

Remuneration Policy

Approved date	15 May 2024
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1. POLICY STATEMENT

This Remuneration Policy supports Meridian Group companies ('Meridian') to attract, retain and motivate high calibre people to achieve the company's business objectives and create shareholder value.

Meridian's remuneration policy is guided by the principles that remuneration practice should:

- Be clearly aligned with the company's values, culture and corporate strategy;
- Support the attraction, retention and engagement of employees;
- Be understood by employees;
- Be equitable and flexible;
- Appropriately reflect market conditions and organisational context;
- Recognise individual performance and competency, rewarding individuals for achieving high performance; and
- Recognise contribution to team and company performance and the creation of shareholder value.

2. PURPOSE

The purpose of this policy is to outline the remuneration principles which ensure that remuneration practices within the Meridian Group are fair and appropriate for the organisation and all its employees, and that there is a clear link between remuneration and performance.

3. SCOPE AND FIT

The "Directors' Remuneration" section of this policy applies to the directors of Meridian only.

The remainder of this policy applies to all employees of Meridian Group companies, engaged on individual employment agreements (including the Meridian CEO and Executive team).

The policy principles are supported by other documents and guidelines which cover the detail of specific remuneration processes and provisions.

For Meridian subsidiaries, different remuneration frameworks may apply, as agreed with the Meridian Chief Executive and approved by the Meridian Board's People and Remuneration Committee, pursuant to the Committee charter, or as approved by the Board of the subsidiary company.

This policy may be reviewed and amended, replaced or withdrawn by Meridian at any time.

4. DIRECTORS' REMUNERATION

The remuneration for directors at Meridian is paid in the form of directors' fees. In accordance with Meridian's Constitution, shareholder approval is sought of the directors' fee pool and any increase in the pool. Information regarding the directors' fee pool is provided to shareholders in Meridian's Integrated Annual Report.

The Meridian Board reviews directors' remuneration on a regular basis to ensure that Meridian continues to attract and retain directors with the skills and experience necessary to achieve Meridian's business objectives and generate shareholder value.

Meridian sets remuneration that is fair, reasonable, and in accordance with the NZX Listing Rules and Meridian's Constitution. Factors that the Meridian Board considers during directors' fee reviews include (but are not limited to):

- third-party external review advice (where applicable);
- the size, scope, and scale of the business and industry;
- complexity of operations;
- what is required of the role;
- any regulatory requirements; and
- financial results.

There is no performance-based element to Director fees.

For more information on directors' remuneration, please refer to the remuneration section of our most recent Integrated Annual Report which includes a breakdown of remuneration for committee roles and the fees and benefits received for any other services provided to Meridian.

5. MERIDIAN CEO AND EXECUTIVE REMUNERATION

The remuneration package for the Meridian CEO and Meridian Executive roles consists of

- Fixed Remuneration (defined below); and
- at Board determination may also include a Short-Term Incentive (STI) and a Long-Term Incentive (LTI), the detail of which is specific to the period of offer.
 - The STI for the CEO and Executive roles is linked to the achievement of short-term financial and non-financial goals and measures over a defined period.
 - The Long-term incentive for the CEO and Executive roles is linked to the achievement of longer-term goals and measures aligned to shareholder returns.

Detail and quantum of remuneration elements for the Chief Executive is disclosed in the company's Annual Report at the end of the applicable year.

The same employee benefits available to Meridian employees (see below) are also available to the CEO and Executive roles.

Remuneration for the CEO and executive roles is determined and reviewed annually by the Board (for CEO), and by the Chief Executive (for Executive roles), informed by relevant market information on Fixed and Total Remuneration for comparable roles within large NZX listed companies of comparable scale and complexity to Meridian, as provided by an independent third-party remuneration advisor. Market remuneration data is underpinned by job matching i.e. comparing broadly like roles by job function.

The Fixed Remuneration for the Chief Executive and Executive roles will normally be within an 80%-120% range of the median for comparable New Zealand roles, dependent also on individual capability and experience, and other relevant factors.

For CEO and Executive roles, Meridian targets the upper quartile of the market for Total Remuneration, in the context of strong organisational and individual performance.

6. MERIDIAN'S APPROACH TO EMPLOYEE REMUNERATION

Meridian is committed to applying fair and equitable remuneration and reward practices in the workplace, taking into account internal and external relativity, the commercial environment, the ability to achieve the Company's business objectives, and the creation of shareholder value. In New Zealand, Meridian companies pay no less than the Living Wage to permanent and fixed term employees in New Zealand.

Under each company's remuneration framework:

- Individual performance and market relativity are key considerations in all remuneration-based decisions, balanced by the organisational context.
- Meridian strives to achieve gender pay parity and will ensure that there is equitable remuneration for employees undertaking the same role with the same level of experience and competence, regardless of gender identity.

A summary of the current fixed remuneration provisions is set out below:

7. FIXED REMUNERATION

Fixed remuneration includes base salary, and employer KiwiSaver contributions and relates to the base requirements of the role.

Non-executive roles are evaluated using a standardised external consultancy methodology, and roles of a similar level are then grouped into a band. The remuneration midpoint for each band is determined with reference to Meridian's remuneration comparator group.

Base Salary

Base salary is determined by role size and the remuneration midpoint applicable to that role. Individual salary is generally set between 80% and 120% of the midpoint, dependent upon competency and performance.

The company undertakes an annual remuneration review, as at 1 July each year, informed by an assessment of relative external market data and organisational context. Individual remuneration will be reviewed dependent upon performance and remuneration relativity. Any increase to an employee's base salary is at Meridian's sole discretion.

KiwiSaver /Superannuation

In New Zealand employees of Meridian Group companies who contribute to a KiwiSaver scheme will receive matched Employer contributions of up to 4% of gross earnings, paid to their KiwiSaver account in accordance with applicable legislation.

8. PRINCIPLES FOR MERIDIAN INCENTIVE SCHEMES (DISCRETIONARY REMUNERATION)

The Meridian Board may approve the availability of Meridian short term incentive (STI) schemes for some or all permanent employees, in some Meridian companies, to operate in a given year.

In general, any STI scheme offered by Meridian companies:

- will apply for the year of offer only;
- will be fully discretionary, such that there is no guarantee of an invitation to participate in a scheme, nor a payment in any given year. Any employee or particular category of employees may be included or excluded from participation at the Chief Executive's absolute discretion. If invited to participate, participation may be revoked, or the amount of any incentive payment adjusted at the Chief Executive's absolute discretion. The nominal and potential value of any such incentive will be determined by job level and incentive scheme type;
- will be designed to reward individual performance and contribution toward business outcomes;
- will be performance-based with any incentive payment being conditional on the achievement of specific, objective measures of company performance, and the manager's assessment of a person's overall individual performance and behaviour, but is also entirely discretionary;
- will be self-funding, so that the value to the organisation of performance outcomes achieved exceeds the cost of potential incentive payments possible under the plan; and
- will be outlined in an applicable STI Schemes Guidelines document.

As detailed in section 5, the Meridian Board may also approve the availability of a Meridian LTI for the Meridian CEO, Executive, and selected senior roles. The detail of any LTI Plan approved by the Board will be provided to eligible participants. The LTI Plan is not offered to other Meridian employees.

9. BENEFITS

Meridian companies at their discretion may offer benefits and provisions, some of which have a monetary benefit to employees, but are not considered part of remuneration.

CASH-BASED PROVISIONS (applicable to New Zealand employees in Meridian Group companies)

Insurance

Permanent employees and those engaged for a fixed term agreement of longer than 12 months are eligible to receive personal insurance cover through Meridian's Group Employee Insurance policy. The Company may review or amend this provision at any time.

Leave Provision

In accordance with the Holidays Act 2003, Meridian employees are entitled to four weeks paid holiday per annum, unless otherwise specified in an individual's employment agreement. Employees may elect to cash up the fourth week of their annual leave entitlement. In addition, Meridian provides employees with up to three additional "Company Leave" days and allows employees to purchase additional leave by pay deduction. The Company may review or amend this provision at any time. Reasonable Wellbeing Leave, which includes legislated Sick Leave, is also available.

Paid Parental Leave

Following the birth or adoption of an employee's child, and to ease the transition back to work, Meridian companies may provide parental leave provisions in excess of the minimum legislative provisions.

Redundancy Compensation

Details of redundancy provisions, where applicable, are included in each employee's individual employment agreement.

NON-CASH BENEFITS (applicable to New Zealand employees in Meridian Group companies)

Meridian may also offer non-cash benefits / discounts / purchasing provisions for our employees, including via our relationships with other organisations and suppliers.

Non-cash benefits are generally not a term of employment, and provisions may vary from time to time at the discretion of Meridian or the applicable supplier.

10. RESPONSIBILITIES

Meridian Board

The Meridian Board is required to approve:

- The Company's Remuneration Policy.
- Remuneration proposals and performance decisions concerning the Chief Executive and executive management team, unless specifically delegated by the Board to the People and Remuneration Committee.
- The budget for the organisation's annual remuneration review.
- The structure of any incentive scheme(s) offered to Meridian employees.
- The outcome of any organisational performance measures under any Meridian incentive scheme and the overall decision about whether to make payments under discretionary non-sales Meridian incentive schemes.

Meridian People and Remuneration and Culture Committee

Responsibilities of the Meridian People and Remuneration and Culture Committee are outlined in the Committee's charter.

2023 Remuneration Charter

[Remuneration-Charter.pdf \(meridianenergy.co.nz\)](#)

Meridian Chief Executive

The Chief Executive is required to:

- Make recommendations to the People and Remuneration and Culture Committee on Executive remuneration matters.
- Make recommendations to the People and Remuneration and Culture Committee on incentive proposals and outcomes, and to propose changes to remuneration policy.
- Approve the outcome of the organisation's remuneration review.

Managers

All remuneration decisions or proposals must be consistent with Meridian's Remuneration Policy, and the company's applicable remuneration framework and guidelines, and require

“one up” approval, i.e. a manager may not change the remuneration terms of any person reporting to them, without the approval of their own manager.

11. **MORE INFORMATION**

Guidelines and additional detailed information about provisions within this policy are held by each Meridian company and are available to employees.