Committee
- Safety, Security and Sustainability Committee

The Board may establish additional committees either as standing committees or to assist the Board with specific issues or special projects.

Each standing committee will operate under a Board approved charter setting out matters relevant to its composition, responsibilities and administration. A standing committee has no authority to make any decision on any matter requiring the approval of the Board unless the power to make a decision is expressly delegated by the Board to the committee in the charter of the committee or by other resolution of the Board.

Minutes of each committee meeting will be provided to the Board and at the next Board meeting following a committee meeting, the chair of the committee will provide an update on any material matters that should be brought to the Board's attention or that require the Board's approval.

Relationship with management

The Company Secretary is accountable to the Board, through the Chair, on all matters to do with the proper function of the Board.

The Board delegates the management of day to day business and operations to the CEO and through the CEO to management, subject to the matters specifically reserved to the Board by this Charter and/or by the law.

The Board and its committees must be provided with the information they need to efficiently discharge their responsibilities. This must be provided by management in a form and timeframe, and be of sufficient quality, to enable directors to effectively discharge their duties.

All directors are entitled to request additional information from management to support informed decision-making.

Charter review

The Board will review this Charter as required to ensure that it is consistent with the Board's objectives and responsibilities. Any changes to the Charter must be approved by the Board.

Board responsibilities

The responsibilities of the Board are set out below:

Leadership, Culture, People

- demonstrating leadership
- challenging management, holding it to account whenever necessary
- approving the organisation's values and code of conduct underpinning the desired culture, business standards and ethical behaviour
- approving and monitoring the effectiveness of the Diversity and Inclusion Policy
- setting measurable objectives for achieving diversity in the composition of the Board, senior executives and the workforce generally, monitoring the progress towards achieving those objectives
- determining the remuneration of the Chair of the Board and other non-executive directors within the limits approved by securityholders
- satisfying itself that remuneration policies are aligned with the purpose, values, strategic objectives and risk appetite
- appointing, removing and monitoring the performance of the CEO
- approving succession plans for the CEO and overseeing senior executive succession planning
- approving the appointment and replacement of other senior executives and the company secretary

Strategic

- setting strategic objectives and goals
- overseeing management's implementation of strategic objectives, business plans

Risk management and compliance

- setting the risk appetite within which the Board expects management to operate
- satisfying itself that an appropriate framework is in place for identifying and managing significant financial and non-financial risk
- monitoring compliance with laws and regulations, including those relating to work health and safety, transport safety and the environment

Financial

- approving annual operating budgets, business plans, major capital expenditure
- approving dividends, other distributions, the issue of securities, any borrowings, entry into derivatives financial instruments outside finance and treasury policy limits and other capital management initiatives
- overseeing the integrity of accounting and corporate reporting systems

Governance

- satisfying itself that an appropriate framework exists for relevant information to be reported by management to the Board
- overseeing the operation of the continuous disclosure policy and monitoring compliance with continuous disclosure obligations
- approving delegations of the authority to the CEO and management
- reviewing corporate governance policies, monitoring the effectiveness of governance practices and procedures