

Remuneration policy

1. Purpose

This policy provides the framework for setting, reviewing, and designing Vector Limited's (Vector or the Company) remuneration arrangements. It outlines the remuneration principles which ensure that remuneration practices within Vector are fair and reasonable for the organisation and all its employees.

2. Scope

This policy applies to all employees at Vector Limited.

3. 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. Some elements of this policy may only apply to specific employee groups and is noted where applicable.

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 is responsible for ensuring transparency and accountability to shareholders, including remuneration practices and has discretion to make changes to the direction of the policy and the application of the policy principles.

4. Senior executive remuneration

Consistent with Vector Limited's overarching remuneration principle of pay for performance, the total remuneration framework for senior executives (which for the purposes of this policy includes

the group chief executive and executive roles) is structured to reward and recognise exceptional performance. This approach ensures that the Company attracts and retains high-calibre senior executives with the skills, experience, and expertise necessary to execute the Company's strategic objectives and enhance long-term shareholder value.

The remuneration packages for Vector's senior executive roles consists of:

- Fixed remuneration (defined below); and
- A short-term incentive (STI) which is linked to the achievement of performance assessed on a balanced scorecard basis over the course of a financial year.

There is no long-term incentive (LTI) in place. An LTI for senior executives is not currently considered appropriate given the regulated nature of the business with limited ability to directly influence revenue and/or share price.

Vector recognises that certain business units may present unique attributes, strategic priorities, or exceptional opportunities that fall outside the scope of regulatory business operations. Accordingly, Vector reserves the right to offer targeted specific or bespoke incentive arrangements to such business units or individuals, where deemed appropriate, which will be subject to approval by the board.

Detail and quantum of remuneration elements for the group chief executive is disclosed in the Company's Annual Report at the end of the applicable year, in accordance with all legal requirements and in line with the NZX Main Board Listing Rules.

The same employee benefits available to Vector employees are also available to the senior executive roles.

The people and remuneration committee will seek external advice on senior executive remuneration at least every two years. The total remuneration for each senior executive role will be benchmarked against a peer group of comparable companies. The peer group will be determined by the people and remuneration committee and reviewed each two years at the time external advice is being sought. The peer group will comprise of companies of compatible size, industry and complexity and any other relevant factors to Vector.

Vector's market positioning for senior executives' total remuneration is the 75th percentile of the peer group's total reward, inclusive of LTI. The position within the market to which the senior executives are aligned will be at the discretion of the people and remuneration committee and will consider Vector's financial performance, individual performance and job size including responsibilities, accountabilities, skills, and competencies.

Remuneration for the senior executive roles is determined and reviewed annually by the board (for group chief executive), and by the group chief executive (for executive roles). Any remuneration adjustments or incentive payments made are at the sole discretion of the board and are not automatic.

Senior executives are not entitled to participate in any share-based incentive scheme.

5. Employee remuneration framework

Vector's employee remuneration framework consists 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.

Vector is committed to paying no less than the Living Wage to permanent and fixed employees.

For Vector subsidiaries, different remuneration frameworks may apply, as agreed with the group chief executive and approved by the board.

6. Components of remuneration

6.1 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 on the internal portal, VectorConnect.

6.2 Variable remuneration

Vector operates a short-term incentive (STI) scheme for senior management (limited to senior executives and their direct reports). Eligibility is granted by invitation only and is at the sole discretion of the company. Details of any scheme will be provided to eligible participants, and scheme 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.

7. 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.

7.1 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. For executive roles, changes require approval from both the group chief executive and the board. Remuneration changes for the group chief executive are approved by the board alone.

7.2 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. For executive roles, including the group chief executive, board approval is required.

7.3 Special payments

In certain circumstances, special payments may be made for example to recognise acting appointments (HDA), or a one-off payment to retain key employees, 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. For executive roles, including the group chief executive, board approval is required.

7.4 Pay equity

Vector is committed to pay equity and applies the following support: assessing each role's remuneration based on market data, internal relativity and individual performance. In addition, our hiring process has a number of checks to ensure successful candidates are paid equitably for their role and experience. We believe that an individual's remuneration should not be affected by any protected characteristics, as defined in the Human Rights Act 1993. 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 equitable 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 2025