



# Vector Limited

## Non-executive directors' fees benchmarking Summary report

15 April 2025

# *Remuneration Service provider Independence declaration*



PwC's Reward Services team has been engaged by the Vector Limited (Vector) Board of Directors (the Board) to provide independent remuneration benchmarking services in relation to Vector's Directors' fees (the Services).

As lead engagement Partner for the provision of the Services to the Board, I declare that no influence has been brought to bear upon me or, to the best of my knowledge and belief, any member of the PwC Reward Services team, by any Board member, employee or executive of Vector or any other party regarding the Services or outcomes of the Services.

Dated: 15 April 2025

A handwritten signature in black ink, appearing to read 'Chris Place', with a stylized flourish at the end.

Chris Place

Partner  
PricewaterhouseCoopers

# Summary

PwC was engaged to provide a summary report comparing Vector's current non-executive director (NED) fees to the aggregated NED fee data from a comparator group of 16 NZX-listed companies that Vector had selected for this purpose. The comparator companies selected by Vector are listed in Appendix 1.

Table 1 below shows the market median fee policy for the Chair, non-executive directors (NEDs), and additional fees for committee Chair and Member roles and compares Vector's current directors' fees to the median of each data set. The last row in the table shows actual fees paid to the entire Board in the last financial year for both Vector and the comparator companies. To be noted is that the median data point for each data set excludes zero values i.e. for committee roles, it reflects data only from those comparator companies that have a policy of paying an additional fee for the role.

Data is current as at 1 April 2025 and has been sourced from publicly available information, including annual reports and NZX disclosures.

In summary, the fees for Vector's Board Chair, NED (base fee) and Chairs and members of all committees are currently positioned below the market median of the fees of the comparator group.

None of the comparator companies have a standalone Risk Committee (or equivalent). Vector aligns this fee with that of its audit committee. As such the external market data for the Audit Committee has been used as the basis for this fee comparison.

Where the Vector Board chooses to position its fees against this market data will depend on the Board's view of the overall relevance of the comparator group and specifically Vector's perceived relative complexity of operations, scale, ranking (by scale) and risk profile as compared with those of the comparator companies selected for this purpose.

**Table 1:**

Position	Sample size	Market median	Vector current fee	Vector fee relative to market median fee
Board Chair <sup>1</sup>	16	237,400	214,000	90%
NED base fee <sup>2</sup>	16	119,900	107,000	89%
Chair of Audit Committee additional fee <sup>3</sup>	15	34,200	27,000	79%
Member of Audit Committee additional fee <sup>4</sup>	14	16,000	15,000	94%
Chair of Remuneration Committee additional fee <sup>5</sup>	15	24,000	20,000	83%
Member of Remuneration Committee additional fee <sup>6</sup>	14	12,400	10,000	81%
Chair of Risk & Assurance Committee additional fee <sup>7</sup>	15	34,200	27,000	79%
Member of Risk & Assurance Committee additional fee <sup>8</sup>	14	16,000	15,000	94%
Total approved fee pool <sup>9</sup>	15	1,231,500	1,087,020	88%
Actual fees paid <sup>10</sup>	16	1,093,400	1,099,136	101%

*Footnotes on the following page of this summary*

# Summary (cont)

## Notes:

1. Analysis of Chair fee policy for all 16 comparator companies. Most Chair roles are ineligible for additional committee fees, with the base fee recompensing all Board contribution / roles held. Three companies in the sample however paid committee fees in addition to base Chair fees and these are included in the Board Chair data to ensure a like for like comparison.
2. Analysis of base NED fee policy data for all 16 comparator companies.
3. Data from the 15 comparator companies whose policy is to pay additional fees to the Chair of the Audit committee (or equivalent). Mainfreight pays no committee fees (Chair or Member roles).
4. Data from the 14 companies with a policy of paying additional fees to the Member of the Audit Committee (or equivalent). In addition to Mainfreight paying no committee fees (per note 3), Fonterra pays no member of Committee fees.
5. Data from the 15 comparator companies whose policy is to pay additional fees to the Chair of the Remuneration committee (or equivalent).
6. Analysis of the 14 companies with a policy of paying additional fees to the Member of the Remuneration Committee (or equivalent).
7. Market data from the 15 comparator companies whose policy is to pay additional fees to the Chair of the Audit committee (or equivalent). This market data has been utilised for this comparison, given nil incidence of a standalone risk committee (or equivalent) across the comparator companies and because Vector advises these fees are aligned with that of its Audit Committee.
8. Data from the 14 companies with a policy of paying additional fees to the Member of the Audit Committee (or equivalent), given no dedicated standalone Risk Committees (per note 7).
9. Analysis of each of the 15 companies disclosing a shareholder approved fee pool. Fonterra specified policy rates by role, but did not specify a fee pool.
10. Actual fees paid across all 16 comparator companies.

# Appendix 1 – Comparator Group

**Table 2:**

Organisation name	Market Capitalisation (\$ millions)	Company total revenue (\$ millions)	Company total assets (\$ millions)
Meridian Energy	14,960	4,856	13,543
Mercury	8,104	3,424	9,795
EBOS Group	7,519	13,189	6,744
Fonterra	7,483	22,822	16,679
Contact Energy	7,378	2,863	6,208
Mainfreight	6,274	4,718	3,781
a2 Milk Company	6,248	1,676	1,735
Port of Tauranga	4,490	417	2,900
Spark	3,822	3,861	4,635
Fletcher Building	3,547	7,683	8,874
Chorus Limited	3,530	1,010	6,012
Goodman Property	2,947	203	4,717
Ryman Healthcare	2,793	690	13,084
Summerset Group	2,706	272	6,942
Genesis Energy	2,357	3,048	5,637
Channel Infrastructure	804	140	1,348
<b>Vector</b>	<b>3,890</b>	<b>1,141</b>	<b>7,126</b>
<b>Median of comparator group</b>	<b>4,156</b>	<b>2,955</b>	<b>6,110</b>

Source: Market capitalisation data sourced from NZX data in April 2025 and annual revenue and total assets from most currently available annual reports.