



Channel

Infrastructure NZ



Director and Executive Remuneration Policy

The Policy is reviewed at least on a bi-annual basis by the People, Nominations and Remuneration Committee, or earlier if determined by the Committee, the Board or by management.

Any change to this Policy requires the approval of the Board

Policy Owner: Chief People Officer

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1. Purpose

The purpose of this Policy is to outline the remuneration philosophy and framework for Channel Infrastructure NZ Limited and its subsidiaries (the “Channel Infrastructure group”) including the principles and procedures for the approval of remuneration for Directors and Executives.

2. Who this policy applies to

This Policy applies to all members of the Channel Infrastructure Group of companies.

3. Key principles

Key principles are:

- Channel Infrastructure will apply a fair and equitable approach to remuneration and reward practices, taking into account internal and external relativities balanced against the commercial environment.
- We aim to attract and retain appropriately qualified and experienced individuals.
- Performance based compensation is to be aligned with Channel Infrastructure’s performance objectives and risk profile so as to promote sustained value creation without undue risk taking.

4. Channel Infrastructure’s approach to remuneration

The Board will take independent advice and establish market rates and medians against New Zealand businesses of comparable size and complexity, having regard to industry specific and generalist roles.

5. Executive remuneration framework

Individual performance, company performance and market relativity are key considerations in setting remuneration levels.

The components that may comprise remuneration include:

- Fixed remuneration – This includes base salary and employer contributions to superannuation or pension schemes.
- Discretionary Short-Term Incentive (STI) - This can be applied at the discretion of the Board that will approve the structure of the incentive scheme incorporating a mix of personal performances measures and business priorities metrics.
- Non cash benefits may also be applied e.g. medical insurance.
- Equity awards, which may be subject to performance hurdles.

6. Responsibilities

The Channel Infrastructure Board will be responsible for ensuring a transparent, fair and reasonable approach to remuneration. The Channel Infrastructure Board will:

- Appoint independent remuneration advisers to provide the Board with remuneration advice from time to time.
- Approve the remuneration policy.
- Approve the company's budget for annual remuneration reviews.
- Receive and approve proposals for remuneration review for the executive management team, unless delegated to the People, Nominations and Remunerations Committee from time to time.
- Approve the outcome of the discretionary short term incentive scheme as it may apply from time to time.
- Approve the allocation of and, performance hurdles that may apply to, equity awards from time to time.
- Approve remuneration for the Chief Executive including payment of any discretionary short-term incentive.
- Seek advice from time to time on Directors Fees and, if necessary, recommend to shareholders any proposed changes to Directors Fees or the Directors Fee Pool for approval.
- Report to shareholders in its annual report regarding the remuneration of Directors and the Chief Executive and other information in line with the NZX Corporate Governance Code.

The Chief Executive will:

- Make recommendations on the remuneration policy.
- Make recommendations on the executive management teams' remuneration to the Board, or its committee based on the performance of the executive and market remuneration information.
- Make recommendations regarding the structure of the short-term incentive scheme and any payments to staff under the discretionary short-term incentive.
- In making their recommendations, consider the relationship of the remuneration with the achievement of the Channel Infrastructure group's performance objectives and long-term value creation for shareholders.
- Provide such other company remuneration information to the Board as required from time to time.

7. Director remuneration framework

The People, Nomination and Remuneration Committee reviews the level of remuneration of Directors. The Committee considers the skills, time commitment, experience and level of responsibility of the Directors in undertaking their duties and is authorised to obtain independent advice on market conditions. The Committee will make appropriate recommendations to the Board for shareholder approval.