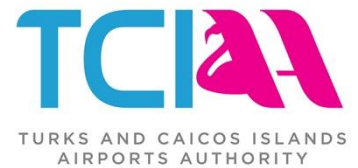


**Board of Directors**

**Governance Paper 02/2022**



**DOCUMENT OWNER**

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**Effective Date:**

26<sup>th</sup> July 2022

**HUMAN RESOURCES AND COMPENSATION COMMITTEE  
TERMS OF REFERENCE AND BYE-LAWS**

# HUMAN RESOURCES AND COMPENSATION COMMITTEE TERMS OF REFERENCE and BYE-LAWS

*Turks and Caicos Islands Airports Authority*

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## I. PURPOSE

1. The Human Resources and Compensation Committee (the "**Committee**"), herein referred to interchangeably as the HRCC shall be established to assist the Turks and Caicos Islands Airports Authority (the "**TCIAA**") Board of Directors in fulfilling its responsibilities relating to the overall Human Resources function and strategic strategy, including the ensuring the direction and implementation of the TCIAA's wage and compensation plans, policies and in ensuring that a succession plan is put in place to deal with the TCIAA's future needs regarding human resources, concerning the Chief Executive Officer and other key executives.
2. The Committee is a standing committee appointed by the Board of Directors of the Turks and Caicos Islands Airports Authority (the "**Board**").

## II. COMPOSITION, PROCEDURES, AND POWERS

### ***Composition***

3. The Committee shall be composed of not fewer than two (2) directors and not more than three (3) directors, one of whom shall be designated Committee Chair.
4. With the consent of the Board, additional individuals who are not directors, from time to time may be appointed by the Committee (including employees of the TCIAA) as either **members** or **advisors** to the Committee.
5. Only Committee members shall be entitled to vote on matters before the Committee. Where a non-director is appointed as an **advisor** of the Committee, she or he shall not be entitled to vote. At the time of appointment to the Committee, non-director advisors shall enter into an agreement, in a form approved by the Committee, requiring them to refrain from engaging in any activities that would be in conflict with their duties and obligations to the Committee and to keep confidential all information (written or otherwise) received in their capacity as a Committee advisor.

### ***Procedures***

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6. The Committee shall meet as often as it deems necessary to carry out its mandate, but at least once a month. Meetings may be held at any time and in any place deemed appropriate by the Committee.
7. A quorum at a meeting shall consist of a majority of members. Members of the Committee may participate in a meeting of the Committee employing such telephonic, electronic or other communication facilities as permit all persons participating in the meeting to communicate adequately with each other, and a member participating in such a meeting by any such means is deemed to be present at that meeting.
8. In the event of the absence of the Committee Chair or at the request of the Committee Chair, a meeting shall be chaired by such person as may be designated by the Committee Chair in advance of such meeting or the absence of such delegation, by such person as may be agreed at the meeting.
9. The Committee Chair is responsible for the following:
  - (i) preparation of the agenda for Committee meetings;
  - (ii) transmitting to the Board materials generated by the Committee, including any Committee minutes; and
  - (iii) reporting to the Board on the activities, decisions, and recommendations of the Committee.
  - (iv) Convening Committee meetings and designating the times and places of those meetings.
  - (v) Ensuring Committee meetings are duly convened and that quorum is present when required.
  - (vi) Working with management on the development of agendas and related materials for the Committee meetings.
  - (vii) Ensuring Committee meetings are conducted in an efficient, effective, and focused manner.

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- (viii) Ensuring the Committee has sufficient information to permit it to properly make decisions when decisions are required.
- (ix) Providing leadership to the Committee and assisting it in reviewing and monitoring its responsibilities.
- (x) Reporting to the Board on the deliberations and recommendations of the Committee.

***Powers***

10. The Committee is entitled to full access to all books, records, facilities, and personnel of the TCIAA. The Committee may require such officers, directors, and employees of the TCIAA and others as it may see fit from time to time to provide any information about the TCIAA and it may deem appropriate and assist at meetings of the Committee. The Committee may obtain, where necessary, legal or other advice from outside professionals; and determine and pay the fees of such professionals.

**III. DUTIES AND RESPONSIBILITIES**

The duties and responsibilities of the Committee are established by the Board and include, amongst others, the following:

***General Responsibilities***

11. To consider, review and make recommendations on policy matters in cases where such policy impacts the existing or anticipated role and responsibilities of the Human Resources Department.
12. To consider, review and make recommendations on matters of policy interpretations where such interpretations are likely to significantly impact the TCIAA.
13. To consider, review and make recommendations on matters contemplated by the HR department that, individually and collectively are likely to have a significant impact on the financial well-being of the TCIAA.

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14. To consider, review and make recommendations on matters which may be perceived as likely to have a significant impact on the general well-being of the TCIAA and for which no policy or precedent exists.
15. Review and make recommendations to the Board for Executive Management employment agreements, amendments to employment agreements, and severance agreements.
16. Review and assess the competitiveness and appropriateness of and approve the compensation package of the Chief Executive Officer and other key executives. In conducting such a review, the Committee will consider:
  - a. The compensation packages of the Chief Executive Officer and other key executives for the prior year;
  - b. The Committee's evaluation of the performance of the Chief Executive Officer and the Chief Executive Officer's evaluation of the performance of the other respective key executives;
  - c. The TCIAA's performance and remittance to TCIG;
  - d. Whether the compensation package reflects an appropriate balance between short and longer-term incentives to improve the performance of the Corporation;
  - e. Whether the compensation package of the Chief Executive Officer or other key executives encourages excessive risk-taking;
  - f. The competitiveness of the compensation package, including the value of similar incentive awards to equivalent officers and positions at comparable organisations; and
  - g. The awards granted to the Chief Executive Officer and other key executives in previous years.
17. Report the results or findings of its assessments of the competitiveness of the TCIAA's compensation policies and practices to the Board;
18. Review and approve any employment contracts or arrangements with the Chief Executive Officers and other key executives, including any retirement allowance arrangements, severance payments, or any similar arrangements

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to take effect in the event of a termination of employment and any change of control agreements;

19. Review on an annual basis the organisational structure and the succession planning programme concerning the Chief Executive Officer and other key executives;
20. Perform any other duties or responsibilities expressly delegated to the Committee by the Board from time to time relating to capital projects.
21. Carry out any other mandates that the Board may give from time to time.

***Responsibilities Concerning the Chief Executive Officer***

22. To define the role and responsibilities of the Chief Executive Officer in so far as permitted by the Turks and Caicos Islands Airports Authority Ordinance, and make recommendations to the Board for their approval.
23. When hiring a Chief Executive Officer, to determine the TCIAA objectives regarding this position, review the role and responsibilities in light of such objectives and approve the profile of the desired candidate with the help and support of the Chairman of the Board and the Human Resources management for Board approval and recommendation to the Cabinet Minister with responsibility for the TCIAA.
24. Review and approve annually, in collaboration with the Chairman of the Board the objectives of the TCIAA as they pertain to the performance expectations of the Chief Executive Officer (KPI'S), evaluate his or her performance in the light of these objectives, and establish the acceptable level of Board response based on his or her evaluation (including a compensation adjustment) and make recommendations to the Board with respect thereto.

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***Responsibilities Concerning Other Key Executives***

25. Determine annually the positions comprised by other key executives;
26. Recommend to the Board new candidates for the positions identified by the Board as comprising other key executives;
27. Review and approve the hiring, compensation, and the employment conditions of other key executives;
28. Review and approve Training plans and professional development plans for Executive Management.
29. As necessary, request and receive information from and meet with senior management, employees, or independent advisors in respect of matters about a project.
30. Report to the Board from time to time as the Committee determines or as requested by the Board;

**IV. REVIEW AND DISCLOSURE**

31. Review the terms of reference for the Committee annually to assess its effectiveness and make recommendations to the Board as required.

**Approved by Resolution of the Board of Directors of the Turks and Caicos Islands Airports Authority At Its Meeting On 26<sup>th</sup> July 2022.**

**Selvyn P.A. Hawkins, Jr**  
Executive Chairman  
26<sup>th</sup> July 2022

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**Dwayne Gardiner**

Deputy Chairman

26<sup>th</sup> July 2022

**Neikia Ewing**

Secretary of the Board

26<sup>th</sup> July 2022