

NZSA Criteria for Policy Assessment

Policy 1: Director Fees
<i>(Last Update: Mar 2022, Reviewed 2025)</i>
Fee Pool OR Individual approval disclosed
Fee Pools include ALL potential amounts - incl. share-based payments & retirement
No options for non-exec directors (<i>EXCEPTION: early-stage companies, US-based</i> <i>Where exception applies, methodology and dilutionary impact disclosed</i>
No retirement benefits for non-exec directors
Payment: Fees outlined by Director
Payment: Includes ALL amounts paid (eg, special exertion. options)
No special exertion benefits available for directors <i>EXCEPTION: Disruption, Takeover, Major projects</i> <i>Where exception applies, any payment is within headroom</i>
Any increase is shown by \$ and %age
Increase outlined by director
Increase is supported by an independent report
Independent report summary has been disclosed (covering method, companies or mkt parameters)
If company constitution allows for pro-rata increases (a requirement in NZX Listing rules), no fee pool increase for new directors
Comparable with peers (scale, complexity)
Appropriate number of directors
Fee increase appropriate in terms of company performance
Companies with executive chair have a lower fee pool
Policy 2
<i>left intentionally blank – policy withdrawn Feb 2021</i>
Policy 3
<i>left intentionally blank – policy withdrawn Apr 2023</i>
Policy 4: Employee Engagement and Whistleblowing
<i>(Last Update: Jul 2018)</i>
Reporting policy in place
Disclosed with good detail (including process)
Policy 5: Executive Remuneration
<i>(Last Update: Jan 2025)</i>
Disclosure of executive remuneration is concise, understood and transparent
Remuneration Policy is disclosed
Target structure of remuneration components disclosed
Market positioning disclosed
Remuneration governance structure disclosed
Short-term incentive:
<ul style="list-style-type: none"> • Measures, weightings and targets disclosed - STI • STI targets disclosed to shareholders, incl. max and min amounts • Level of achievement against incentive disclosed - STI • Relationship of incentive award to base remuneration shown - STI

<ul style="list-style-type: none"> • Rem disclosure relates to the year in which it was earned - STI (ie, different to stat disclosure)
Long-term incentive:
<ul style="list-style-type: none"> • Measures, weightings and targets disclosed - LTI
<ul style="list-style-type: none"> • Relationship of incentive award to base remuneration shown - LTI
<ul style="list-style-type: none"> • LTI includes a TSR measure
<ul style="list-style-type: none"> • LTI NOT solely based on tenure
<ul style="list-style-type: none"> • LTI assessment > 3 years
<ul style="list-style-type: none"> • Amount of LTI Vested / Paid disclosed
<ul style="list-style-type: none"> • A weighting towards LTI
Disclosure of Gender Pay Gap
Disclosure of CEO/Worker ratio
No golden parachutes
No payments for loss of benefit at previous employer (golden handshake)
Disclosure of severance notice period and terms
Policy 6: Independent Directors
(Last Update: Jun 2024)
Majority of independents
Disclosure of factors leading to independence decision.
No relationship that could prejudice their independence
Not representing a substantial securityholder, employee, customer or supplier
Disclosure of non-independent to independent changes
5 year gap between employment and 'independence'
Time Available - no more than 5 Directorships
If employed elsewhere, no more than 1 Directorship
Policy 7
<i>left intentionally blank – policy withdrawn Jun 2024</i>
Policy 8: Political Donations
(Last Update: Jul 2018)
No political donations
Where there are - discuss at AGM, fully disclosed
Policy 9
<i>left intentionally blank – policy withdrawn Apr 2023</i>
Policy 10: Audit Independence
(Last Update: Jul 2018)
Disclosure of non-audit work carried out by Audit Firm
Disclosure of audit conflict resolution process
Other work less than 25% of total audit work
Audit reporting to shareholders independently
No directors of company from audit firm
Policy 11
<i>left intentionally blank – policy withdrawn, April 2022</i>
Policy 12
<i>left intentionally blank – policy withdrawn Jun 2024</i>
Policy 13
<i>left intentionally blank – policy withdrawn Jun 2024</i>

Policy 14: Director Tenure

(Last Update: Mar 2022)

Less than 9 years

EXCEPTION: founder-directors, institutional knowledge, sustained performance

Justification provided if past 9 years

Evidence of succession and regular renewal

Policy 15: Future Directors

(Last Update: Mar 2022)

NZX50: Future Director (or similar) on Board

NZX50: Execs participate in FD or similar programme

Policy 16: Auditor Rotation

(Last Update: Jul 2018)

Lead audit partner less than 5 years

Lead audit firm less than 10 years

Disclosure of appointment dates - Partner

Disclosure of appointment dates - Firm

Policy 17: Board Composition

(Last Update: Apr 2022, Reviewed 2025)

Skills balance: Greater than 33% with relevant industry experience (exec or governance)

Skills balance: as a collective, relevant to company

Skills match relevant to managing external stakeholder risks

Individual skills matrix disclosed

Evidence of social diversity: age, gender, experience, ethnicity

Full details of other directorships disclosed

Nominations Committee not influenced by CEO/MD

Board Performance & Accountability

Financial knowledge & governance principles

Policy 18: Independent Directors Share Ownership

(Last Update: Mar 2022)

No compulsory requirement to purchase shares

MITIGATION: discretion, timeframe to achieve, low %age

(key factor is to not limit potential director pool and maintain independence)

Policy 19: ASM Format

(Last Update: Jul 2021)

Hybrid

Virtual participants ask verbal questions in room

Ability to ask follow-up questions

Auditor is present

Directors proposed for election address the meeting

Wider investor-relevant content included

Scheduling: Avoided major conflicts

Ease of access for shareholders (physical)

Resolution outcomes posted to NZX

Policy 20: Takeover

(Last Update: Aug 2021)

Takeover Code offer

SoA where: OIO, offer beyond 'cash + share'

Independent report available for shareholders

Where SoA:

Ind Directors control access to appraiser and report

No due diligence until firm offer received

Costs reimbursed by Offeror Offerors not approaching media No break-fees/lock-up agreements
Policy 21: Independent Advice for the Board (Last Update: Apr 2022 – in consultation)
Key Risks Identified
Evidence that Board is able to identify and understand risks (assurance)
Board receives assurance information directly from internal and/or external sources (including co-sourcing)
Relevant assurance staff able to access Board
ARC supervises financial data
ARC Chair not Company Chair
Policy 22: Environmental Sustainability (Last Update: Jan 2023)
Overall Approach
<ul style="list-style-type: none"> • 4 pillar approach • Resources (people) dedicated to sustainability issues • Risk & Opportunity disclosed • Net global benefit (ie, not a benefit to NZ offset by a worse impact elsewhere) • No greenwashing • A focus on solution not just offsetting
Governance
<ul style="list-style-type: none"> • Board Capability • Board governance process disclosure • Sub Committee (where a key focus) • Evidence of broad stakeholder engagement
Risk & Opportunity
<ul style="list-style-type: none"> • Process disclosure (risk identification & mgmt) • Fit for purpose mitigation
Strategy
<ul style="list-style-type: none"> • Disclosure of environmental impacts on a corporate strategy • All risks & opps disclosed • Evidence of capital investment to support mitigations • Adaptation roadmaps disclosed • Progress against milestones
Metrics and Targets
<ul style="list-style-type: none"> • Enviro metrics/milestones disclosed • Enviro targets disclosed • Level of achievement disclosed • If a CEO incentive target, this is clearly disclosed within CEO Rem tables • GHG disclosed (Sc 1, 2) • Pathway to scope 3 disclosed • Comparative data available
Assurance
<ul style="list-style-type: none"> • Audit undertaken on limited assurance basis
Policy 23: Capital Management (Last Update: Apr 2023)
Clear rationale for capital structure or actions
Capital Raise: renounceable rights offer
Capital Raise: Liquidity event available for non-participating shareholders
Capital Raise: factors present to support alternative raise method

Capital Raise: where alternative method, disclosure of dilution, scaling and known %age who can't take up pro-rate
Capital Raise: Prompt refund of oversubscriptions
Capital Raise: Fees paid to underwriters etc
Dividend rationale and/or policy
Returns ABOVE cost of equity implied by DRP
Imputation credits paid out <i>MITIGATION: issuer justifies retention based on long-term returns</i>
Tax efficiency: If no imputation credits, issuer to consider other forms of return for shareholders
Dividends not exceed FCF
Dividends not paid form borrowing and/or recent capital raise
Buyback: not operating at the same time as a DRP
Buyback" effective use of funds relative to alternative investment opportunity