



REMUNERATION POLICY

5 April 2022

1. Introduction

- 1.1 NZX Limited (**NZX**) must attract, retain and motivate high quality employees to achieve its business objectives and create shareholder value. Employee remuneration plays an important part in achieving this.
- 1.2 The Board is responsible for setting this policy, and does so with the assistance of the Human Resources and Remuneration Committee.

2. Objective

- 2.1 The objective of NZX's remuneration policy is to support the company to effectively attract, retain and reward high performing employees who achieve its business objectives and create shareholder value.
- 2.2 NZX is committed to ensuring its remuneration practices are fair and reasonable for NZX and its directors and employees.
- 2.3 This policy is guided by the principles that NZX seeks to:
 - (a) clearly align remuneration to company performance
 - (b) recognise and reward high-performing individuals, based on results achieved as well as demonstrated behaviours and competencies
 - (c) reflect external market conditions and internal relativities
 - (d) compete effectively in the employment market, including to attract and retain a diverse workforce
 - (e) have NZX remuneration practices that are fair, reasonable, easy to understand and simple to administer.
- 2.4 This policy is supplemented by other documents, which set out further information in respect of specific remuneration components.

3. Application

- 3.1 This policy applies to:
 - (a) NZX's directors; and
 - (b) all permanent employees (both full-time and part-time) of the NZX Group.
- 3.2 This policy does not apply to fixed-term employees, secondees, contractors or consultants.

DIRECTORS

4. Director fees

- 4.1 At NZX, director remuneration is paid in the form of director fees.
- 4.2 The total fees available to directors (overall director fee pool) is approved by shareholders.
- 4.3 The Board determines the actual fees paid to directors within the overall director fee pool.
- 4.4 Directors do not generally receive additional fees for being a member of a Board committee.
- 4.5 Non-director members of Board committee are paid fees for services provided to NZX. These fees are not included in the overall director fee pool.
- 4.6 The Board may determine that additional fees and allowances should be paid to individual directors to reflect additional services provided to NZX.
- 4.7 Directors do not receive any:
 - (a) performance or equity-based remuneration; or
 - (b) superannuation or other retirement benefits.

5. Director remuneration reviews

- 5.1 NZX will review director remuneration using information from external remuneration consultants.

EMPLOYEES

6. NZX's approach to remuneration

- 6.1 At NZX, employee remuneration may include a mix of the following components:
 - (a) fixed remuneration (which includes base salary and employer KiwiSaver contributions);
 - (b) short-term incentive plan (which is available to senior employees);
 - (c) long-term incentive plan (which is available to members of NZX's executive team and senior management); and
 - (d) \$1,000 of NZX shares for all new employees.

7. Fixed remuneration

- 7.1 Fixed remuneration consists of base salary and KiwiSaver employer contributions.

Base salary

- 7.2 Base salary is determined with reference to external and internal relativities, as well as individual factors.
- 7.3 NZX uses job evaluation methodology to group positions to bands that make a similar contribution to the business. This methodology takes into account the nature of the work,

accountabilities, impact on results, and the knowledge, experience and expertise required to perform the work.

- 7.4 For each band, an appropriate remuneration range is determined. Bands are benchmarked against the remuneration paid by NZX's industry peers for similar sized roles. NZX policy is to pay between 85% to 115% of the midpoint of the New Zealand financial services sector.
- 7.5 Tailored remuneration ranges may sometimes be applied by exception for specialist skillsets.
- 7.6 All NZX employees will be paid at or above the Living Wage.
- 7.7 NZX undertakes an annual review of remuneration bands each year to ensure ongoing alignment with the external employment market.
- 7.8 Employees' individual base salary is reviewed annually at the end of the financial year, and any changes are at NZX's discretion. Individual performance, skills and experience, as well as company performance, market relativity and gender pay equity are key considerations in setting individual remuneration.

KiwiSaver

- 7.9 Employees who contribute to a KiwiSaver scheme will receive matched employer contributions of 3% of their gross base salary, paid to their KiwiSaver account.

8. Short-term incentive plan

- 8.1 NZX's discretionary short-term incentive plan is available to senior employees and participation is at NZX's sole discretion. This plan is designed to reward achievement of short-term business goals that are set as part of plans to meet NZX's longer-term strategy. Any short-term incentive plan payment is conditional on performance criteria set by NZX and reviewed from time to time. These include:
 - (a) NZX's financial performance; and
 - (b) Division and/or business unit performance; and
 - (c) the employee's individual performance.
- 8.2 Potential short-term incentive plan payments are generally set at a maximum of between 15% and 25% of base salary, depending upon the employee's seniority.
- 8.3 Participation and payments made under the short-term incentive plan are made in accordance with the Delegated Authorities Policy.
- 8.4 Employees must have been employed by NZX for at least six months in a given financial year to be eligible for consideration for a payment under the short-term incentive plan.
- 8.5 Employees who have worked less than 12 months in the financial year (including employees on parental leave) will have any short-term incentive payment pro-rated for the period they have worked.
- 8.6 Short-term incentive terms are set out in the documents provided to participating senior employees.

9. Long-term incentive plan

- 9.1 The NZX Board may approve the availability of a long-term incentive plan to the members of NZX’s executive team and senior management.
- 9.2 The structure of any long-term incentive plan will be designed to encourage longer-term decision-making and to align senior managers’ and shareholders’ interests. Any such plan will operate under plan rules approved by the Board, and these rules will be provided to eligible participants.

10. NZX shares

- 10.1 All permanent employees are granted a one-off gift of \$1,000 of NZX shares when they start their employment at NZX. This gift is designed to drive employee engagement in the share market and give employees direct experience of being an NZX shareholder. Employees are encouraged to retain these shares while they are employed at NZX.

11. Employee remuneration reviews

- 11.1 NZX reviews employee remuneration each year using external market information to ensure market relativity, and internally to test pay equity including by gender. Individual remuneration will be reviewed dependent upon performance and remuneration relativity.
- 11.2 Any increase to an employee’s remuneration is at NZX’s sole discretion.

Approver:	NZX Limited Board
Document owner:	General Manager People & Sustainability
Review:	Annual
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