

Remuneration policy

1. Remuneration principles

Vector's remuneration framework is designed to attract and retain high performing individuals, support the delivery of the company's strategy and reward employees appropriately. This policy applies to all permanent Vector employees. Some elements of this policy may only apply to specific employee groups. Where this is the case, this is noted in the applicable section.

This policy outlines Vector's remuneration principles and provides a documented set of guidelines to enable the organisation to administer its remuneration programmes.

Vector's guiding remuneration principles are:

- Ensure Vector is competitively positioned in the New Zealand employment market;
- Reward high performance through pay, based on results achieved and demonstrated behaviours and competencies;
- Reward achievement of strategic objectives and increasing shareholder returns; and
- Ensure fairness and equity is applied across remuneration decisions.

Vector reserves the right to review and amend this policy at any time to meet the needs of the business. Any changes will be communicated to all employees.

The board has discretion to make changes to the direction of the policy and the application of the policy principles.

2. Remuneration framework

The Vector remuneration framework will consist of:

- **Job bands** which determine the internal relativity of all Vector roles based on a structured job evaluation methodology. Executive and human resources manager approval is required for changes to content of job bands.
- **Pay bands**, aligned to the job bands which reflect market competitive remuneration and provide a consistent and equitable approach to determining pay. Vector will benchmark to the median of the general market, while referencing industry specific remuneration data where possible when determining its pay bands.

The methodology behind the remuneration framework will be published and available to all employees. While individual remuneration is personal and confidential, Vector believes the company's approach to remuneration should be understood by all employees.

3. Components of remuneration

3.1 Total fixed remuneration

Total fixed remuneration includes base salary, fixed cash and non-cash benefits, and KiwiSaver company contributions where applicable. Vector's employer contribution to KiwiSaver is applied in line with the minimum legislative requirements. Details on the types of benefits Vector offers, are outlined in Vector's Employee Benefit Guide.

3.2 Variable remuneration

Vector operates a short-term incentive plan (STI) for senior executives. Eligibility is granted by invitation only and is at the sole discretion of the company. Details of any plan will be provided to eligible participants, and plan measures/targets will be communicated annually once approved by the board. Variable pay is not an entitlement and is entirely at the board's discretion.

Eligibility criteria for payment of any incentive will include:

- Being employed at the time of any payment and for a minimum period of 6 months of the review period.
- Acceptable individual performance in all respects as determined by the company including goals and behaviours.

The STI scheme, applicable rules and specific targets will be reviewed annually by the people and remuneration committee with board approval.

4. Remuneration reviews

The remuneration review process will take account of the following:

- Job evaluation (role band);
- Internal and external relativity;
- Individual performance in role;
- Behaviours and conduct; and
- Affordability against the overall company budget.

4.1 Annual remuneration review

Employee's total fixed remuneration is reviewed, but not necessarily increased, on an annual basis in line with the company financial year.

The formal annual performance and remuneration review process typically occurs each year from June – August, however these dates may be changed based on company requirements. Any changes to remuneration following this review will be effective 1 July. All remuneration decisions are subject to calibration sessions to ensure that remuneration adjustments are allocated fairly and

consistently based on merit and performance. Those on performance improvement plans (for role outcomes or behaviour) will not be eligible for a remuneration review.

The annual remuneration review budget is subject to board approval.

Employees who join Vector or receive a remuneration adjustment after 31 March will not be eligible for an annual remuneration review in that year.

Any changes to an employee's remuneration will be approved by the executive lead of each business unit with the group chief executive having final sign off.

4.2 Interim remuneration adjustments

Remuneration is generally not adjusted outside of the remuneration review process. Interim remuneration adjustments may be made at the company's sole discretion and based on changes in role or role scope. Any proposal to adjust remuneration outside of the annual review process must have written approval from the relevant business unit executive and human resources management and any payment must take into account budget and financial performance of the business unit.

4.3 Special payments

In certain circumstances, special payments may be made for example to recognise acting appointments (HDA), or a one-off payment to retain an employee at risk of leaving the company, project completion or exceptional effort for example. Written approval from the business unit executive and human resources management is required and any payment must take into account budget and financial performance of the business unit.

4.4 Pay equity

At Vector, we assess each role's remuneration based on market data, internal relativity and an individual's performance. We believe that an individual's remuneration should not be affected by factors such as gender, ethnicity or age. Employees performing roles of an equal size and scope, in terms of the skills, knowledge, experience, standards of performance, behaviours and level of responsibility, will receive equal pay.

We will conduct an annual pay equity review to meet this expectation.

Any remuneration adjustments as a result of the pay equity review are signed off by:

- Executive of each business unit; and
- Group chief executive.

Dated: May 2024