

Christchurch International Airport Ltd

STATEMENT OF INTENT

Year ending 30 June 2027



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INTRODUCTION

This Statement of Intent (“Sol”) is prepared by the Board of Directors of Christchurch International Airport Ltd (“CIAL”) in accordance with Section 64(1) of the Local Government Act 2002.

CIAL has five wholly owned subsidiaries. These wholly owned subsidiaries are currently non-trading and are not holding any assets or liabilities.

This Sol sets out for CIAL (and subsidiary companies) the nature and scope of the activities to be undertaken, the objectives, and the performance targets and other measures by which the performance of the company may be judged in relation to its objectives.

CIAL’s achievements against the objectives outlined in last year’s Statement of Intent will be reported on in this year’s Annual Report.

The Sol is a public and legally required document, reviewed and agreed annually with its shareholders and covers a three-year period. This Sol covers the period from 1 July 2026 to 30 June 2029.

Contact details for both the Chair and Chief Executive are CIAL’s registered office:

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Christchurch International Airport
Memorial Avenue, PO Box 14-001, Christchurch

Telephone: +64 3 358 5029

Website: www.christchurchairport.co.nz

Christchurch International Airport Ltd is a council-controlled trading organisation (“CCTO”) for the purposes of the Local Government Act 2002.

COMPANY OVERVIEW

Located 9 km to the northwest of the city centre, sitting on approximately 1,400 hectares of land, Christchurch Airport is New Zealand’s oldest international airport (over 85 years old) and the second largest airport in New (based on annual passenger movements).

Below is an overview of the Christchurch Airport campus, which encompasses the airport and terminal facilities as well as its investment properties and land that it owns. The blue area approximates current land leased by CIAL from Environment Canterbury for the Kowhai Park solar development.



CIAL is the most strategically important air connection for South Island trade and tourism markets, underpinned by its ability to operate 24 hours a day, 7 days a week, and being one of only two airports in New Zealand capable of handling direct long-haul commercial international services operated by “wide-bodied” aircraft. The airport is also home to the International Antarctic joint logistics program.

NATURE AND SCOPE OF ACTIVITIES

CIAL’s core activity is the safe and efficient operation of airport facilities, facilitating air connectivity through the provision of appropriate landside and airside infrastructure, to meet the needs of all airport users (including both commercial and non-commercial aviation users), our customers, staff and the travelling public. This includes pursuing commercial opportunities with wider complementary products, services and business solutions where needed.

OPERATIONS

The operation of the airport includes the provision of “landside” and “airside” infrastructure and associated facilities across the airport campus:

- Airside functions include the provision of safe and secure aircraft, freight and passenger facilities. CIAL is responsible for the provision of aeronautical infrastructure which includes an airfield, runways, taxiways, aprons and associated facilities
- Landside functions include the provision of a terminal facility, parking and ground transportation. This includes working with commercial tenants (e.g. duty free, retail, rental car and food & beverage operators), business partners and government agencies

CIAL is also responsible for managing assets not currently used directly for aeronautical activities, including the operation of a hotel and an extensive property portfolio.

As a lifeline utility, CIAL ensures the operational resilience of Christchurch Airport, allowing the airport to function as efficiently as possible during, and after an emergency event.

PRINCIPAL OBJECTIVES

CIAL's core objective is to operate as a successful commercial entity and through that deliver and balance sustainable benefits to customers, the travelling public, the regions it serves and our staff.

It will pursue initiatives to provide diversified and profitable revenue streams that will deliver growth in dividends and long-term value to shareholders in line with our shareholders long-term investment horizon.

Inter-generational projects are handled on a project-by-project basis, separate to operational activity.

Consistent with this primary objective, CIAL will:

- provide well-designed and maintained future-proofed airfield and terminal infrastructure that delivers the required outcomes for CIAL and existing/potential customers, with an emphasis on safe, secure, resilient and efficient airside activities
- focus on protecting our people, through strengthening foundations that underpin the achievement of positive Health & Safety outcomes
- pursue initiatives to grow shareholder value and provide sustainable, diversified and profitable revenue (and hence dividend) streams, including continuation of an appropriate level of investment in, and development of, the company's property and land holdings
- ensure that the company adopts a sustainable approach to the operation of all of its own controlled activities (including climate, water, circularity, biodiversity and energy) and pursues a commitment to minimising environmental impacts and use of natural resources where possible in respect to those activities
- strive to be a well understood and valued member of our community through fostering strong community and stakeholder engagement and recognising the importance of maintaining a strong and positive relationship with Iwi and mana whenua across all of the South Island
- utilise the culture, skills, knowledge and experience developed at the Christchurch campus to proactively evaluate opportunities to build further depth, diversification and resilience through expanding our footprint into new geographies and disciplines and partnering our strengths, including where they will enhance the provision of aviation services across regional New Zealand to the benefit of all stakeholders
- be a fair employer in providing a workplace that values people, understands inclusiveness and diversity and supports people leading themselves and developing skills to lead others. Ensures all are fairly rewarded

BEYOND CIAL

The Christchurch airport campus is the largest employment and logistics hub in the South Island with over 7,000 people employed. It is also the home of the International Antarctic Program, with CIAL playing a key role in supporting the Christchurch Antarctic Gateway Strategy through the various Antarctic entities based on campus. CIAL also facilitates the movement of over \$4 billion of high value airfreight into and out of the South Island every year, including 90% of South Island parcel freight.

The economic contribution of the activity at the airport is significant. Historical economic analysis for the 2020 year previously estimated that the directly attributable and facilitated activity at Christchurch Airport contributes \$5.3b in GDP to the Canterbury region and supports 60,000 jobs.

It is worth noting the significant role CIAL plays in handling displaced aircraft and passengers when major weather events or infrastructure limitations (e.g. fuel supply) impact other parts of the country. Aviation is a network so impacts at one of the nodes most often has flow on effects for the other nodes. As CIAL is the only truly wide body capable airport behind Auckland (including the divert airport for most international airlines), we will continue to play an active role in helping with national resilience.

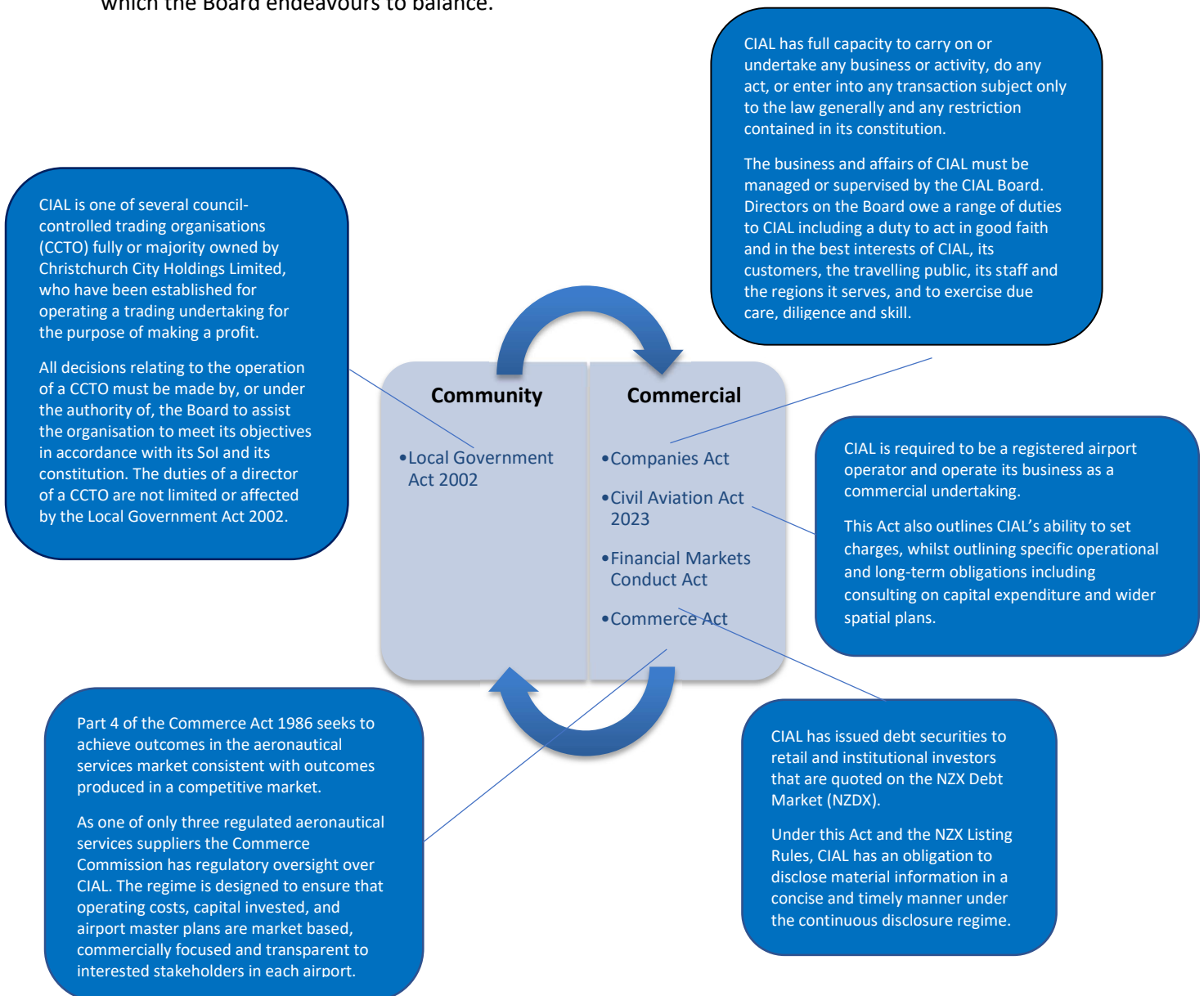
REGULATORY CONTEXT

CIAL operates in a commercially competitive environment both domestically and internationally, overlaid by a complex layered legal and regulatory environment with a wide stakeholder group.

The new Civil Aviation Act 2023 requires CIAL to operate its business as a commercial undertaking and outlines its ability to set prices, whilst outlining specific operational and long-term obligations including consulting on capital expenditure and wider spatial plans.

Since 2011, New Zealand’s three largest airports including Christchurch have been subject to Information Disclosure regulation under Part 4 of the Commerce Act 1986, administered by the Commerce Commission. Under this framework, the Commission does not set prices for airport services but instead the focus is on monitoring airport performance through an annual information disclosure regime and ensuring there is transparency in pricing decisions.

The chart below demonstrates various aspects of commercial and non-commercial demands on CIAL, which the Board endeavours to balance.



OUR ROLE, VISION & MISSION

OUR ROLE

Christchurch Airport is a key gateway for people and goods across the South Island, New Zealand and international markets. By performing our role effectively, we enable regional prosperity, create connectivity and economic opportunities for our communities, and grow long-term value for our shareholders.

Our core infrastructure connects communities, facilitates fast and efficient flows of goods and services, supports tourism and business growth, and unlocks trade opportunities for exporters.

In addition, our impact extends well beyond air travel. With significant land holding on campus, we are creating long-term value through master planned precincts, commercial property developments and partnerships that generate jobs, unlock investment and support future transition initiatives in areas such as renewable energy, advanced logistics and advanced manufacturing.

VISION

To be a **'high-performing, resilient infrastructure platform'** that delivers sustained stakeholder value through volatility.

MISSION

Our mission is to be an **'INFRASTRUCTURE PLATFORM OF IMPACT FOR TE WAIPOUNAMU'**, delivering financial, economic and social value.

OTHER KEY PRINCIPLES

- CIAL's core objective is to operate as a successful commercial entity that aims to deliver strong, sustainable financial returns and long-term value growth, that support our shareholders and regional economy, while operating in a way that delivers and balances sustainable benefits for all our stakeholders – including customers, the travelling public, our partners and staff, communities and future generations
- CIAL takes a balanced approach, focused on optimising shorter term financial returns whilst ensuring that we continue to create shared and lasting long-term value
- We recognise our role as stewards of critical public infrastructure assets, and consequently we take a disciplined and long-term view of all of our investment decisions prioritising those with outcomes that align with our over-arching goals as noted above
- CIAL will continue to pursue its core philosophy of stakeholder equity (or stakeholder capitalism), where **People & Planet & Prosperity** across key stakeholders must be considered and balanced



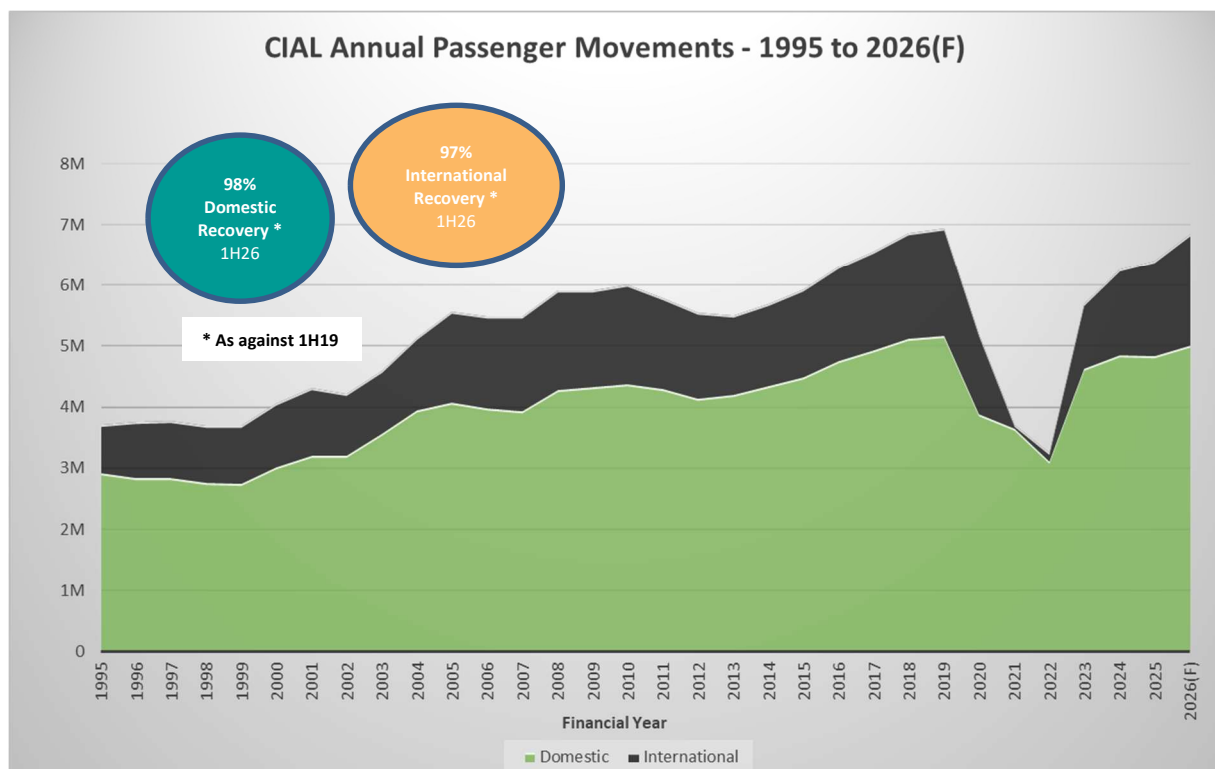
CURRENT STRATEGIC CONTEXT

CURRENT MARKET ENVIRONMENT

It should always be remembered that aviation is an inherently volatile sector. CIAL is currently operating within a highly dynamic global environment, where economic and geopolitical uncertainties are increasingly influencing the aviation sector

Key challenges include escalating geo-political conflicts, rising protectionism, and policy unpredictability, all of which can disrupt supply chains and affect passenger demand. The aviation industry is particularly sensitive to such shocks currently, with events once considered rare now occurring more frequently, leading to the potential for rapid changes in trading conditions

Short to Medium Term Aviation Demand Outlook



As of the middle of 2026, New Zealand’s aviation sector continues to navigate a complex landscape marked by a supply side picture showing improving airline capacity and renewed competition but still constrained. Airlines continue to face material cost pressures from rises in aviation fuel prices and wider supply chain constraints resulting in short-term reductions in capacity across multiple routes

Demand dynamics remain mixed. International demand remains the strongest growth driver, while domestically demand remains relatively subdued as economic conditions constrain discretionary spending and business travel

However, overall Christchurch continues to benefit from stronger underlying growth drivers than the national average having re-established itself as a premier destination for conferences, events, tourism and education and outperforms other regions in terms of economic and population growth

A DECADE OF VOLATILITY

The next decade will be defined by structural disruption across aviation, climate, geopolitics and capital markets. CIAL is entering a period characterised by:

- Climate transition and sustainability pressures
- Geopolitical and economic uncertainty
- Technological disruption (digitisation, advanced air mobility)
- Changing customer expectations and demographics

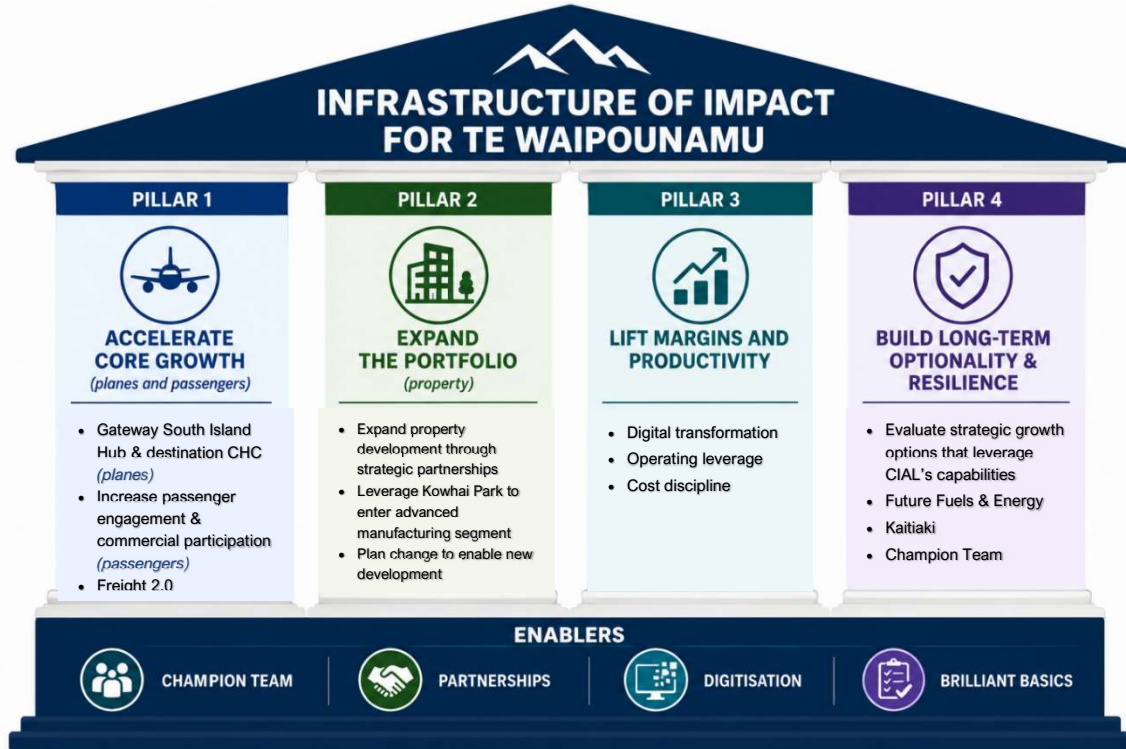
As a traditional GDP-aligned growth model becomes less sufficient, long-term success depends less on stability and more on resilience and adaptability.

CIAL's **HORIZON 35** Strategy ('H35') responds with a deliberate shift toward:

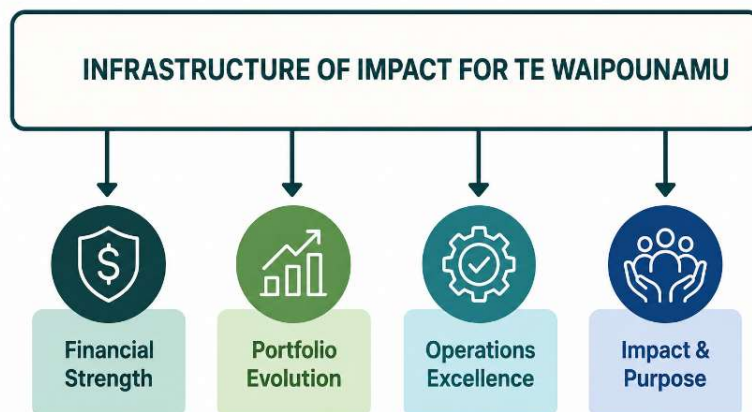
- accelerated and diversified growth
- Margin expansion and productivity growth
- Portfolio evolution that leverages CIAL's core capabilities
- Strong balance sheet discipline

HORIZONS 35

PLAN ON A PAGE



MISSION & OUTCOMES



The cornerstones of our vision, together with our over-arching ambition of being a **"HIGH PERFORMING, RESILIENT INFRASTRUCTURE PLATFORM"**, lead to us targeting the following outcomes:

Financial Strength

Shifting from stable returns to high-performance value creation through disciplined capital allocation, setting ambitious financial targets and using strategically aligned partnerships to manage risk

Portfolio Evolution

Expand beyond the existing portfolio into complementary sectors, creating new growth platforms and diversified earnings streams:

- Strategically aligned partnerships in complimentary market segments
- New property market segments (advanced manufacturing, office)
- Hub for long haul passengers
- Future fuels and energy

Operational Excellence

Build a highly productive, digitally enabled and resilient business that scales efficiently to provide margin expansion and scalable performance through:

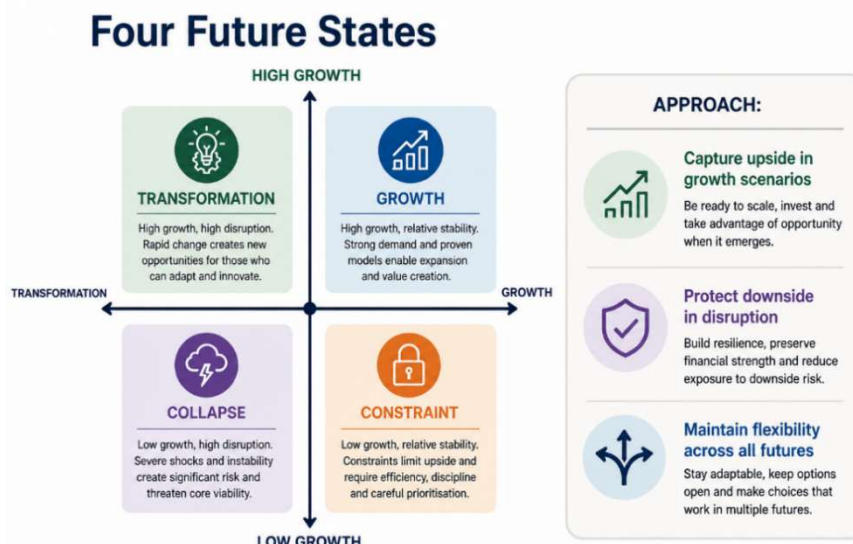
- Productivity-led growth
- Digitisation and automation
- Yield optimisation

Impact & Purpose

Deliver lasting value for Te Waipounamu through connectivity, economic growth and sustainable infrastructure leadership. Focus on:

- Driving regional economic growth (leverage 50:1 multiplier)
- Supporting tourism and trade
- Leading sustainable and future proofed infrastructure

SCENARIO-LED STRATEGY



ACTIVATION – STRATEGIC PILLARS

Delivering Horizon 2035 requires focused execution across four strategic pillars. Together, these pillars provide the roadmap for accelerating growth, expanding our portfolio, improving productivity and building long-term resilience. Supported by strong partnerships, digital capability and a high-performing team, they translate our ambition into measurable outcomes and sustainable value creation

FY27 KEY PRIORITIES

PILLAR 1 | ACCELERATE CORE GROWTH (PLANES & PASSENGERS)

- Strengthen Christchurch's position as the South Island gateway/hub
- Grow airline connectivity and long-haul services
- Increase passenger engagement and commercial participation
- Expand freight capability and value creation

PILLAR 2 | EXPAND THE PORTFOLIO (PROPERTY)

- Expand property portfolio through strategically aligned partnerships
- Leverage Kowhai Park and advanced manufacturing segment opportunities
- Plan change outcome to unlock new development opportunities

PILLAR 3 | LIFT OPERATING MARGINS & PRODUCTIVITY

- Accelerate digital transformation
- Automate and simplify core processes
- Optimise commercial yield and asset utilisation
- Drive cost discipline and operating leverage
- Improve organisational productivity

PILLAR 4 | BUILD LONG-TERM OPTIONALITY & RESILIENCE

- Continue to evaluate & pursue complimentary growth opportunities that leverage CIAL's core capabilities
- Identify potential partnering opportunities which may develop mutually beneficial outcome
- Develop future fuels, energy and emerging technologies
- Continue to meet sustainability and kaitiakitanga performance targets
- Build capability through a high-performing team
- Foster strong community and stakeholder engagement

ENABLERS

 **Champion Team & Leadership** |  **Partnerships** |  **Digitisation** |  **Brilliant Basics**

FINANCIAL CONTEXT

AIRPORT FINANCIAL MODEL

The challenges inherent within the day to day financial, operational and investment activities of an airport are often little understood by external observers. These constraints stem from several key dynamics that are often outside of an airports direct control and can be in conflict if not carefully managed. These include:

- Aviation demand growth – long term passenger growth approximates GDP growth and therefore there is limited ability to materially influence passenger volumes in the short term. Growth beyond that of long run GDP can be achieved, however only through significant investment with our airline partners. The current revitalised Christchurch city with new visitor attractions, coupled with a strong events program, will facilitate this over the coming period. Full value impact of new routes usually takes 1-3 years to crystallise. Because of this, it is challenging to achieve meaningful, immediate and profitable passenger growth above general GDP growth levels
- Aviation capacity supply – fleet renewal programs and engineering requirements are having a significant impact on the supply of aircraft for airlines. Airlines control and will ultimately prioritise the highest and best use of their capital which, for international airlines, is challenging for New Zealand routes due to distance and the current costs of operation. Domestically, due to the strength of the national carrier, there are few competitive alternatives
- Risk / reward asymmetry – as noted above, passenger volume growth (or reward) is constrained in the long term, however as evidenced by the impact of the Christchurch earthquakes and the pandemic, downside risk to demand can be immediate and significant, with recovery taking many years. Mitigating this downside risk is challenging
- Regulatory Context – As one of New Zealand’s three largest airports, CIAL has a portion of its operations subject to regulation overseen by the Commerce Commission. This regulation effectively limits the total allowable revenue that can be earned from CIAL’s Regulatory Asset Base (airfield, apron and terminal) for each 5-year pricing cycle, to an industry mid-point weighted average cost of capital (WACC), which is currently 6.62% for the period out to the end of June 2027. Approximately 47% of CIAL’s FY25 operating revenues were generated under this regulatory regime
- Non-regulatory priced activities – the remaining revenue streams of an airport fall into two categories, passenger related (including retail, food & beverage, duty free, rental vehicles, ground transport and car parking) or property related
 - Passenger related revenues are reliant on passenger volumes and maintaining customer service offerings that represent value for money, quality and current preferences
 - Property related revenues are constrained by the overall market demand and rental rate dynamics, while also requiring long lead times and capital investment to continue to grow a portfolio

- Operating Cost base – airports have a relatively fixed operating cost base, particularly in respect to their major terminal and airfield assets and productivity gains are incremental in nature. There are also significant levels of ‘non-tradeable’ costs (i.e. rates, electricity) that continue to show stubbornly high levels of annual inflation in New Zealand
- Efficient airports, including CIAL, hold land for long-term development, for which an expected market return is unable to be achieved in the short term

CAPITAL INTENSITY

CIAL provides the city and region with a network of essential lifeline infrastructure that underpins the movement of people and goods around New Zealand and connects us to the rest of New Zealand and the world. Airport infrastructure involves planning over 30-year cycles to meet the long-term needs of consumers and airlines and hence require continual investment in the following areas:

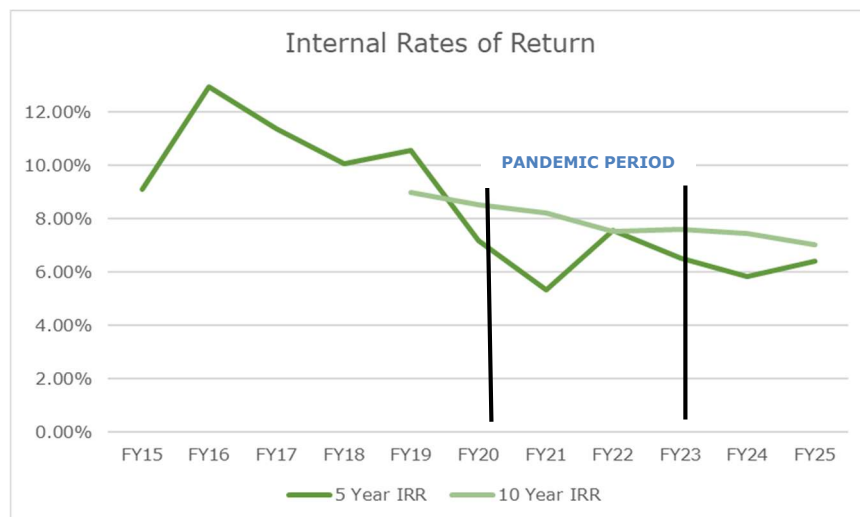
- Maintaining operational resilience – by their very nature, airport operational assets must be maintained to meet stringent standards regarding safety, security and operational availability. There are continual upgrades in safety and security needs driven by the needs of our people and customers, and it is essential that our critical infrastructure remains operational from a local and wider country perspective
- Future focused investment – decarbonisation of aviation. Following an extended period of relative stability regarding aeroplane design and operational requirements, the move to decarbonise is likely to create exponential change in the aviation ecosystem. Electrification of ground service equipment is already underway and electric, hydrogen propelled, or sustainable aviation fuel (‘SAF’) fuelled aircraft are on the near-term horizon. These technology changes require major infrastructure investment across an airport campus to meet the demands of airlines, supporting operators and consumers
- Over time airports will continue to need to invest for connectivity growth and regional development as well as to maintain our existing asset base to an acceptable level of services and to ensure operational resilience, including future climate change mitigation and adaptation
- Grow, enhance profitability and improve revenue diversification – continued capital investment in customer-facing commercial services and supporting infrastructure, including terminal retail, food & beverage, ground transport facilities and property development, is a key strategic requirement for airports to grow, enhance profitability, improve revenue diversification, enhance passenger experience, and provide long-term financial sustainability

BENCHMARKING CIAL OUTCOMES

CIAL continues to outperform against expectations for an airport of our size. By size CIAL does not make the list of the top 500 airports in the world, and yet (unlike airports of similar size within the region) in FY25 enjoyed over 8,000 international flight movements. It has international air connections to major regional airport hubs like Brisbane, Melbourne, Sydney, Dubai, Singapore, Hong Kong, Guangzhou and San Francisco. CIAL is the only long-haul airport outside of the top 100 that several of our airline partners operate schedule air services to.

CIAL’s key objective is to operate as a successful commercial entity, actively benchmarked against relevant industry peers. Achieving this objective, requires balancing several different priorities, including both financial and non-financial expectations specific to our two shareholders.

When benchmarking past performance, it is appropriate to use a 5- or 10-year Internal Rate of Return (‘IRR’) to assess total shareholder returns, as IRR reflects an annualised rate of return over a full investment period. Historically, CIAL has delivered an IRR >8.5%, consistent with the regulatory framework within which CIAL operates and its NZ industry peers and as compared to a CIAL Weighted Average Cost of Capital (‘WACC’), last assessed independently at 8.2% as at 30 June 2025.



Generally, when assessing the IRR performance of CIAL, it is important to fully consider the constraints of an airport financial model as outlined in the paragraph above.

Obviously more recent returns, from FY20 onwards, have declined, consistent with the unprecedented impacts of the pandemic, followed by sharp increases in inflation and interest rates. It will take until FY28 and FY33 respectively for the pandemic impacts to be removed from the 5- or 10-year IRR measures. Looking forward, despite the challenges to future growth in aviation, the primary financial objective for CIAL remains on growing dividends and long-term value to an appropriately benchmarked level.

For measuring and managing future annual performance, CIAL will track and target a series of specific financial metrics focused on annual financial returns, operating efficiency/productivity, and capital structure measures.

These shorter-term targets will also be benchmarked against the performance of peer companies and the broader infrastructure sector where possible, to assess CIAL performance.

FINANCIAL PERFORMANCE MEASURES

PROFITABILITY

For the purposes of the FY27 Sol, CIAL has continued to adopt a mid-point passenger demand scenario for FY27-29. This approach reflects a prudent forecasting passenger demand methodology which incorporates both upside and downside demand risks within the current geopolitical and economic environment and acknowledging increasing short-term reductions in domestic capacity.

The key factors influencing CIAL’s passenger demand (and hence aeronautical and commercial revenue streams) relate to the current elevated price of aviation fuel, inflationary pressures impacting household discretionary expenditure, business travel recovery trajectories, and airline network and fleet deployment decisions.

While medium-term demand fundamentals are supported by population growth, continued recovery in inbound tourism, and the relative resilience of the Christchurch and South Island visitor economy, aviation markets remain exposed to volatility arising from shifts in fuel prices, exchange rate movements, and geo-political events.

\$m	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast
Total Operating Revenue	267.2	277.1	292.7	303.7
EBITDAF ¹	168.3	171.5	184.4	192.5
Net Profit (Loss) Before Tax	89.5	89.6	99.6	105.0
Net Profit (Loss) After Tax	61.0	62.2	69.5	73.4
EBITDAF as % of Revenue	63.0%	61.9%	63.0%	63.4%
Return on Invested Capital ²	5.3%	5.2%	5.5%	5.7%

N.B. the forecast statement of financial performance outlined above excludes:

- any non-cash investment property revaluation gains/losses (*given amounts are non-cash related*)
- any other asset impairment assessments
- any accounting adjustments related to revenue or expense gross-up
- any lease accounting adjustments (FY27-29)
- any non-cash deferred tax adjustments

¹ Earnings before interest, tax, depreciation, amortisation and fair value movements

² Earnings before interest & tax / (total productive assets)

Passengers	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast
Domestic	5,092,409	5,253,012	5,308,793	5,368,293
International	1,766,882	1,872,779	1,940,890	1,965,576
Total Passengers	6,859,291	7,125,791	7,249,683	7,333,869

Notes & Assumptions

Revenue

- Aeronautical: the updated passenger forecast reflects the current trends that are being seen in domestic and international demand. Forecast also considers:
 - domestic and international seat capacity filed by airlines up to May 2026; and
 - Short-term capacity and passenger projections from the industry with a medium-term stable growth factor
- Lease Rental: Underlying lease rental will continue to grow through FY27-29, predominantly reflecting a market rate rental return from the forecast property development program and ongoing market annual rent review arrangements
- Terminal & Commercial Concessions and Ground Transport: the majority of commercial arrangements have returned to a basis that correlate to passenger growth trajectories, including both Minimum Annual Guarantees (MAG) and concession revenue elements
- Parking and ground transport revenues are expected to broadly reflect passenger activity levels and planned infrastructure development
- Hotel: Base occupancy levels with continued growth in occupancy over medium term.

Operating Costs

CIAL has a relatively fixed operating cost base, particularly in respect of its major terminal and airfield assets, even where passenger throughput levels vary.

As CIAL moves through the FY27–29 period, terminal and airfield operating costs are expected to remain reflective of sustained passenger activity levels, together with continued focus on asset stewardship, critical risk across operations and health & safety and technology investment needs.

CIAL has forecast the majority of its operating costs to increase from the current base at the rate of long-term inflation across the Sol period. Staff costs are forecast to increase in line with prevailing labour market conditions and are then assumed to compound at long-term wage growth levels consistent with Treasury guidance.

- Insurance & Rates – These costs remain largely outside of CIAL’s control and are expected to continue increasing at rates above forecast average annual CPI over the medium term. Insurance premiums have been rebased in recent years; however, ongoing market conditions and asset revaluations may continue to place upward pressure on costs

Interest Costs

CIAL runs a corridor interest rate hedging strategy for a forward period of 10 years, with minimum and maximum hedge cover levels across each year. Whilst CIAL has approximately 75%-80% of its drawn debt hedged over the next two financial years, the residual amount of unhedged debt (circa 20%) is exposed to current floating rate increases and related volatility.

Interest costs in FY27 are expected to flatten out and remain consistent with FY26 and then stabilise over future years of the period of this Sol.

Taxation Expense

CIAL's effective current tax rate over the Sol period is forecast to remain elevated at approximately 30%–31%, primarily due to structural differences between accounting and tax depreciation. The removal of tax depreciation on long-life buildings means several of CIAL's building assets are now fully depreciated for tax purposes while continuing to be depreciated for accounting purposes, resulting in higher taxable income relative to accounting profit.

Over FY27–29, tax cashflows will also reflect the timing and scale of the capital programme, with qualifying expenditure eligible for the Government's 20% Investment Boost providing an upfront deduction and associated tax benefit. This will partially offset the higher effective tax rate by delivering accelerated deductions on eligible capital investment across the planning period.

CAPITAL STRUCTURE

The Board's Treasury Policy targets a minimum stand-alone BBB+ credit rating and caps gearing at 40% (debt / debt + equity). Of this, 5% is reserved as a buffer for major external shocks, resulting in an effective operating cap of 35%.

This disciplined framework has proven resilient, most notably through the global pandemic — one of the most significant shocks to the aviation sector. A recent independent external review endorsed the policy as providing an appropriate balance between financial flexibility, resilience and contingent debt capacity for stress events.

The forecast Capital Structure, ratio of shareholders' funds to total assets and gearing ratios for the next three years are:

\$m	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast
Gross Nominal Debt	631.0	669.0	701.0	728.0
Equity	1,627.3	1,637.5	1,650.3	1,661.2
Shareholder Funds/Total Assets %	63.3%	62.8%	62.2%	61.7%
Gearing (debt/(debt + equity)) %	27.8%	29.0%	29.8%	30.4%
Debt / EBITDAF	3.7	3.9	3.8	3.8
EBITDAF Interest Cover x	5.6	5.7	6.2	6.3

Cash flow forecasts show our debt levels will increase during FY27-29. This could change should there be any movement on proposed future regulatory driven capex projects including regional screening and related terminal re-configuration which will be driven by government timing. Other major capital expenditure in relation to specific project activity will be assessed on a business case basis during the period of this Sol.

CIAL will remain compliant with all of its bank and bond financial covenants over the period of the Business Plan.

DISTRIBUTIONS

CIAL aims to distribute funds surplus to its on-going and forecast investment and operating requirements, subject to meeting the solvency requirements of the Companies Act 1993.

The Directors will review dividend policy annually and recommend such dividend payments as are consistent with CIAL’s earnings, capital expenditure, future investment and benchmark requirements, subject to targeting a gearing ratio which does not exceed 40% (35% when excluding the 5% major event risk buffer) and maintaining CIAL’s targeted stand-alone credit rating of BBB+.

In addition, CIAL remains cognisant of Shareholders’ expectations regarding dividends and understands that certainty and growth in dividend stream is a key requirement.

Current forecast dividend flows are as follows:

\$m	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast
Dividend Forecast	50.2	53.5	60.2	65.0
<u>Dividend Pay-outs (Cash Flows)</u>				
Current Year Interim Dividend	24.1	25.9	29.1	31.4
Prior Year Final Dividend	23.4	26.1	27.6	31.1
Forecast Dividend Cash Flow	47.5	52.0	56.7	62.5

CAPITAL EXPENDITURE

As outlined in the ‘Financial Context’ section earlier, regular CIAL capital investment is required across several broad categories including regulatory, compliance and operational resilience, including future climate change mitigation and adaptation.

Furthermore, CIAL will also need to invest significantly over the H35 horizon, in future focused infrastructure that meets the changing needs of our airline customers, provides services that our campus tenants require and helps enhance profitability through growing revenue and improving revenue diversification.

When considering strategic, growth or commercial capital investment decisions, CIAL utilises a “competition for capital” process across its Planes, Passengers and Property pillars, of which Internal Rate of Return (‘IRR’) relevant to overall companywide ROIC, is the key underlying measure.

CIAL’s competition for capital approach allows new initiatives and projects to compete for available funds, being prioritised based on those that will add the most value. When considering returns on investment, it is relevant to keep in mind that CIAL makes investment decisions across land, infrastructure and buildings, leases and operations. Each of these areas operates to a different timeframe (between 3 – 50 years) and therefore carries different risk and value profiles. Additionally, it is not uncommon for a single proposed investment to touch on more than just one of these areas, therefore bringing different time lenses into the decision-making process.

The table below outlines the current forecast capital expenditure investment over FY26-29:

Capital Project Expenditure (\$m)	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast
Airfield and Terminal	44.8	22.0	57.0	50.0
Commercial and Ground Transport	6.8	12.0	5.0	5.0
Property and Property Infrastructure	61.6	35.0	31.0	36.0
Campus Infrastructure, Digital and administration	2.2	21.0	3.0	3.0
TOTAL	115.4	90.0	96.0	94.0

Airfield and Terminal

The Airfield and Terminal category includes both base capital expenditure and major enhancement projects. Base capital expenditure reflects recurring infrastructure investment, maintenance and plant replacement programmes across airfield, terminal and operational environments. This expenditure is relatively consistent year to year and includes:

- Airfield Pavement Maintenance Programme (APMP)
- Electrical, lighting, mechanical and water infrastructure renewals
- Terminal asset management programme works (including baggage systems, display and communication systems, software, and end-of-life replacements)
- Vehicle, plant and equipment renewal programmes supporting airfield and operational control areas
- ICT hardware, software and network renewals associated with operational resilience

Major projects across FY27–FY29 include:

- Stop bars and guard lights installation, together with transfer and upgrade of Airfield Power and Lighting Equipment (APLE) assets from Airways
- Regulatory requirements for new hold baggage screening infrastructure
- Terminal reconfiguration to create a single integrated customer dwell experience

Commercial and Ground Transport

Commercial and Ground Transport expenditure reflects investment in airport ground transport infrastructure and related commercial assets that support airport customer access, operational efficiency, safety and appropriate market commercial returns.

This includes enhancements of new carparking options and renewals that support parking, forecourt operations, and efficient, safe and customer-focused access to the airport campus.

Property and Property Infrastructure

Property and Property Infrastructure investment is forecast at \$61.4m in FY26, reducing thereafter as currently committed developments reach completion. This category includes:

- Completion of Board-approved investment property developments, including Freightways, Ezi Rentals and a new airline catering facility
- Core property development aligned to the long-term aeronautical and commercial master planning framework
- Enabling infrastructure directly associated with property developments

Campus Infrastructure, Digital and Administration

Campus Infrastructure, Digital and Administration investment supports enabling infrastructure required across the wider airport campus.

The significant increase in FY27 reflects planned upgrades to the electrical distribution network and other enabling infrastructure required to support both property development and future aviation demand.

PLANET

Our Planet Strategy is CIAL’s approach to embedding Environmental, Social & Governance (“ESG”) principles into business. It represents how our team bring to life our ambitions to elevate the needs of people and planet, so we can contribute to our society and communities.

We have developed the CIAL Planet “donut”. This is a visual framework that combines economic and social needs together with environmental impact at a business level. It shows how the needs of our community sit alongside the needs of our planet, and those environmental areas CIAL is most materially impacting, and where we have opportunities to do more.



EMISSIONS REDUCTION

CIAL has committed to maintaining net zero Scope 1 and 2 GHG emissions,³ which we achieved in 2021, and to eliminating all Scope 1 and 2 emissions from our operations by 2035. In FY25 this represented a 93% reduction of our Scope 1 and 2 emissions against a 2015 baseline and placed CIAL ten years ahead of science-based targets projections.

Our Emissions Reduction Plan (ERP) sets out initiatives to help in addressing our remaining scope 1 & 2 emissions, (as well as barriers and dependencies). Key focus areas are our ongoing fleet transition and replacement of our backup generators.

CIAL is now taking an active, practical, and intellectual leadership role in supporting the wider aviation sector (scope 3 emissions) attributed primarily to domestic and international aviation. This will be done through initiatives such as Sustainable Aviation Aotearoa, hydrogen trial partnerships, and Kowhai Park (see below), together with continuing to participate in a range of other working groups including Sustainable Business Council, Airports Council International (ACI) Asia Pacific and New Zealand Airports Association.

³ We define ‘net zero’ according to the GHG Protocol, as having reached 90% absolute CO₂e emissions reductions in Scope 1 and 2 with the remaining balance between the amount of greenhouse gas (GHG) that’s produced having been removed from the atmosphere. To achieve net zero, we utilise offsets as described on page 33 of CIAL’s Climate-related Disclosure for the year ended 30 June 2024

For our scope 3 emissions, which include emissions from flying, we recognise that these are outside of our direct control. The ability of the sector to reach net zero by 2050 will rely on several external factors including a supportive policy environment, the ability of our airline partners to decarbonise, the commercialisation and availability of alternative forms of sustainable aviation fuel, and the commercialisation and availability of next-generation aircraft.

CIAL's emission reductions to date and ongoing initiatives support the Christchurch City Council's ambition to reduce emissions across the Christchurch District by 50% from baseline 2016/2017 levels by 2030 and to net zero by 2045.

ENERGY TRANSITION

The energy transition presents the most material and immediate climate transition risk to CIAL. Within our climate action pathway, it is one of the most impactful activations that is within our control.

Christchurch Airport set aside 400 hectares of land to the western side of the airfield for the development of Kōwhai Park. Kōwhai Park is intended to be developed under an ecosystem approach where the total system, rather than a single development, can enable a range of potential future technology and opportunities across solar generation, battery storage, national transmission and local distribution, future aviation charging, and hydrogen production (noting that such future technology and opportunities are dependent on a range of external factors outside of CIAL's control (including government policy, viability of technology, appropriate investment and customer demand)).

Facilitating on-site solar generation and potential future storage is expected to help in addressing a climate related risk as it provides us, and the wider network, with a degree of energy supply resilience. The ability to support potential future development of green hydrogen using energy generated from Kōwhai Park may also provide a degree of supply chain resilience.

Kōwhai Park will be complemented by a localised grid connection/sub-station to ensure CIAL has future energy resilience and supply for our campus as well as increasing the supply of renewable energy to the national grid.

ADAPTATION AND RESILIENCE

We recognise the physical impacts of climate change may present risks to our assets in the long-term future, and the consequent need to adapt and future proof our assets and operations and reduce our vulnerability to climate hazards. To help us respond to this, we are now completing a process to update our 30-year master plan, which will consider a wide range of aspects across the airport campus including the electrification of our terminal and ground transport strategy, investment property strategy, capacity and resilience of energy supply, climate adaptation requirements and operational resilience.

It is worth noting the role CIAL plays in handling displaced aircraft and passengers when major weather events or infrastructure limitations (e.g., fuel supply) impact other parts of the country. Aviation relies on a network, which means that an impact on one node has flow-on effects for the other nodes. As we are the only wide-body capable airport behind Auckland International Airport, and the diversion airport for most international airlines, we will continue to play an active role in supporting national resilience.

As part of the development of our transition plan, we intend to develop our physical risk adaptation plan which will identify key adaptation actions required for the most material physical climate risks together with timeframes and investment needs. None of the required initiatives are likely to be material in the short- to medium-term.

BIODIVERSITY

Biodiversity is a key planetary boundary that is currently being exceeded and requires global action to address. CIAL has an interest in positively impacting the biodiversity on our campus, while managing unique airport operational challenges, such as limiting bird activity in and around our runways.

CIAL has developed a biodiversity baseline and framework within which to measure and monitor progress against the global biodiversity goals. We will be activating a biodiversity transition plan to support the global goals and continue work to embed this into practices across the organisation.

NOISE

Air noise contours are the key to Christchurch Airport's ability to operate safely and efficiently – both now and into the future. Noise contours identify areas around Christchurch Airport that are exposed to aircraft noise at levels which may impact the long-term amenity of communities in those areas. Noise contours are designed to protect both local communities and the efficient operation of Christchurch Airport as a significant infrastructure asset and vital gateway for Canterbury's and the South Island's economy.

Christchurch Airport is one of only two airports in New Zealand that can operate 24 hours a day, 7 days a week. It is also the only South Island airport that can accommodate wide body aircraft. Its 24/7 operation facilitates significant domestic and international leisure and tourism, generating employment, investment and indirect benefits to local businesses. Our producers and community rely on the efficient and reliable connectivity to local and international markets we provide, for high value produce (including perishable goods) and overnight parcel and small freight deliveries. Its operation is also critical for providing a lifeline for remote communities and enabling a rapid response when disasters occur.

Noise contours are a key tool in regional and district planning. They ultimately will guide land-use decisions around Christchurch Airport, and consequently it is important that all planning decisions effectively balance the critical need for 24/7 airport operations, with urban development and community interests. CIAL will continue to work with our shareholders to build their understanding of that framework and CIAL's approach to protecting our long-term future.

Performance Measures	Performance Targets	
	2027	2028 & 2029
<p>Climate</p> <p>Deliver ongoing reduction in emissions from our airport operations, together with supporting stakeholders with the transition to a lower carbon future</p>	<ul style="list-style-type: none"> Continue airport operational greenhouse gas ('GHG') emissions reductions of 90% or greater (scope 1 & 2 emissions) Support our Scope 3 supply chain partners to meet their own emissions reduction goals 	<ul style="list-style-type: none"> Maintain airport operational GHG emissions reductions of 90% or greater (scope 1 & 2 emissions) Support our Scope 3 supply chain partners to meet their own emissions reduction goals – notably in the area of future fuels
<p>Energy</p> <p>Onsite renewable energy to power CIAL's decarbonisation and support aviation's lower carbon future</p>	<ul style="list-style-type: none"> Large-scale onsite generation of renewable electricity, with new substation, and expand campus electricity network distribution access. Explore role of BESS and HVO fuel in place of back-up generators 	<ul style="list-style-type: none"> Investigate potential pathways and partners to enable future fuels & energy including any potential for green hydrogen generation onsite
<p>Biodiversity</p> <p>Maintain, enhance and restore Aotearoa's native and endemic species.</p>	<ul style="list-style-type: none"> Continue measuring and monitoring framework for CIAL biodiversity 	<ul style="list-style-type: none"> Engage in long-term partnerships with local community to implement projects within work program
<p>Noise</p> <p>Our responsibility and preference are to collaborate with all stakeholders, especially residents and businesses close to Christchurch Airport and its flight paths in relation to noise impacts</p>	<ul style="list-style-type: none"> Noise complaints are limited to 10 per 10,000 aircraft movements per annum Continue to participate in the consultation process in Canterbury on how the latest noise contours are to be integrated into regional and district planning Offers of acoustic mitigation to noise impacted properties currently eligible Long term and ongoing program to protect CIAL from noise reverse sensitivity affects 	<ul style="list-style-type: none"> Noise complaints are limited to 10 per 10,000 aircraft movements per annum Offers of acoustic mitigation to noise impacted properties currently eligible Long term and ongoing program to protect CIAL from noise reverse sensitivity affects

PEOPLE

Our People Strategy is a key enabler of our H35 strategy, ensuring CIAL has the capability, leadership, and culture required to deliver long-term growth, resilience, and commercial success. As the organisation continues to grow in scale and complexity, our focus is on building a high performing, values led, and future ready workforce that can safely deliver for customers, shareholders, and the wider community.

CULTURE & ENGAGEMENT

CIAL's strong and engaged culture is a strategic asset underpinning delivery of our business priorities. Our focus is on deepening and differentiating this culture to sustain high performance, safety, and trust as the organisation grows. We are shifting from measuring engagement to actively using it as a lever for performance, ensuring leadership behaviours and ways of working consistently reinforce our values and strategy.

TALENT, DEVELOPMENT AND LEARNING

Delivering H35 requires a deliberate focus on workforce planning, capability development, and succession planning, particularly in safety-critical, technical, and leadership roles. Our learning approach is blended and practical, combining formal training, digital learning, and on-the-job experience aligned to business priorities. We actively identify and develop talent to strengthen internal pipelines, reduce organisational risk, and support continuity. Leadership capability remains a priority, with targeted development for current and emerging leaders.

DIVERSITY, EQUITY & INCLUSION

CIAL is committed to being a fair and inclusive organisation that reflects the communities we serve. Inclusion is embedded as a core enabler of strong performance, better decision making, and sustainable talent attraction and retention. We continue to build inclusive leadership capability, set measurable aspirations, and track progress to ensure diversity and inclusion efforts are sustained and aligned with organisational outcomes

FUTURE OF WORK & CAPABILITY

Advances in technology, digitisation, automation, and AI are reshaping how we work. In support of H35, CIAL is leveraging these tools to improve productivity, decision making, safety, and service outcomes, while reducing low value work. At the same time, we are strengthening our change management capability, recognising that transformation is now continuous. A consistent change methodology is being embedded to support adaptability, engagement, and resilience through change.

REMUNERATION AND FAIR PAY

Our remuneration framework supports commercial performance by attracting and retaining the talent required to deliver H35, while ensuring fairness, transparency, and public accountability. Addressing pay equity remains a priority. Progress has been made in reducing the gender pay gap, with targeted actions underway and annual monitoring continuing until the gap is closed.

Remuneration is regularly benchmarked to market and aligned to performance. CIAL pays above the living wage and actively promotes fair pay practices. We are conscious of our public responsibilities in the setting of remuneration for senior executives, which is closely managed by the Board and made publicly available via the Annual Report.

Performance Measures	Performance Targets	
	2027	2028 & 2029
Future of Work & Capability	<ul style="list-style-type: none"> Track success of AI pilot and identify future test case uses to include into wider digital transition roadmap Digitise priority People & Culture processes and tools, reducing manual effort and improving access to people information for employees and leaders 	<ul style="list-style-type: none"> Support the implementation digital roadmap activations across the business including identified AI test cases Embed and standardise digitally enabled People & Culture processes, with consistent adoption across the organisation and demonstrated efficiency gains
Talent, Development & Leadership	<ul style="list-style-type: none"> Increase annual learning and development hours per employee Continued retention of identified critical talent Improved Management & Leadership results in annual engagement survey Expand the inhouse Leadership Development Programme to increase participation and build leadership capability across a wider group of people leaders 	<ul style="list-style-type: none"> Demonstrate improved capability outcomes from learning investment, with targeted development aligned to priority skills and roles critical to H35 delivery Maintain high retention of critical talent while building internal succession pipelines for key roles Improved Management & Leadership results in annual engagement survey
Culture & Engagement	<ul style="list-style-type: none"> Average Voluntary turnover remains <10% Sustain improved engagement results, with reduced variation across teams and key demographic groups 	<ul style="list-style-type: none"> Average Voluntary turnover remains <10% Sustain high engagement outcomes, with leaders demonstrably accountable for acting on engagement feedback and results
Inclusion (Diversity & Equity)	<ul style="list-style-type: none"> Conduct Gender and Ethnic Pay Gap analysis Continue actions that work towards a zero gender pay gap by 2030 Improve gender diversity in CIAL's leadership group towards a goal of 40/40/20 (female/male/any gender) 	<ul style="list-style-type: none"> Sustain momentum toward closing the gender pay gap, with evidence of progress and effectiveness of interventions Deliver continued progress toward a 40/40/20 gender balance across CIAL's leadership group

HEALTH, SAFETY & WELLBEING

Our integrated Health Safety and Wellbeing approach focuses on protecting our people by creating healthy work where our people can thrive. Our 2027/28 priorities focus on strengthening people leader capability, integrating our people and aviation safety systems, and embedding critical risk control and psychosocial hazard verification.

Performance Measures	Performance Targets	
	2027	2028 & 2029
Culture & Leadership - continue to develop a positive culture that enables the health, safety and wellbeing of our people	<ul style="list-style-type: none"> Improve on the HSW factor insight in our annual culture and engagement survey Year on year improvement in quality, coverage and number of HSW leadership interactions/events 	<ul style="list-style-type: none"> Year on year improvement on the HSW factor insight in our annual culture and engagement survey Year on year improvement in quality, coverage and number of HSW Leadership interactions/events
Management systems – continuous improvement in systems to manage health safety and wellbeing	<ul style="list-style-type: none"> Full integration of aviation and people safety management system CIAL Protection workplan delivered on schedule including critical risk management and assurance program 	<ul style="list-style-type: none"> External audit of integrated aviation and people safety management system without major findings. CIAL Protection workplan delivered on schedule including critical risk management and assurance program
Wellbeing – enabling healthy work where our people can thrive	<ul style="list-style-type: none"> 90+% of people leaders trained in psychosocial risk awareness & response. Maintain or increase the wellbeing, psychological safety and work/life blend scores in our annual culture and engagement survey 	<ul style="list-style-type: none"> Complete psychosocial risk “baseline” assessment across all teams and agree the top 3 risk priorities Maintain or increase the wellbeing, psychological safety and work/life blend scores in our annual culture and engagement survey

WIDER CIAL IMPACT

STRATEGIC ROLE IN REGIONAL GROWTH

CIAL's strategy extends beyond airport operations. As the South Island's international gateway, we play a direct role in strengthening tourism, trade and economic development across Christchurch, the South Island and New Zealand.

We actively invest in destination growth through partnerships with ChristchurchNZ and Tourism NZ, alongside regional collaboration initiatives such as the 'South' program, positioning South Island regions collectively in international markets. These investments, funded from visitor-related revenues, drive connectivity that underpins tourism, high-value exports, international education and skilled migration, while delivering broader social benefits.

Christchurch's revitalisation — supported by new attractions and a strengthened events pipeline — has re-established the city as a premier destination for conferences, tourism and education. Sustaining this momentum is central to growing aviation demand and strengthening our core earnings platform. In parallel, CIAL enables over \$4 billion of high-value airfreight annually, including approximately 90% of South Island parcel freight, reinforcing our strategic role in export supply chains.

COMMUNITY ENGAGEMENT

CIAL is a proud, active and responsible member of the Christchurch, Canterbury and South Island community, committed to delivering positive social outcomes and maintaining strong stakeholder relationships.

Support is provided through the Community Fund, terminal-based charity partnerships, and the provision of promotional space to showcase regional events and initiatives. These initiatives reinforce our role as a civic gateway and strengthen regional identity.

We remain committed to deepening community connections through proactive engagement, participation in regional forums and events, and sharing expertise across the city, region and nationally.

MANA WHENUA

CIAL recognises the need for and is building cultural competence and is actively engaged with iwi in various ways across a number of areas of its activities.

CIAL is focused on an ongoing programme of work designed to embed Mātauranga Māori, Te Aō Māori, Tikanga Māori and Te Reo Māori in ways that are appropriate for our people, iwi, business and visitors. CIAL is committed to building enhanced partnerships with mana whenua in line with the aspirations of both its shareholders and will continue to leverage off the wider CCHL He Huanui work program.

CIAL continue to work at improving the cultural fluency and competency of our people through the provision of regular development programs, coaching and exposure to opportunities.

INTERNAL GOVERNANCE FRAMEWORK

COMMITMENT

The Board and management are committed to undertaking their governance role in accordance with accepted best practice appropriate to the company's business, as well as taking account of the company's listing on the NZX Debt Market. A sound and effective governance framework is essential to meeting the needs of our stakeholders, which includes a set of systems and processes, supported by people with the appropriate competencies and principles.

Changing commercial circumstances require regular review and continually evolving systems that implement newly developed techniques and industry best practice.

GOVERNANCE OBJECTIVES

The Board has adopted the following governance objectives:

- Approve Corporate Strategy and direction, laying down solid foundations for management and oversight
- Structure itself to utilize the expertise of Directors to add value at a governance level
- Promote ethical and responsible decision-making
- Safeguard the integrity of its financial reporting and make timely and balanced disclosure
- Recognise and manage risk and encourage enhanced performance
- Ensure the occupational health, safety and wellbeing of the company's people and contractors working for CIAL across the Christchurch International Airport campus
- Remunerate fairly and responsibly
- Respect the rights, and recognise the legitimate interests, of all stakeholders.

ROLE OF THE BOARD OF DIRECTORS

The Board is ultimately responsible for approving CIAL's strategic direction; supervision of the management of the company and achievement of its business strategy, with the aim being to increase long term shareholder value while sustaining and ensuring the obligations of the company are properly met.

The Board's charter recognises the respective roles of the Board and management, which are outlined in CIAL's Annual Report. The Board delegates day-to-day operations of the company to management under the control of the CEO. Such day-to-day operations are required to be conducted in accordance with strategies set by the Board.

All directors are required to comply with a formal code of conduct, which is based on the New Zealand Institute of Directors Code of Proper Practice for Directors.

The Board regularly critically evaluates its performance, its processes and procedures to ensure that they are not unduly complex and that they assist the Board in effectively fulfilling its role and performing its duties. The Board and Committees and each director have the right to seek independent professional advice to assist them to carry out their responsibilities.

RESPONSIBILITY TO SHAREHOLDERS

Shareholders articulate their key focuses to the Board in an annual Letter of Expectation. Having received and considered that Letter of Expectation from shareholders, and in accordance with Section 64 of the Local Government Act 2002, the company submits a draft Sol for the coming financial year to Shareholders. The Sol sets out the company's overall objectives, intentions and financial and performance targets.

After due consultation and discussion with the Shareholders and completion of the annual business planning and budgeting, the final Sol is approved by the Board of Directors and delivered to the Shareholders before the end of June.

BOARD COMPOSITION, APPOINTMENT AND FEES

The composition of the Board reflects an appropriate mix of skills, experience and attributes required to discharge the duties and responsibilities of the Board and aligns to the interests of the shareholders as a whole, establishing the company's strategy and ensuring that it is effectively implemented.

A fully constituted Board consists of six directors: four appointed by majority shareholder, Christchurch City Holdings Ltd (CCHL), and two appointed by the Minister of Finance and the Minister for State Owned Enterprises (on behalf of the New Zealand Government).

Directors' appointments are for such period as determined by the relevant shareholder, but each term shall not exceed three years. Retiring directors may be reappointed by the relevant shareholder for further terms of three years as circumstances warrant, considering the unique characteristics of the aviation and regulatory environment in which CIAL operates, the long-term investment horizon for critical infrastructure such as airports, and the need to minimise succession risks for both shareholders and bond holders considering the overall composition and tenure of the existing Board.

The Board has a broad range of commercial, financial, marketing, tourism and other relevant experience and expertise required to meet its objectives. Fees for the Board are reviewed by the shareholders using independent advice.

The Board has four formally constituted committees, the Risk, Audit and Finance Committee, the People, Culture and Safety Committee, the Property and Infrastructure Committee and the Aeronautical Committee. All committees have Board-approved terms of reference outlining the committee's authority, duties and responsibilities and relationship with the Board. Additional committees may be established based on need. Each committee must include a representative of each shareholder.

COMMUNICATION WITH SHAREHOLDERS

NO SURPRISES

CIAL is committed to keeping its shareholders informed and places a high degree of importance on open communication and transparent reporting. The company will operate on a “no surprises” basis in respect of material shareholder-related matters, to the extent possible in the context of commercial sensitivity and confidentiality obligations. Any sensitive issues that could result in community or media attention or issues will be communicated to the Shareholders as soon as possible.

SHAREHOLDER ENGAGEMENT

The Board aims to ensure Shareholders are informed of all major developments, including future material strategic investments or transactions, affecting the company’s state of affairs, while at the same time recognising commercial sensitivity and New Zealand Stock Exchange (“NZX”) continuous disclosure obligations (due to CIAL’s listed debt), may preclude certain information from being made public.

Within this constraint, information is communicated to the shareholders through:

- quarterly updates on the ongoing performance of the company which may include financial, strategic, risk and operational updates
- six monthly briefings
- both the annual report and the half-yearly report; and
- “No surprises” updates

CIAL will ensure that the company’s shareholder reporting meets their requirements.

STATEMENT OF INTENT

The Statement of Intent will be submitted to the shareholders for consultation annually, as required by the Local Government Act 2002. The directors will include any other information they consider appropriate. Where appropriate revised forecasts will be submitted to shareholders.

ANNUAL AND HALF YEAR REPORT

An annual report will be submitted to the shareholders. The annual report will include audited financial statements and other details which permit an informed assessment of the company's performance and financial position during the reporting period provided to the shareholders.

Half-yearly reports will also be provided to the shareholders. These reports will contain unaudited information and comply with NZ IAS 34.

ANNUAL GENERAL MEETING

CIAL recognises that the annual meeting is an important forum at which shareholders can meet with the Board, and it encourages shareholders to use the forum to ask questions and make comments on the performance of the company. CIAL will work with shareholders to agree on the form of the Annual General Meeting each year.

ONGOING ENGAGEMENT

Our commitment to working closely with our shareholders and keeping other stakeholders well informed as our understanding of our strategic risk and opportunities evolve, will continue.

This extends to consulting on matters such as airport master planning, submissions on any proposed government reforms or any potential investment of large-scale capital to pursue complimentary growth opportunities, in advance of any decisions being required or capital deployed.

WIDER STAKEHOLDER ENGAGEMENT

CIAL will also look for more proactive engagement with our aligned stakeholders (including other CCO's, CCTO's and ChristchurchNZ), and other parties (including Ngai Tahu and the wider communities). This will be activated through a detailed stakeholder engagement plan across each key partner.

ACQUISITION/DIVESTMENT PROCEDURES

CIAL will continually assess the best way to maximise its contribution to New Zealand's sustainable aviation growth and its contribution to the social and economic value added to the regions. CIAL's business development activity may include direct investment or partnership activities with appropriate organisations.

The subscription or acquisition of securities in any company or organisation, or a divestment of part of the existing business, will only be considered where it is consistent with the long-term commercial objectives of CIAL.

When the subscription, acquisition or divestment is considered by directors to be significant to the company's business operations, it will be subject to consultation with the shareholders.

Major transactions as defined in the Companies Act 1993, s129 (2), will be subject to shareholders' approval by special resolution.

Notwithstanding the above, if CIAL is considering a significant acquisition or disposal of assets or securities, the shareholders will be consulted with as much lead-time as is commercially practicable in the prevailing circumstances.

Where the company decides to incorporate, or subscribe to, shares in subsidiaries to undertake its commercial activities, the company will ensure effective management, with Board control of any subsidiary being exercised by CIAL's directors and staff.

As a part of its ongoing master planning approach, CIAL will continue to regularly engage in the acquisition of property and land assets which support the company's commercial, renewable energy, biodiversity and operational and financial resilience strategies over that long-term master planning horizon. As noted above, major transactions as defined in the Companies Act 1993 will be subject to shareholders' approval, and other transactions will be advised in accordance with CIAL's "No Surprises" approach.

ESTIMATE OF VALUE

The directors note the commercial value a shareholder may realise on any sale of its investment in CIAL will almost certainly differ from the value estimated in this Sol, depending on the circumstances of sale, the identity of the buyer, and market conditions applicable or forecast at the time.

The most recent estimate of the equity value of Christchurch International Airport is \$2,294 million.

The primary approach for this assessment is a discounted future cash flow (DCF) approach related to the airport operations, plus investment properties and surplus land at independent market value assessments.

The current investment property market value assessments are based on independent valuations performed as at 30 June 2025. More recent valuations are currently being prepared but were not finalised as at 30 June 2026.

The current equity value of the Shareholders' investment of \$2,294 million, was calculated by taking the midpoint range of the enterprise value of \$2,865 million and deducting net debt of \$568 million as at 30 June 2025.

The directors note that the estimation of the commercial value of CIAL each year is somewhat of an "academic" exercise. In particular, the approach used for the purposes of this Sol would almost certainly come up with a different estimate to:

- A valuation for financial statement purposes – prepared in accordance with the rules set out in the relevant accounting standards; or
- An earnings multiplier approach – used predominantly for transactional purposes.

This value is re-estimated annually.

ACCOUNTING POLICIES

CIAL has adopted accounting policies that are consistent with New Zealand International Financial Reporting Standards, generally accepted accounting practice and the policies adopted by the Christchurch City Council group.

The company's current detailed accounting policies are available in our most recent annual report for the year ended 30 June 2025, as published on our company website

<https://www.christchurchairport.co.nz/globalassets/about-us/who-we-are/financial-reports/2025-Annual-Report-Financial-Statements.pdf>