

# **NZAI - Remuneration Policy**

## **(Non-Executive Directors and Senior Managers)**

### **1. Scope and Purpose**

- 1.1 This NZ Automotive Investments Limited (**NZAI**) Remuneration Policy (**Policy**) applies to the board of directors of NZAI (**Directors**, and the **Board**) and the Chief Executive Officer (**CEO**), Chief Financial Officer and each of their direct reports that make up the senior management team of NZAI (**Senior Management Team**) and all of its subsidiaries (**NZAI Group**).
- 1.2 The purpose of this Policy is to outline the principles which apply to the remuneration of the NZAI Group's Directors and the Senior Management Team.
- 1.3 All of NZAI's remuneration decisions will be transparent, fair and reasonable and based on merit, where appropriate. NZAI will not discriminate on the grounds of gender, race, religion or belief, disability, age, sexual orientation or gender identity.
- 1.4 Remuneration will be set at levels that recognise an individual's market value (i.e. level of skills and experience, the demand for skill and performance in the role and the commercial environment).

### **2. Non-Executive Directors**

- 2.1 The aggregate annual remuneration that can be paid to Directors of NZAI is fixed as a total pool per annum by NZAI's shareholders (**Shareholders**) from time to time (**Pool**). Each year, the Board will approve the Directors' remuneration for the following financial year within that Pool and as recommended by the Remuneration Committee (**Committee**).
- 2.2 Directors are entitled to be reimbursed for reasonable travel, accommodation and other expenses incurred by them in connection with their attendance at Board or Shareholder meetings, or otherwise in connection with the NZAI Group's business. Such expenses do not form part of the Pool. An additional allowance may be paid to Directors for any takeover or merger activity to remunerate the Directors for additional work required in relation to such activities.
- 2.3 The remuneration of non-executive Directors will be reviewed by the Committee, and will consider benchmarking data from similar listed companies, amongst other information.

### **3. CEO and the Senior Management Team**

- 3.1 Determination of remuneration for the CEO and other members of the Senior Management Team is subject to a fair and thorough process. Remuneration will be determined by the scale and complexity of the relevant employee's role. An annual remuneration review is undertaken by the Committee on behalf of the Board in the second quarter each year. Further details as to the role of the Committee are set out in the Remuneration Committee Charter.
- 3.2 Under NZAI's remuneration framework, individual performance and market relativity are key considerations, balanced by the commercial context in which the NZAI Group operates.
- 3.3 Remuneration of the Senior Management Team, including the remuneration of the CEO, includes a mix of fixed and variable components. A summary of the current provisions is as follows:
  - 3.3.1 Fixed remuneration: this includes the relevant employee's base salary and cash allowances and any direct non cash benefits (for example, employer KiwiSaver contributions, health insurance and annual leave).
  - 3.3.2 Short term incentive (**STI**) and long term incentive (**LTI**) schemes (including, participating in an employee share option scheme): some Senior Management Team positions may be eligible for LTI or STI schemes (depending on the role), should they be established. Eligibility will be

determined by the Board and the CEO. The terms and conditions of any STI or LTI scheme will be identified in the individual employment agreement of the Senior Management Team member to whom it applies and/or other personalised documentation.

4. **Publication**

4.1 This Policy is available on NZAI's website, <https://www.nzautomotiveinvestments.co.nz/>.

5. **Review**

5.1 This Policy will be reviewed by the Board annually.

6. **Related Documents**

6.1 Remuneration Committee Charter.

Date adopted: 25 February 2021