

## APPENDIX G: REMUNERATION POLICY

### Scope

This policy relates the remuneration of the directors and executives (being the CEO and his direct reports) of EBOS Group Limited.

This policy does not form part of any employee's contract of employment.

### Remuneration Policy

It is recognised that in order to support the business and its strategy, the Group must attract and retain people of a high calibre. Accordingly, the Board (or a Committee of it) will set remuneration with regard to this and other business objectives.

Specifically in relation to executives, it is the policy of the Group to align executive remuneration with the performance of the Group and that executive remuneration should be comprised of both fixed and 'at risk' (or performance-based) elements. The purpose of this is to ensure that the interests of the executives are aligned with the interests of the Group and its shareholders.

### Remuneration Governance & Practices

As set out in the Charter for the Remuneration Committee, the Committee is responsible for reviewing, recommending and, if delegated by the Board, setting, in accordance with this policy and Group practices, all components of the remuneration of the directors and executives.

In accordance with the Board's current practices:

- the Remuneration Committee is responsible for approving the remuneration of executives<sup>3</sup>; and
- the Remuneration Committee is responsible for recommending non-executive director remuneration to the Board;
- the Board is responsible for approving non-executive director remuneration.

The Board is responsible for approval of remuneration policies, including this policy.

### Executive Remuneration

The structure of executive remuneration is as follows:

#### ***Fixed remuneration***

The main component of remuneration is the fixed remuneration component (salary). Fixed remuneration is set by reference to the person's position, performance at EBOS, their qualifications and their experience. Market data for executive remuneration for comparable companies (by size, industry classification and/or complexity) can also be taken into account in setting an executive's salary from year to year.

Fixed remuneration also includes a component of compulsory superannuation contributions for Australian-based executives and may include KiwiSaver contributions for New Zealand-based employees.

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<sup>3</sup> Any share issue as part of remuneration (for example, as part of a long term incentive plan) must be approved by the Board.

### ***Short term incentive (STI)***

The STI is currently an annual cash payment which is dependent on the achievement of performance measures set for each executive.

The performance measures are set by reference to the executive's responsibilities and particular projects relevant to that executive and the business or function for which they are responsible. The purpose of the STI is to reward executives for meeting measurable objectives linked to a financial year.

For example, for executives that are responsible for businesses in the Group, their performance measures may be set by reference to the performance of that business and the Group as a whole.

For executives that have functional responsibilities, their performance objectives may be set by reference to the financial performance of the Group.

### ***Long term incentive (LTI)***

EBOS Group has a long-term incentive share plan.

The performance conditions related to an LTI plan are generally related to the financial performance of the Group over a 'performance period' (usually three years). The purpose of the LTI plan is to align a portion of executives' remuneration with the medium to long term performance of the Group.

The Committee determines whether an LTI plan will operate and the extent (if any) to which each executive is invited to participate in an LTI plan.

### ***Weightings of components of remuneration***

The weightings of the remuneration components is as determined by the Committee from time to time having regard to market practice, the responsibilities of the CEO and his direct reports, the performance of the Group and any projects of the Group from time to time.

EBOS will provide a summary of the weightings of the remuneration of the CEO and his direct reports in its Corporate Governance Statement.

### ***Non-executive director remuneration***

The remuneration of non-executive directors should be set by reference to the time commitment and responsibilities of the non-executive directors (including any commitment as a member of a Board committee). Market rates for non-executive director remuneration for comparable companies (by size, industry classification and/or complexity) can also be taken into account.

Non-executive director remuneration is usually in the form of fees however it may be acceptable for there to be a component of equity-based remuneration.

Non-executive directors should not receive performance-based remuneration. Accordingly:

- fees should be 'fixed' in that they are not variable year-to-year based on the performance of the Group;
- equity-based remuneration (if any) should not be linked to performance hurdles or requirements.

In addition, termination or retirement benefits (such as 'golden parachute' payments) should not be paid to non-executive directors.

The maximum aggregate amount of fees (inclusive of superannuation) that can be paid to directors is subject to approval by shareholders at the Annual Meeting.