

# Directors' Fees Policy

## Principles & Purpose

Trustpower is committed to providing a remuneration strategy for Directors which is transparent, fair and reasonable. The purpose of the remuneration approach is to appropriately reward for an individual's skills and contribution to the Company, aim to retain and motivate talented Directors and drive performance for the benefit of the Company's shareholders.

The purpose of the *Directors' Fees Policy* is to outline how the remuneration levels for Directors are set.

## Director Fees Policy and Approach

The Directors' Fee policy is developed by the Board People and Remuneration Committee and recommended to the Board for approval.

The total fees available to Directors (in that capacity) is approved by shareholders (overall Director Fee pool).

Procedures for the approval of remuneration levels for Directors of Trustpower are set out in Trustpower's constitution and are governed by the NZX Main Board Listing Rules ("**Listing Rules**"), the Companies Act 1993 and the NZX Corporate Governance Code ("**NZX Code**").

Any recommended increase to the total Directors' fee pool must be approved by an ordinary resolution of shareholders at a meeting of shareholders. Each resolution must express the Directors' remuneration as a monetary sum per annum payable to either:

- a) All Directors of Trustpower taken together; or
- b) Any person who from time to time holds office as a Director of Trustpower.

The amount of any proposed increase in Directors' remuneration must be provided in the notice of meeting and must be recommended by the Board in a transparent manner.

## Director Remuneration

The Board sub-committee, Governance and Nominations ("**G&N Committee**"), recommend the appointment and remuneration packages for Directors of Trustpower, for consideration by shareholders.

Non-Executive Director remuneration is paid in the form of Directors' Fees, which are made up of the following components:

- A fixed based annual fee;
- Additional fees paid to individual Directors appointed to various committees, to reflect the additional responsibilities of these positions;
- All reasonable travelling, accommodation and other expenses incurred by Directors in connection with the Director's attendance at meetings or otherwise in connection with Trustpower business;
- Reasonable professional development fees; and
- Special remuneration to reflect excessive workload, in times where what is required is that which is over and above what would be the normal workload of a Director.

The G&N Committee reviews the level of remuneration of Directors annually. The G&N Committee is authorised to obtain independent advice on market conditions for director remuneration and makes recommendations regarding the appropriate level of remuneration for Directors of Trustpower to the Board for shareholder approval.

## Disclosure of Director Remuneration

Trustpower ensures that Directors' remuneration is disclosed each Annual Report, as required by the Companies Act 1993 and NZX Corporate Governance Code (10 December 2020), Principle Five.

Such disclosure includes a breakdown of remuneration for committee roles and for fees and benefits received for any other services provided to Trustpower.

## Directors' Fees Policy

---

### Assurance

To give assurance that our systems, including our people, are working effectively to minimise risk, compliance with this Policy will be reviewed periodically by the Risk & Assurance team.

### Policy Revision history

Date	Version	Policy	Policy Steward	Approved By
27 August 2021	1.0 <sup>1</sup>	Directors' Fees Policy	Company Secretary	Board

### Policy Review

This Policy will be reviewed at least every two years or as often as required to meet the needs of a changing environment.

**Next Review scheduled: August 2023**

---

<sup>1</sup> Note previously this policy was combined with Executive Remuneration in the Director and Senior Officers' Remuneration Policy.