

Executive Remuneration Policy

Spark seeks to remunerate our people with competitive salaries, paying in line with the market alongside consideration of performance, scope, skills and experience in order to recruit and retain the best talent. In keeping with Spark's focus on customer experience, customer satisfaction measures are incorporated into Spark's performance incentives. Spark's long-term incentive targets focus on total shareholder return as well as environment and social governance targets.

Executive (Leadership Squad) Remuneration

The table below shows the standard remuneration mix for the Leadership Squad (other than the CEO) expressed as a percentage of fixed remuneration. The Short-Term Incentive (STI) scheme is expressed at target, and the maximum payment possible through the scheme is double the target value. The Long-Term Incentive scheme (LTI) values represent the maximum LTI value.

Component	Weighting
Salary	Base
Short-term incentive	40% of base
Long-term incentive	40% of base

All Leadership Squad packages include a fixed remuneration component that is set based on contribution, experience, and market relativities. Fixed remuneration supports the attraction, motivation, and retention of highly skilled executives. Fixed remuneration generally consists of base salary. KiwiSaver sits outside fixed remuneration and as such, employees with KiwiSaver receive employer contributions on top of base salary and cash incentives.

A number of Spark-funded benefits, including medical and life insurances, are also available to executive (and other eligible employees) on top of fixed remuneration.

A component of each executive's remuneration package is at risk in the form of a discretionary annual cash-based STI. Spark's STI scheme rewards executives for the achievement of annual performance objectives which vary from year to year. Specific details of our STI scheme are published in Spark's Annual Report.

Executives are also granted options annually under the Spark LTI scheme. Under that

scheme, participants are granted options at the start of a three-year vesting period with vesting subject to a performance hurdle or hurdles. Specific details of our LTI scheme are published in our Annual Report.

Remuneration of Chief Executive

The CEO's remuneration package reflects the scope and complexity and risk profile of their role and is set by the Board with reference to the remuneration of CEOs of similarly sized organisations.

The CEO's remuneration package comprises a fixed cash component, an at-risk short-term incentive awarded under the STI scheme, and an at-risk long-term incentive awarded under the LTI scheme. The weightings of these components are set out below:

Component	Weighting
Salary	Base
Short-term incentive	75% of base
Long-term incentive	75% of base

The details of the CEO's total remuneration package including short-term incentive and long-term incentive are published in Spark's Annual Report.

Evaluation of Executive Remuneration

The Human Resources and Compensation Committee recommends the annual remuneration of the Chief Executive to the Board for approval and approves the remuneration of the Chief Executive's direct reports. The evaluation is based on criteria set by the Committee from time to time, which include the performance of the business, the accomplishment of long-term strategic objectives and other non-quantitative objectives agreed at the beginning of each year. The Human Resources and Compensation Committee meets with the Board and the Chairperson to discuss the Chief Executive's performance and remuneration. The Chairperson then meets with the Chief Executive to discuss the Chief Executive's performance and to provide counsel to the Chief Executive.