



**Port of Tauranga**

Connecting New Zealand and the World

# **Director Remuneration Policy**

December 2023

## Purpose

The purpose of the Director Remuneration Policy is to outline the approach taken by the Board in determining the appropriate level of remuneration for non-executive Directors of Port of Tauranga. Director remuneration is important for the company as it ensures the Board is able to attract and retain appropriately qualified and experienced individuals to serve on the Board.

## Role of the People and Remuneration Committee in Relation to Directors' Remuneration

The People and Remuneration Committee is responsible for seeking advice and making recommendations to the Board regarding Directors' remuneration. The Committee does not have the power or authority to make a decision in the Board's name or on its behalf. The Committee is responsible for advising the Board on the appropriate level of Directors' remuneration, to be recommended to and approved by shareholders at an annual meeting. It is also the responsibility of the Committee to administer and review this policy on a regular basis.

## Directors' Remuneration

The Chair and directors receive a cash payment for their services to the Board. Additional payments are made to the Audit, People and Remuneration and Health and Safety Committee Chairs and members. No payment is made to the Nominations Committee.

## Directors' Fee Review

The People and Remuneration Committee will seek external advice on Directors' fees at least every two years. Directors' fees will be benchmarked against a peer group of comparable companies which will be determined by the People and Remuneration Committee at the time fees are being reviewed. This peer comparator group will be comprised of companies of comparable size (market capitalisation, revenue and total assets), industry (predominantly infrastructure and transport) and complexity and any other relevant factors to Port of Tauranga. If required, the Board will seek shareholder approval by Ordinary Resolution at the annual meeting, on the maximum amount of annual Directors' fees payable. The Peer Group that formed the basis of the 2023 EY review is set out in **Attachment 1**.

## Market Positioning

Port of Tauranga's target market position for Directors' fees is the median of the peer comparator group. The intent is that all elements of Directors' remuneration including

Chair fees, Chair of Committee and Committee member fees, Non-Executive Director base fees, and the total fee pool will be benchmarked against the median of the peer group.

## Division of Fees

The Board will determine how the approved total fee pool will be distributed amongst the Directors reflecting both market practice and the additional workload associated with a Director's roles on Board committees.

## Expenses

The Directors shall be reimbursed for reasonable travelling, accommodation, entertaining and other expenses incurred in attendance at meetings of the Board or a committee, or of the Company and any other expenses associated with the performance of their role. Sundry non-taxable expenses are settled with a payment of \$25.00-\$150.00 per quarter (based on Director location).

## Additional Work

Subject to any applicable restriction in the Listing Rules, the Board may authorise the Company to pay special remuneration to any non-executive Director who is or has been engaged by the Company to carry out any services which in the opinion of the Board are additional to the governance duties usually required of non-executive Directors of similar companies. NZX listing rule 3.5.1 provides, subject to listing rule 9.2, that payment for work outside of normal governance duties does not require shareholder approval.

## Review

This Policy will be reviewed annually by the Board.

<b>Approved:</b>	
Policy Owner:	GM Corporate Services
Effective Date:	December 2023
Next Review Date:	December 2024
Approval:	The People and Remuneration Committee will endorse for approval by the Board

## Attachment 1 – Peer comparator Group 2023

Company	Revenue/Income (\$M)	Comparative Ratio (Revenue)	Market Cap (\$M)
Arvida Group Ltd	221.9	53%	888
Auckland International Airport Ltd	625.9	149%	11,580
Chorus Ltd	980.0	233%	3,250
Contact Energy Ltd	2,118.0	503%	6,290
EBOS Group Ltd	12,237.0	2907%	6,560
Fletcher Building Ltd	8,469.0	2012%	3,789
Freightways Ltd	1,121.6	266%	1,499
Genesis Energy Ltd	2,374.2	564%	2,615
Goodman Property Trust	126.5	30%	2,925
Infratil Ltd	1,191.7	283%	8,348
Kiwi Property Group Ltd	259.1	62%	1,345
Mainfreight Ltd	5,675.7	1348%	6,359
Mercury NZ Ltd	2,730.0	649%	8,409
Precinct Properties New Zealand Ltd	218.9	52%	1,820
Ryman Healthcare Ltd	570.9	136%	4,132
Vector Ltd	1,192.3	283%	3,870
Wellington International Airport	139.8	33%	



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