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.

Remuneration policy for the remuneration of non-executive Directors

- As recommended by the People and Remuneration Committee and approved by the Board of Directors:
    - All Directors (excluding the Chair) will be paid a base fee;
    - The Chair will be paid the Chair's fee;
    - An additional fee will be paid to the Chairs and members of the Board Committees to reflect the additional time commitments and responsibilities that accompany such roles; and
    - There will be an additional sum available for application by the Board to respond to extra work undertaken by Directors outside of their base fee work.
- Directors' fees will be paid from within the aggregate Directors' fees sum approved by shareholders from time to time
- 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.

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

- Should Napier Port engage a remuneration consultant as part of a review process, the consultant shall report to the People and Remuneration Committee in relation to director remuneration proposals.

- Napier Port shall recommend director remuneration to shareholders for approval in a transparent manner. If a recommendation has relied on independent remuneration reports from remuneration consultants in respect of decisions relating to director remuneration, then a summary of findings of the report shall be made public, together with the consultant's assumptions and methodology, and the remuneration consultant shall attest to its independence within such report. The remuneration proposed for approval shall outline separately the elements of director remuneration and why these are considered appropriate, including any amounts payable for any committee work.

Remuneration policy for the remuneration of the Chief Executive Officer and the Senior Management Team

Determination of remuneration for the Chief Executive Officer and Senior Management Team is subject to a fair and reasonable process. Remuneration will be determined by the scale and complexity of the relevant employee's role. An annual remuneration review is undertaken by the People and Remuneration Committee on behalf of the Board of Directors as at 30 September each year. Following the review process, the remuneration shall be recommended by the People and Remuneration Committee and approved by the Board of Directors.

Should Napier Port engage a remuneration consultant as part of a review process, the consultant shall report to the People and Remuneration Committee in respect of Chief Executive Officer Remuneration, and they shall attest to their independence.

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, health insurance and annual leave);

Fixed Annual remuneration will typically be set within a range of 80% to 110% of the relevant market median comparatives.

Other variables: Some Senior Management Team positions are eligible for Long-Term Incentive (LTI) or Short-Term Incentive (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. Any performance-based remuneration shall be linked to

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targets aligned with Napier Port's performance objectives (including non-financial which have been identified as integral to Napier Port's strategy)and appropriate to its risk profile and values.

Payment of an annual STI for the CEO and Senior Management Team is to be determined on the basis of achievement of the agreed annual financial and non-financial metrics (of the individual's total potential STI) as recommended by the People and Remuneration Committee and approved by the Board of Directors.

Payment of an annual STI for the CEO and Senior Management Team is dependent on the Board approved company banking covenants and agreed debt to EBITDA levels being maintained.

Total target remuneration will typically be set within a range of 80% to 120% of the relevant market median comparatives.

Review

This Policy will be reviewed by the Board annually.

Related Documents

People and Remuneration Committee Charter

Diversity and Inclusion Policy

Performance Review policy and procedures

Position Descriptions

Relevant Employment Agreement

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