

Remuneration Policy (Non-Executive Directors and Senior Managers)

Purpose

The purpose of this Napier Port Holdings Limited (**Napier Port**) Remuneration Policy is to outline the principles which apply to the remuneration of Napier Port directors and senior managers.

All of the Napier Port Group's remuneration decisions will be fair and reasonable and based on merit, where appropriate. The Napier Port Group will not discriminate on the grounds of gender, race, religion or belief, disability, age, sexual orientation or gender identity. 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).

This remuneration policy applies to:

- all directors of Napier Port (each a Director); and
- the Senior Management Team of Napier Port and its subsidiaries (the Napier Port Group), being the Chief Executive Officer, the Chief Financial Officer and each General Manager that reports to the Chief Executive Officer.

Non-Executive Directors

- All Directors (excluding the Chair) will be paid a base fee, as recommended by the Remuneration & Nomination Committee and approved by Shareholders from time to time. The Chair will be paid the Chair's fee, as recommended by the Remuneration Committee and approved by Shareholders from time to time.
- An additional fee, as recommended by the Remuneration Committee and approved by Shareholders from time to time, will be paid to the Chair of the Audit and Risk Management Committee, Chair of the Health and Safety Committee and the Chair of the Remuneration Committee to reflect the additional time commitments and responsibilities that accompany such roles.
- There will be an additional sum approved by shareholders available for application by the Board to respond to extra work undertaken by directors outside of their base fee work.
- No equity based remuneration will be paid to non-executive Directors, nor will the Directors receive any performance based remuneration. The Directors will not receive any benefit on their retirement.
- The Directors are entitled to be reimbursed for reasonable travel, accommodation and other expenses incurred by them in connection with their attendance at Board or Napier Port shareholder meetings, or otherwise in connection with Napier Port Group's business.

- The remuneration of non-executive Directors will be reviewed by the Remuneration Committee biennially, and will reflect benchmarking data from similar listed companies.

The Chief Executive Officer and the Senior Management Team

Determination of remuneration for the Chief Executive Officer and SMT 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 Remuneration Committee on behalf of the board of the Napier Port Group in October each year. Further details as to the role of the Remuneration Committee are set out in the Remuneration Committee Charter.

Under the Napier Port Group's remuneration framework, individual performance and market relativity are key considerations, balanced by the context in which the Napier Port operates.

Remuneration of the Senior Management Team, including the remuneration of the Chief Executive Officer, includes a mix of fixed and variable components. A summary of the current provisions is as follows:

- **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);
- **Other variables:** Some Senior Management Team positions are eligible for LTI or STI schemes (depending on the role). Eligibility will be determined by the Board of Directors and the Chief Executive. 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.

Review

This Policy will be reviewed by the Board annually.

Related Documents

Remuneration and Nomination Committee Charter

Performance Review policy and procedures

Position Descriptions

Relevant Employment Agreement