

Director remuneration policy

1. Purpose

Vector Limited (Vector or Company) will provide fair and reasonable, yet competitive, remuneration for its directors to ensure that the Company attracts and retains high calibre directors who have the skills, experience and knowledge to increase entity value, to the benefit of all shareholders.

The board's People and Remuneration Committee reviews and makes recommendations in respect of remuneration policies and practices for directors, senior executives and Vector employees generally.

2. Directors' remuneration

- 2.1. Directors are remunerated out of a total annual fee pool that has been approved by shareholders. Details of the current total annual fee pool are set out in the 2022 notice of meeting (available [here](#)).
- 2.2. The board will allocate the total annual fee pool consistently amongst the directors using a set base fee (for board chair, deputy chair and non-executive director roles) plus additional fees for each of the committee chair and member roles held. These fees reflect the time commitment and responsibilities of these roles. However, the board chair is not paid additional fees for committee chair or member roles.
- 2.3. The board has discretion to reallocate the total annual fee pool, by resolution of the board, should the board need to reconstitute the number of committees or number of members on each committee.
- 2.4. Under the NZX Listing Rules, if the number of directors increases, then the total annual fee pool (referred to in paragraph 2.1 above) will be increased by the average amount being paid to non-executive directors (excluding the board chair).
- 2.5. As required by Vector's Constitution, directors' remuneration and/or the total annual fee pool may not be increased unless paragraph 2.4 applies or the increase has been approved by an ordinary resolution of shareholders.
- 2.6. The board will, from time to time, but normally biennially, review the level of directors' remuneration, taking into account:
 - a. An independent assessment of the competitive market;
 - b. Vector's remuneration practices compared with similar companies and market trends;
 - c. The competitiveness of the prevailing level of remuneration and its ability to meet the primary remuneration policy objective of attracting and retaining high quality directors; and
 - d. Changes in directors' workloads.

- 2.7. A notice of meeting proposing any increase in directors' remuneration for shareholders' approval shall include a full explanation and justification for the proposed increase.
- 2.8. Subject to the requirement for shareholders' approval, the board may from time to time make a special payment to a director, or directors, in respect of additional services associated with any special event or project. Non-executive directors will not receive performance-based remuneration.
- 2.9. Company retirement payments will not be made to directors.

3. Disclosure

- 3.1. Vector will disclose directors' remuneration in accordance with all legal requirements.

Dated: August 2023