

Governance matters

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Good corporate governance protects the interests of all stakeholders and enhances short-term and long-term value.

We regularly review our corporate governance systems and always look for opportunities to improve. We comply with the recommendations of the NZX Corporate Governance Code in all material respects. You can see our full reporting in our **Corporate Governance Statement** on our website.

Our board

The Board's role and responsibilities

The Board is responsible for Contact's governance, direction and performance.

Specific responsibilities include:

- + Setting and approving Contact's strategic direction
- + Approving major investments
- + Monitoring financial performance
- + Appointing the CEO and monitoring CEO and senior management performance
- + Identifying and controlling significant risks
- + Ensuring appropriate systems to manage risk are in place along with approving Contact's risk capacity and tolerance
- + Reviewing and approving compliance systems
- + Overseeing our commitment to our Tikanga, sustainable development, the community and environment, and the health and safety of our people.

Board composition

Contact's Board comprises seven directors, with a wide variety of skills, experience and points of view. More information on the Contact Board, including appointment dates and committee memberships, and short biographies setting out skills and experience of each director is available on our **website**.

The Board considers all of the current directors, including the Chair, to be independent in that they are not executives of the company and do not have a direct or indirect interest, position, association or relationship that could reasonably influence in a material way, their decisions in relation to Contact. In making this assessment, the Board has considered the NZX Listing Rules and the factors in the NZX Corporate Governance Code that may affect director independence.

To assist with succession planning and ensure the appropriate skills and experience are represented, the Board has developed a director skills matrix. The matrix shows the areas in which the Board considers director capability is required to enable Contact's success, and the expertise held by current directors.

The matrix reflects the directors' assessment of the current skills held by the Board. It's not expected that every director will be an expert in every area, but all skills in the matrix should be represented on the Board as a whole. The matrix shows a good spread of expertise and secondary skills among current directors.

Board performance

We recognise the value of professional development and the need for directors to remain current in industry and corporate governance matters. Contact assists directors with their professional development in a number of ways, including an induction programme for new directors, briefings to upskill the Board on new developments, deep-dive workshops on key issues and Board study tours.

In April 2024 the directors undertook an Australian study tour to learn more about renewable energy and gain insights into relevant developments in the Australian market, engage with experts on ways to support decarbonisation and better-understand the evolution of electricity product trading.

We regularly review the performance of the Board to ensure the Board as a whole, and individual directors, perform to a high standard. Comprehensive reviews are carried out around every two years and the last review was undertaken in 2022. Preparations for a full independent Board performance review are currently underway, evaluating Board, committee and Director performance.

Board committees

The Board has three core committees to perform work and provide specialist advice in certain areas. Our Board works to the principle that committees should enhance effectiveness in key areas, while still retaining Board responsibility.

The Audit and Risk Committee helps the Board fulfil its responsibilities relating to Contact's external financial reporting, internal control environment, business assurance and external audit functions, and risk management.

Director skills matrix

Skills and experience category	Capability
Strategy and Risk settings	
Strategic oversight	     
Major projects oversight	    
Innovation and disruption oversight	  
Sustainability and environmental oversight	  
Mergers, acquisitions and divestments oversight	   
Technology, digital and data oversight	 
Risk management oversight	     
Stakeholders and People Leadership	
Iwi and community relationships	 
Safety oversight	  
Energy Industry	
Energy generation and markets	   
Energy/mass market consumers	  
Governance and Risk Management	
CEO or (large scale) CxO experience	   
Financing/funding oversight	   
Corporate governance experience	      
Accounting and financial reporting oversight	    
Government and regulatory engagement oversight	   

 Primary  Secondary

The Health, Safety and Environment Committee supports the Board in relation to health, safety and wellbeing (HSW) objectives and monitoring HSW performance and provides governance oversight of environmental sustainability matters.

The People Committee advises and supports the Board in fulfilling its responsibilities across all aspects of Contact's people and capability strategies, risks, policies and practices including remuneration..

From time-to-time, the Board may create ad-hoc committees to oversee specific areas on its behalf.

Contact does not have a Nominations Committee. Instead, this responsibility is held by the full Board. This reflects the importance all directors place on ensuring the Board is performing well and has the necessary skills.

The current members of the committees are:

Committee	Members
Audit and Risk	Sandra Dodds (Chair) David Gibson David Smol
Health, Safety and Environment	Elena Trout (Chair) David Smol Rukumoana Schaafhausen
People	Jon Macdonald (Chair) Robert McDonald Rukumoana Schaafhausen

Code of Conduct and policies

We expect all of our people to act honestly, with integrity, in Contact's best interests and in accordance with the law, all the time. This expectation, along with our Tikanga, is enshrined in our **Code of Conduct**, which underpins our corporate policy framework. Our corporate policies address key risks and set expected standards of behaviour for our people. Information about how our key policies operate is in our **Corporate Governance Statement** and the policies themselves





are on our website. Each of our corporate policies give reference to international standards or commitments where applicable. The Code of Conduct was refreshed and strengthened in FY24 to enshrine our Tikanga, incorporate our core policies and set out key behavioural principles and requirements.

Our **Human Rights Policy** applies to everyone who works at Contact and its subsidiaries and sets the expectation that our supply chain partners will have similar policies in place, and/or meet comparable standards.

Our compliance training framework governs the way we allocate training on core policy areas across the business. A range of management-level committees has responsibility for specific policy areas: for example, the Privacy Committee and the Procurement Steering Group.

We implement our commitments through our Procurement team processes – in particular, the supplier management process and implementation of the Supplier Code of Conduct. Our mergers and acquisitions due diligence approach includes responsible business practices.

We offer online training as well as tailored in-person training to different business areas – for example, Modern Slavery training for business areas involved in higher risk areas. In FY24 we developed an online Code of Conduct training module which includes training on human rights issues including wellbeing, health and safety, bullying and harassment, and inclusion. We developed an additional training module on health and safety. Code of Conduct and Health and Safety modules are mandatory for all Contact people.

Our Whistleblowing Policy which offers protections for employees who disclose serious wrongdoing in accordance with the process in the policy. Our online whistleblower portal helps to ensure we're aware of any breaches of the Code of Conduct or our policies, or any other illegal or unethical activity. The portal is easily accessible and user friendly – anyone at Contact who is concerned about any

incident or behaviour can use the whistleblower portal to report that matter, anonymously if they choose. Whistleblower disclosures are reported to the General Counsel and CEO and where appropriate, to the Chair of the Board to investigate and take appropriate action.

Our fourth **Modern Slavery Statement** sets out the steps we have taken to identify, manage and mitigate the specific risks of modern slavery in our operations and supply chain. We did significant work during FY24 to identify and review supply chains in our higher-risk business areas, and we established a modern slavery working group to review and improve our processes across the organisation. We also refreshed our Supplier Code of Conduct to better-clarify the behaviours we expect from suppliers and outline the process we will follow where expectations are not met.

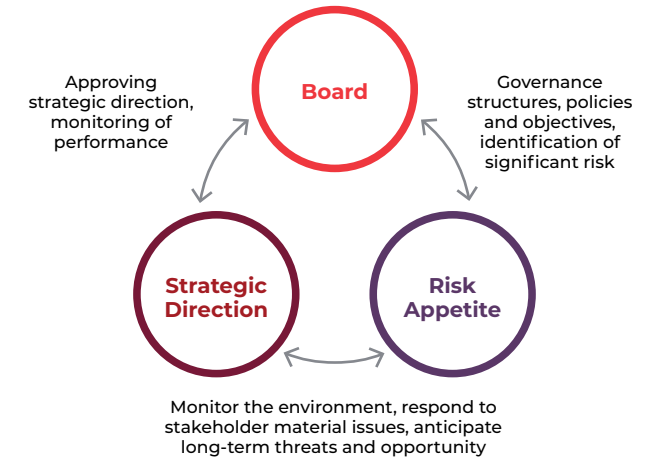
Risk management and assurance

Risk management

Our enterprise risk management framework ensures we have appropriate systems in place to identify, assess, treat, monitor and report on material risks. We assign responsibility to individuals to own and manage identified risks and we monitor any material change to Contact's risk profile. Risk is managed throughout the organisation in accordance with the Board's risk appetite statements.

Contact's enterprise risk management framework is supported by a range of systems and tools that help assess and report all risk types including environmental, social, climate and governance risks across the organisation.

The Contact26 Strategy has a strong focus on ESG commitments to create long-term value. A wide range of risks and environmental factors is considered by the Board during the strategy setting process including analysis into how actions to limit the impacts of climate change could affect delivery of our strategy.



Our corporate governance model is vertically integrated to ensure an appropriate level of support and oversight of our key climate-related risks.

- + The full Board considers a wide range of risks (including economic, environment, social, climate and governance risks) when reviewing the business strategy alongside a market update. Reporting to the Board ensures their understanding of the key risks and issues (such as climate change) and contribute to their decision-making.
- + Top risks are reported to the Board Audit and Risk Committee on a quarterly basis and are actively monitored by the Leadership Team.
- + The Board Audit and Risk Committee has formal oversight of climate related issues.
- + Risks rated high and above are regularly monitored for active management by the Leadership Team.
- + There is regular engagement with stakeholders (including local communities and tangata whenua as we aim to maintain our positive relationships) to assess and communicate the impacts of the changing environment.
- + People at all levels of the organisation (including contractors) are encouraged to identify and manage potential risks to Contact on a regular basis throughout the year.

Critical concerns are presented at Board meetings through written papers and oral presentations. There were no critical concerns communicated to the Board during the FY24 reporting period.

There has been one significant instance of non-compliance with laws and regulations. Contact breached the Fair Trading Act 1986 as a result of our application of card processing fees to our customers. Contact self-reported this breach to the Commerce Commission. The Commerce Commission took no further action, and no fine or sanction was imposed. The non-compliance has been reported as significant due to involvement with the regulator and the incident receiving national media attention.

See **Creating outstanding customer experiences** for more.

The integrated nature of our operations means that climate-related risks are regularly assessed as part of our strategic, operational and emerging risk assessments. Mitigation plans for material risks are implemented to proactively manage the impact to Contact.

Assurance

Our Business Assurance team fulfils our internal audit function and provides objective assurance of the effectiveness of our internal control framework. The team is based in-house and draws on external expertise where required.

The team brings a disciplined approach to evaluating and improving the effectiveness of risk management, internal controls and governance processes. We use a risk-based assurance approach driven by our risk management framework. The team also assists external audits by making findings from the internal assurance process available for the external auditor to consider when providing their opinion on the financial statements. The team has

unrestricted access to all departments, records and systems of Contact, and to the Board Audit and Risk Committee, external auditor and other third parties as it deems necessary.

Auditors

We recognise the role of our external auditor is critical for the integrity of our financial reporting. EY commenced its appointment as the Group's external auditor on 1 July 2022. The Board Audit and Risk Committee ensures that the audit partner is changed at least every five years.

Our External Audit Independence Policy sets out the framework we use to ensure the independence of our external auditors is maintained and their ability to carry out their statutory audit role is not impaired. Under this policy, the external auditor may not do any work for Contact that compromises, or is seen to compromise, the independence and objectivity of the external audit process. In addition, the external auditor confirms its continuing independent status to the Board every six months.

The Chair of the Audit and Risk Committee approved EY to perform assurance engagements over our green borrowing programme, greenhouse gas emissions and Global Initiative (GRI) indicators.

Representatives from the external auditor attend Contact's annual shareholder meeting, where they're available to answer shareholders' questions relating to the audit.



Remuneration report



Dear fellow shareholders,

We believe our people are key to our success – especially during such an eventful period, where we are growing into a host of new areas, like wind and solar generation, along with grid-scale batteries. Remuneration is a key element in our attraction and retention of great people.

Overall remuneration approach

We believe that the structure and components of Contact's remuneration continue to serve the company well. We have worked to make some small improvements to our LTI scheme rules, which relate to executive retirement and company change-of-control, and otherwise have not made any major changes over the past year.

A detailed overview of employee remuneration is set out in **Contact employee remuneration**. Given the company's financial performance over the past year, along with progress on our Contact26 strategy, we consider executive remuneration to be appropriate.

Remuneration reporting

Each year we consider how we might further improve our reporting on Contact's remuneration. For our FY22 and FY23 reports, we provided increased levels of detail on executive incentives. We have extended this further in this report, with additional information in a number of areas:

- + Improved transparency of the FY24 scorecard metrics and results, which makes up 70% of the Short Term Incentive (STI) available to executives
- + Inclusion of the FY25 scorecard metrics to show the focus for the year ahead
- + Detail on the strategic measures used for the equity Long Term Incentive (LTI)
- + More complete coverage of CEO remuneration for both FY24 and FY25

Gender pay

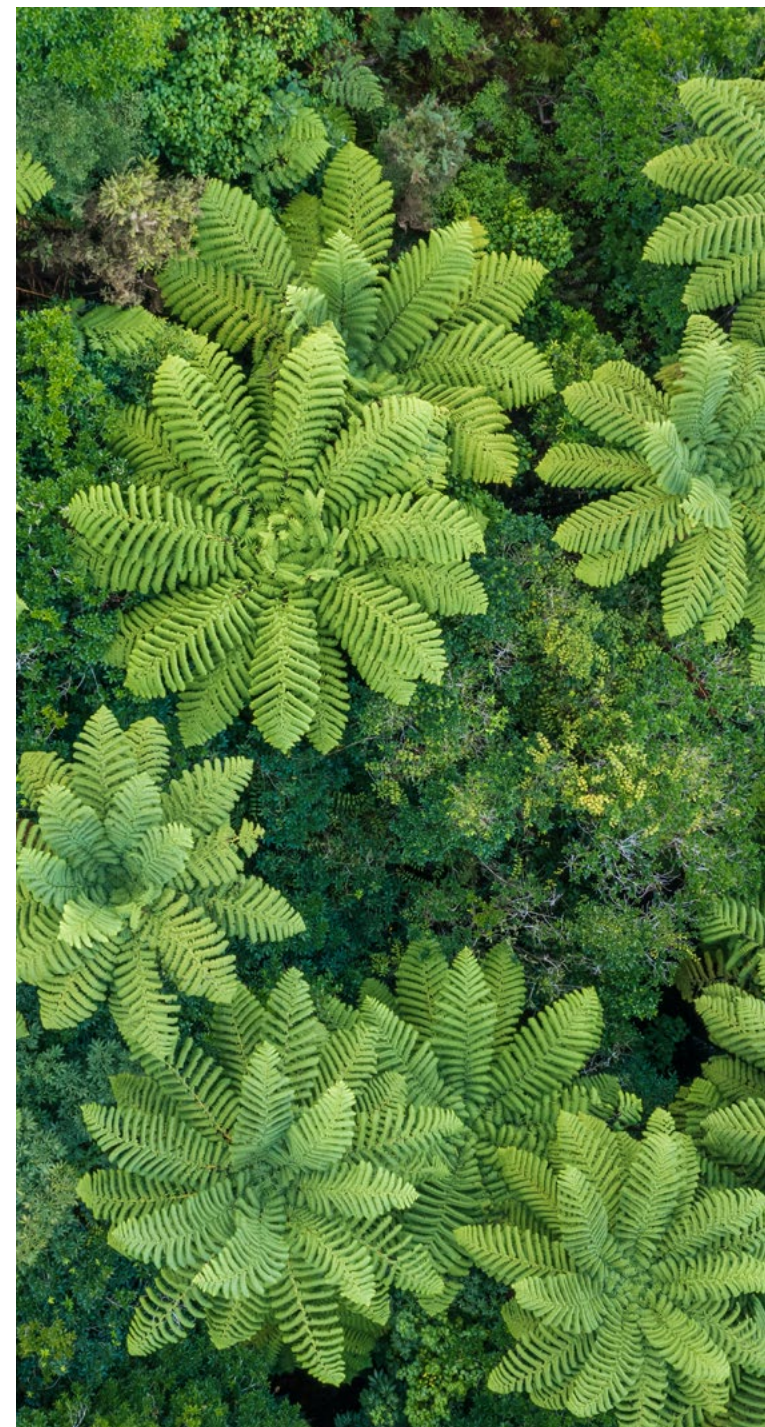
We have provided comprehensive information on Contact's gender pay gap and pay equity in **Gender pay reporting**. This continues to be a focus for us, and we appreciate that progress is slow but steady in closing our pay gap. We are committed to working both internally and externally as an industry, on closing the gap across the energy sector. We have made further progress against our overall pay equity, improving from 96 percent at the end of our last financial year to 98 percent as of 1 September 2024.

Being a good employer

Beyond remuneration, we are continuously looking for ways to improve as part of our commitment to being a good employer. This year, our progress in growing the capability of our team has been particularly pleasing, with the development of the Mau Taniwha Mauri Ora leadership programme, and Contact employees completing over 14,000 online courses in our Contact University.

You can read more about our overall employee value proposition in our strategic enablers section **Transformative ways of working**.

Jon Macdonald
Chair, People Committee



Directors' remuneration

The total directors' fee pool is \$1,500,000 per year. It has not been increased since it was approved by shareholders in 2008. Actual fees paid to directors are determined by the Board on the recommendation of the People Committee. Between FY23 and FY24, fees for the Board and Committee fees increased by around 4 percent. Directors' fees exclude GST, where appropriate. In addition, Board members are reimbursed for costs directly associated with carrying out their duties, such as travel costs. Contact employees appointed as directors of Contact subsidiaries do not receive any director fees. Dane Coppell was a non-executive director of Western Energy Services Limited until 31 March 2024 and was paid \$22,216 in director fees during FY24.

FY24	Chair per annum	Member per annum
Board of Directors	\$312,000*	\$149,000
Audit and Risk Committee	\$49,000	\$25,000
Health, Safety and Environment Committee	\$28,000	\$14,000
People Committee	\$28,000	\$14,000
Overseas director travelling allowance		\$16,000
Ad hoc committee fee related to major projects		\$1,200 per half day

* No additional fees are paid to the Board Chair for committee roles.

Details of the total remuneration paid to each Contact director for FY24 are as follows:

Directors	Board fees	Audit and Risk Committee	Health, Safety and Environment Committee	People Committee	Development Committee	Overseas travelling allowance	Ad hoc committee fee related to major projects	Total Remuneration
Robert McDonald	\$312,000							\$312,000
Victoria Crone ¹	\$62,083	\$10,417						\$72,500
Sandra Dodds ²	\$149,000	\$49,000		\$8,944		\$16,000	\$7,800	\$230,744
David Gibson ³	\$53,806	\$9,028						\$62,833
Jon Macdonald	\$149,000			\$28,000	\$9,010			\$177,000
Rukumoana Schaafhausen ⁴	\$149,000	\$15,972	\$14,000	\$5,056				\$184,028
David Smol ⁵	\$149,000	\$14,583	\$14,000		\$18,020		\$7,200	\$184,783
Elena Trout	\$149,000		\$28,000		\$9,010		\$9,000	\$186,000
Total	\$1,172,889	\$99,000	\$56,000	\$42,000	\$36,040	\$16,000	\$24,000	\$1,409,889

¹ Victoria Crone resigned as a director from 15 November 2023.

² Sandra Dodds ceased to be a member of the People Committee on 20 February 2024.

³ David Gibson was appointed a director and a member of the Audit and Risk Committee from 20 February 2024.

⁴ Rukumoana Schaafhausen ceased to be a member of the Audit and Risk Committee and was appointed a member of the People Committee on 20 February 2024.

⁵ David Smol was appointed a member of the Audit and Risk Committee from 15 November 2023.

Contact employee remuneration

We're committed to paying appropriate market rates for all our roles, and ensuring our people are rewarded for their performance and experience. There are three parts to employee remuneration – fixed remuneration, pay-for-performance remuneration, and other benefits. These combine to attract, reward and retain high-performing employees.

Fixed remuneration

Fixed remuneration is based on the role responsibilities, individual performance and experience, and current market remuneration data. Contact targets fixed remuneration at the median of the market range.

Pay-for-performance remuneration

Pay-for-performance remuneration recognises and rewards high-performing senior employees and comprises short-term incentives (cash and deferred share rights) and long-term incentives (performance share rights).

Short-term incentives (STI)

STIs are designed to recognise and reward high performance with cash incentives and deferred share rights through Contact's equity scheme for our higher-level roles and key talent. STIs have a maximum potential level set reflecting the person's role grade, and are based on performance measured against key performance indicators (KPIs), which generally consist of company and individual objectives. The Board reserves the right to adjust STI awards if company targets are not met.

Long-term incentives (LTI)

Contact provides awards of performance share rights through Contact's equity scheme to our senior people in our higher-level roles. This aims to encourage and reward longer-term decision-making and align participants' interests with Contact's shareholders. These are subject to performance hurdles.

Equity scheme

At 30 June 2024 there were 81 participants in Contact's equity scheme. For further details on the equity scheme and the number of performance share rights and deferred share rights granted, exercised, lapsed and on issue at the end of the reporting period, see note **E8** of the financial statements.

We have amended the plan rules for equity grants from October 2024, to allow for proration of allocations and Board discretion in change of control situations.

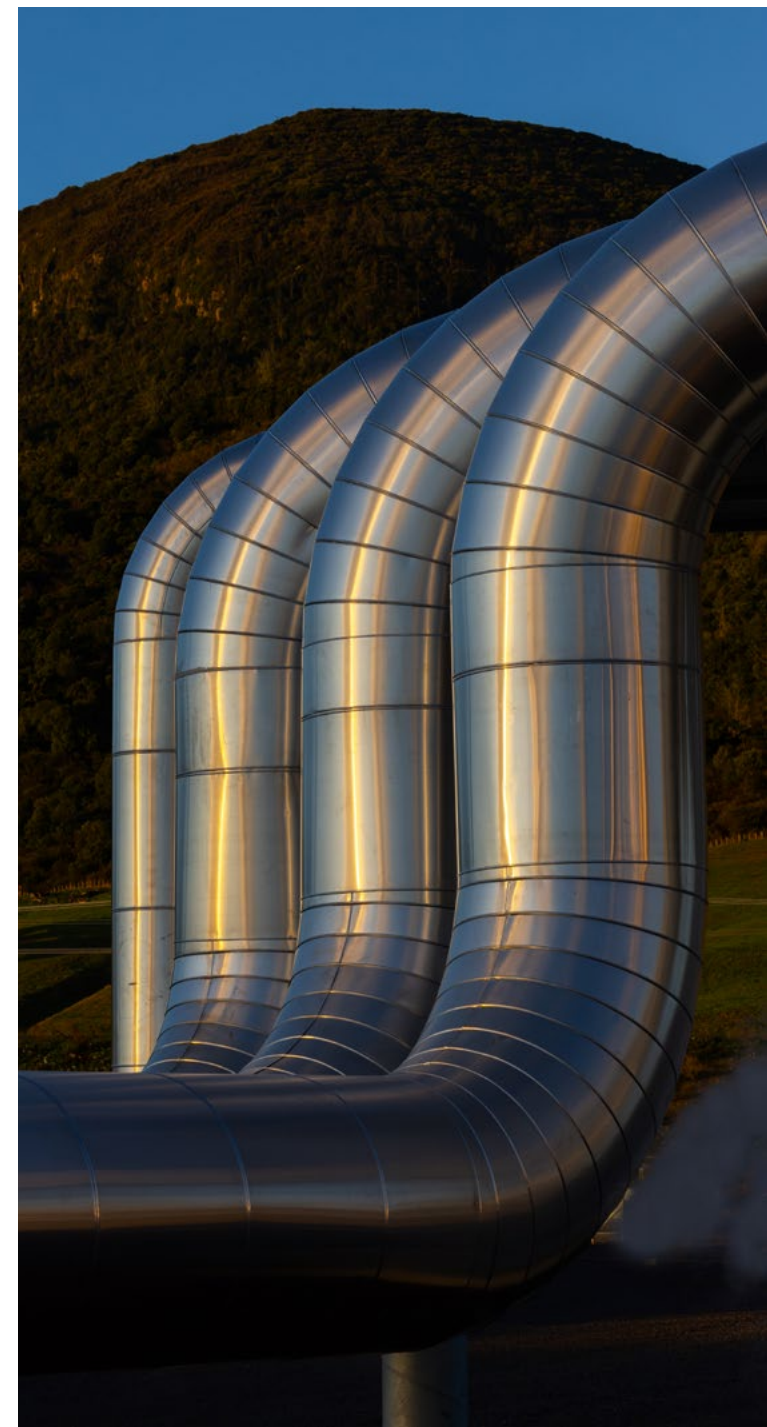
Other benefits

We know that rewards mean more than just money, so we offer our people a range of other benefits too, including 'Growing Your Whānau', our policy to support primary and secondary caregivers, and 'Good to Be Home', a \$400 after-tax payment for setting up a home office or putting towards wellbeing, and enhanced KiwiSaver benefits. Some of our other benefits include: discounts for home energy and broadband; employer-subsidised health insurance; an employee share ownership plan called 'Contact Share' (see note **E8** in financial statements for more detail).

Chief Executive Officer and Executive Team remuneration

The CEO and Executive Team remuneration is reviewed by our Board each year. The Board works closely with and is advised by Contact's People Committee. We also consider market remuneration data benchmarks, look at the achievement of performance goals and factor in creating long-term sustainable shareholder value.

The total remuneration is made up of a fixed remuneration component, which includes cash salary and other employment benefits, and pay for performance remuneration containing short term incentives (cash and equity awarded through deferred share rights) and long-term incentives (equity awarded through performance share rights).



The CEO and Executive Team variable remuneration for FY24 was structured as follows:

Scheme	Description	Performance measures	Potential
Cash STI	Cash STI is a discretionary scheme based on achievement of KPIs.	<p>70% based on corporate shared KPIs (results on next page):</p> <ul style="list-style-type: none"> • 40% financial results (EBITDAF*, Totex) • 20% safety targets • 40% strategy delivery and key operational milestone targets <p>30% based on individual KPIs.</p> <p>Executive Team individual KPIs are a mix of shared objectives and goals specific to each individual.</p> <p>The CEO individual KPIs for the year ending 30 June 2024 including leadership performance of Contact's key strategic initiatives, leadership of the executive team and stakeholder engagement.</p>	<p>Executive Team maximum potential 35% of base salary.</p> <p>CEO maximum potential 50% of base salary.</p>
Equity STI (awarded as deferred share rights)	Equity STI allows the participant to acquire shares at a \$0 exercise price subject to the time-bound exercise hurdle being achieved.	<p>The participant's performance rating influences the Equity STI awarded by the Board.</p> <p>The exercise hurdle to receive these is to remain employed by Contact 2 years from the grant date.</p>	<p>Executive Team maximum potential 30% of base salary.</p> <p>CEO maximum potential 30% of base salary.</p>
Equity LTI (awarded as performance share rights)	Equity LTI allows the participant to acquire shares at a \$0 exercise price subject to the exercise hurdle being achieved.	<p>The exercise hurdles to receive these are:</p> <ul style="list-style-type: none"> • 50% Contact's relative total shareholder return (TSR) ranking within an energy industry peer group of other New Zealand NZX50 listed utilities companies. • 50% based on the achievement of Contact's strategic priorities. For FY24 this included renewable generation development, stimulation of electricity demand flexibility and a reduction in Scope 1 and 2 Greenhouse gas emissions. <p>Tested once, at year 3. See page 80 for more details on LTI hurdles, that links to our new disclosure.</p>	<p>Executive Team set at 20% of base salary.</p> <p>CEO set at 35% of base salary.</p>

* EBITDAF is a non-GAAP (generally accepted accounting practice) measures. Information regarding the usefulness, calculation and reconciliation of these measures is provided within note **A2** to the financial statements.

FY24 Corporate Scorecard results

The table below outlines corporate performance metrics and outcomes for FY24. These are used to determine the payout for the corporate component of the STI for the CEO and leadership team.

KPI	Weighted Target	Good (50%)	Great (75%)	Outstanding (100%)	Actual Result	Actual Weighted Result
Financial	40.0%					27.5%
EBITDAF ¹	25.0%	669	704	739	Underlying: 663² Reported: 675	12.5%
Totex ³	15.0%	(387)	(378)	(369)	(363)	15.0%
Safety & Wellbeing	20.0%					18.0%
Shift our Safety Culture with Sentis						
Safety Leadership and Safety Culture – Coaching sessions completed by participant Leaders	4.0%	3 (60% attendance)	4 (70% attendance)	5 (80% attendance)	62% attendance of 3 sessions out of 5	2.0%
Safety Citizenship attendance by agreed participants	4.0%	>60%	>70%	>80%	82%	4.0%
Understand and Grow our Safety Capacity						
TRIFR (Controlled)	4.0%	6	5.4	4.5	0.9	4.0%
Process Safety and Occ H&S Events	4.0%	> 12 learning team events following up on Safety events	Good + 67% of leadership team attend and observe at least one learning team following Safety events	Great + 75% of all agreed actions from PSE learning teams completed within due date for the relevant year	22 learning team events + Full LT attendance + 89% Actions Complete	4.0%
Create Safe Work Outcomes						
Safety Observations	2.0%	>500 observations Cintellate mobile up and running (ROAM)	Good + Additional 1,000 observations	Great + Additional 1,000 observations	2,404 Observations + ROAM live	2.0%
Contact Leadership Walkarounds (CEO & Direct Reports)	2.0%	Minimum of 18	Minimum of 27	Minimum of 36	72	2.0%
Strategic/Performance	40.0%					23.3%
Tauhara Online	10.0%	29 Feb 2024	20 Jan 2024	1 Jan 2024	July 2024	0%
Renewable Development	10.0%	Board assessment of progress against the approved FY24 Development pipeline			Good	5.0%
Operational Uptime	10.0%	95.9	97.5	99.0	97.99	8.3%
Multi Product Customers	10.0%	133,000	136,000	138,000	139,500	10.0%
Total	100.0%					68.8%

FY23 Corporate Scorecard result was 36.6%

¹ Underlying EBITDAF is adjusted for AGS provision changes.

² EBITDAF assessed as “Good” given the proximity to target, strong operating performance, and excellent recovery of the timeline for Tauhara construction.

³ Totex is defined at cash opex and cash SIB capex.

FY23 Long-term incentive scorecard results

	Description	Performance Measure	Result	Percentage Achieved
FY23	Allocated October 2020	Relative TSR*		
	Tested October 2023			
	Performance Share Rights with 1 test date at the 3rd year	Relative TSR* based on performance against specific NZX peer group (Contact Energy Limited, Genesis Energy Limited, Meridian Energy Limited, Mercury NZ Limited, Trustpower Limited (Manawa Energy), Vector Limited)	100%	100%
	Volume weighted average price of \$6.14 on grant			

Trustpower was included in the peer group on grant, however was replaced with Manawa Energy prior test date

* TSR looks at both share price and dividend yield data at the test date for Contact and each company in the TSR peer group. Based on their respective TSRs, Contact and each of the companies in the TSR peer group is given a percentile rank. This percentile ranking then determines how many shares will vest.

- SHARE PRICE DATA: is the volume weighted average price (VWAP) on the NZX over the 3 calendar months preceding the grant date and test date.
- DIVIDEND DATA: are the dividends that are re-invested.

Long-term Incentive scorecards

Description	Performance Measure	Metric
FY26 Allocated October 2023 Tested October 2026 Performance Share Rights with 1 test date at the 3rd year Volume weighted average price of \$8.24 on grant	Relative TSR – 50% weighting	
	Relative TSR* based on performance against specific NZX peer group (Meridian, Genesis, Mercury, Vector and Manawa)	
	Progress on strategic initiatives – 50% weighting	
	Demand growth. Any new electricity demand growth via signed contracts, e.g. coal and gas fired boiler replacement, data centres, other process heat substitution, space heat substitution, additional capacity from major industrials but excludes any thermal substitution of existing electricity generation	1.4 TWh
	Final Investment Decision on renewable generation over 1 July 2021 base.	1.6 TWh
FY25 Allocated October 2022 Tested October 2025 Performance Share Rights with 1 test date at the 3rd year Volume weighted average price of \$7.66 on grant	Relative TSR – 50% weighting	
	Relative TSR* based on performance against specific NZX peer group (Meridian, Genesis, Mercury, Vector and Manawa)	
	Progress on strategic initiatives – 50% weighting	
	100MW Demand Flex contracted with customers (which enables them to automatically reduce consumption when electricity demand is high).	Yes/No
	Final Investment Decision on renewable generation over 1 July 2021 base.	1.0 TWh
FY24 Allocated October 2021 Tested October 2024 Performance Share Rights with 1 test date at the 3rd year Volume weighted average price of \$8.23 on grant	Relative TSR – 50% weighting	
	Relative TSR* based on performance against specific NZX peer group (Meridian, Genesis, Mercury, Vector and Manawa)	
	Progress on strategic initiatives – 50% weighting	
	Demand Growth. Any new electricity demand growth via signed contracts e.g. coal and gas fired boiler replacement, data centres, other process heat substitution, space heat substitution, but excludes any thermal substitution of existing electricity generation	460 GWh
	Final Investment Decision on renewable generation	0.5 TWh
	Tauhara delivered at or above the business case (base case) economics as measured by the net present value of the project. The discount rate, price path, cost of carbon units, and tax rate are held in line with the business case as they aren't controllable, but all other items are updated. The purpose is to reflect changes due to controllable items such as the amount of capex, output of the plant, timing of completion of the project.	Yes/No

* TSR looks at both share price and dividend yield data at the test date for Contact and each company in the TSR peer group. Based on their respective TSRs, Contact and each of the companies in the TSR peer group is given a percentile rank. This percentile ranking then determines how many shares will vest.

– SHARE PRICE DATA: is the volume weighted average price (VWAP) on the NZX over the 3 calendar months preceding the grant date and test date.

– DIVIDEND DATA: are the dividends that are re-invested.

CEO remuneration

The following table details the nature and amount of remuneration paid to Mike Fuge for his time as CEO during the year.

CEO remuneration for the period ended 30 June 2024

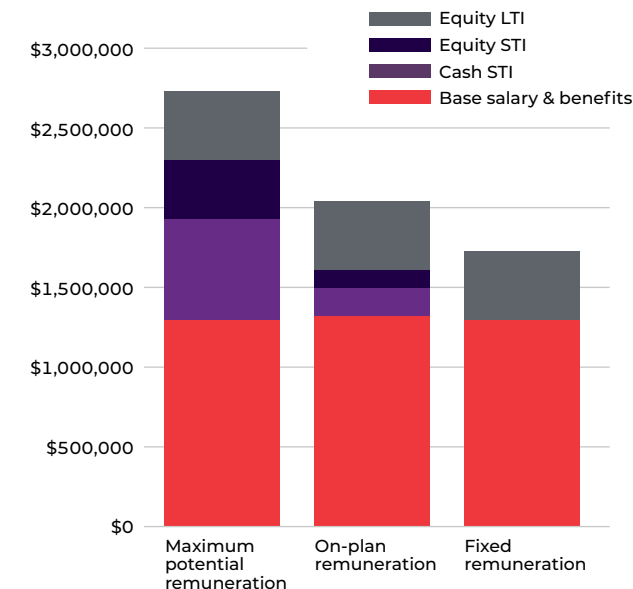
Position	Fixed remuneration			Pay-for-performance remuneration				Total remuneration
	Salary paid	Benefits	Subtotal	Cash STI	Equity STI	Equity LTI	Subtotal	
\$								
FY24	1,241,173	48,229 ¹	1,289,402	441,625 ²	265,000 ³	437,500 ⁴	1,144,125	2,433,527

Three-year CEO remuneration summary

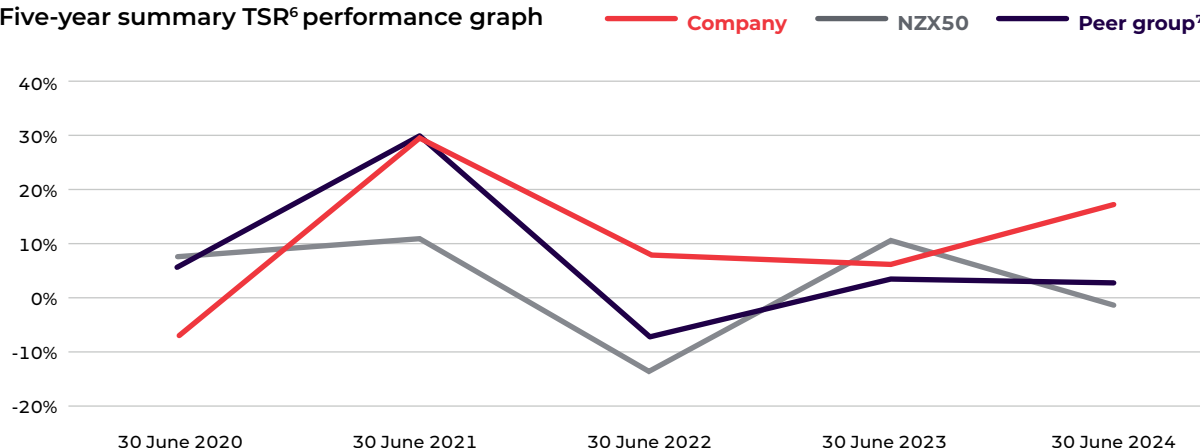
Financial year	Total remuneration paid ⁵	Percentage Cash STI awarded against maximum	Percentage vested Equity STI against maximum	Span of Equity STI performance period	Percentage vested Equity LTI against maximum	Span of Equity LTI performance period
FY24	\$2,433,527	71%	75%	2021-2023	100%	1 July 2020 – 30 June 2023
FY23	\$2,127,214	49%	50%	2020-2022	0%	N/A
FY22	\$2,128,603	57%	0%	N/A	0%	N/A

Scenario chart

The scenario chart below demonstrates the elements of Mike Fuge's CEO remuneration design for FY24.



Five-year summary TSR⁶ performance graph



- Benefits include 3% Kiwisaver contribution calculated on remuneration amounts including cash STI, and health insurance.
- Cash STI for FY24 period 71% of maximum potential, calculated on base salary, paid in FY25 (September 2024).
- Equity STI, 71% of maximum potential, based on fair value allocation. To be granted October 2024 and tested October 2026.
- Equity LTI is based on fair value allocation. To be granted October 2024 and tested October 2027.
- Total remuneration paid includes salary, benefits, Cash STI, and value of STI and LTI Equity (paid in shares).
- TSR is calculated using the volume-weighted average price for the 3 months prior to year end.
- Peer group is a simple average of Meridian, Genesis, Mercury, Vector and Manawa, with Manawa only in the group from FY18.

Breakdown of CEO's pay-for-performance

	Description	Performance measures	Percentage achieved
Cash STI	<ul style="list-style-type: none"> Maximum potential 50% of base salary Discretionary cash STI scheme 	<ul style="list-style-type: none"> 70% based on corporate shared KPIs (results on 78 page) 30% based on individual KPIs, including his leadership of: <ul style="list-style-type: none"> key aspects of Contact's strategy, including renewable generation, electricity demand agreements and customer sentiment Contact's health and safety transformation culture and teamwork within Contact Contact's engagement across all stakeholders 	68.8%
Equity STI	<ul style="list-style-type: none"> Maximum potential 30% of base salary Awarded as deferred share rights Share rights issued 1 October 2024 	The participant's performance rating is set by the Equity STI awarded by the Board	71%
Equity LTI	<ul style="list-style-type: none"> 35% of base salary. Awarded as performance share rights Share rights issued 1 October 2024 	<ul style="list-style-type: none"> 50% relative TSR ranking within an energy industry peer group 50% progress on strategic initiatives (see page 80) 	

CEO's long-term performance incentives

LTI Tranche	Performance Period	Grant Year	Number of share rights issued on grant	Value of share rights on grant date ¹	Number of share rights vested ²	Value of shares transferred ³
FY26	1 July 2023 – 30 June 2026	2023	83,260	\$418,524	To be determined after vesting date	To be determined on transfer date
FY25	1 July 2022 – 30 June 2025	2022	82,041	\$402,505	To be determined after vesting date	To be determined on transfer date
FY24	1 July 2021 – 30 June 2024	2021	71,339	\$402,510	To be determined after vesting date	To be determined on transfer date
FY23	1 July 2020 – 30 June 2023	2020	35,756	\$140,879	35,756	\$285,333

¹ Value of share rights on grant is based on Fair Value.

² Vesting is subject to the performance hurdles being met. See [page 80](#) for the performance hurdles.

³ Value of share rights on transfer is based on volume weighted price.

FY25 corporate scorecard

The table below outlines corporate performance metrics for FY25. These are used to determine the payout for the corporate component of the STI for the CEO and leadership team.

KPI	Weighted Target	Unit	Good (50%)	Great (75%)	Outstanding (100%)
Financial	40.0%				
EBITDAF ¹	25.0%	\$	740	770	785
Totex ²	15.0%	\$	(406)	(391)	(384)
Health, Safety & Environment	20.0%				
Transforming H&S Culture	4.0%	%	>70% invited participants complete Safety Citizenship Program >50 Leadership Walkarounds	>80% invited participants complete Safety Citizenship Program >75 Leadership Walkarounds	>90% invited participants complete Safety Citizenship Program >100 Leadership Walkarounds
Operational Excellence	4.0%	#	>800 Raised Observations	>1,200 Raised Observations	>1,600 Raised Observations
Critical Risk Control Management (CRC)	4.0%	#	Events with CRC absences, failures and near misses are identified	Events with CRC absences, failures and near misses are identified and investigated	Failed or Absent CRCs are identified and a plan in place for strengthening
TRIFR (Controlled)	4.0%	#	<5	<3	</=1
Environmental Incidents	4.0%	#	No tier 1 incidents; and Max 1 Tier 2 incidents; and 10 or less Tier 3 incidents	No tier 1 or 2 incidents; and 8 or less Tier 3 incidents	No Tier 1 or 2 incidents; and 5 or less Tier 3 incidents
Strategic/Performance	40.0%				
Execution Pipeline	10.0%		Board assessment of progress against the agreed plans for Te Huka 3 and Battery projects		
Development Pipeline	10.0%		Board assessment of progress against the agreed Development pipeline		
Operational Uptime ³	10.0%	%	>95	>96	>97
Multi Product Customers	10.0%	#	146,000	148,000	149,000
Total	100.0%				

¹ Underlying EBITDAF is adjusted for AGS provision changes.

² Totex is defined as opex and cash SIB capex.

³ Includes scheduled outages.

FY25 CEO remuneration structure

The Board has elected, in the interests of transparency, to disclose in advance the structure and package that will apply for FY25.

\$	Fixed Remuneration			Pay-for-performance remuneration maximum potential				Maximum Potential Total Remuneration
	Base salary	Benefits	Subtotal	Cash STI	Equity STI	Equity LTI	Subtotal	
FY25	1,300,000	48,297	1,348,297	672,750	390,000	455,000	1,517,750	2,866,047

Benefits include 3.5% Kiwisaver contribution calculated on remuneration amounts including cash STI, and health insurance.

Group employees who earn over \$100k

The table shows the number of our people (including any who have left) who received remuneration and other benefits during FY24 of at least \$100,000 for the year ended 30 June 2024. The value of remuneration benefits analysed includes:

- + fixed remuneration including allowance/overtime payments
- + employer superannuation contributions
- + short-term cash incentives relating to FY23
- + performance but paid in FY24 (Contact and Simply Energy)
- + the value of equity-based incentives at fair value allocation received during FY24 (Contact)
- + the value of Contact Share received during FY24 (Contact)
- + redundancy and other payments made on termination of employment.

The figures do not include amounts paid after 30 June 2024 that relate to the year ended 30 June 2024.

Table of employees who earn over \$100,000

Remuneration band	Number of employees	Remuneration band	Number of employees
\$100,001-\$110,000	53	\$400,001-\$410,000	3
\$110,001-\$120,000	65	\$410,001-\$420,000	2
\$120,001-\$130,000	60	\$420,001-\$430,000	1
\$130,001-\$140,000	59	\$450,001-\$460,000	2
\$140,001-\$150,000	72	\$460,001-\$470,000	1
\$150,001-\$160,000	64	\$510,001-\$520,000	1
\$160,001-\$170,000	66	\$540,001-\$550,000	1
\$170,001-\$180,000	70	\$560,001-\$570,000	1
\$180,001-\$190,000	37	\$620,001-\$630,000	1
\$190,001-\$200,000	22	\$690,001-\$700,000	1
\$200,001-\$210,000	29	\$710,001-\$720,000	1
\$210,001-\$220,000	18	\$720,001-\$730,000	2
\$220,001-\$230,000	20	\$730,001-\$740,000	1
\$230,001-\$240,000	20	\$760,001-\$770,000	1
\$240,001-\$250,000	8	\$850,001-\$860,000	1
\$250,001-\$260,000	6	\$990,001-\$1,000,000	1
\$260,001-\$270,000	3	\$2,430,001-\$2,440,000	1 ¹
\$270,001-\$280,000	6	Grand Total	740
\$280,001-\$290,000	6		
\$290,001-\$300,000	4		
\$300,001-\$310,000	4		
\$310,001-\$320,000	4		
\$320,001-\$330,000	4		
\$330,001-\$340,000	2		
\$340,001-\$350,000	2		
\$350,001-\$360,000	2		
\$360,001-\$370,000	3		
\$380,001-\$390,000	4		
\$390,001-\$400,000	5		

¹ Total remuneration for CEO is based on Cash STI to be paid in FY25 (September 2024) whereas all other employee earnings is based on Cash STI paid in FY24 (September 2023).

Gender pay reporting

Contact's commitment

One of the principles of our Tikanga (our moral compass) is to put our energy into things that matter. Being inclusive, encouraging diversity and expressions of ideas and opinions is a key focus of that. We are committed to building a workforce that reflects, and is inclusive of, the diverse communities of Aotearoa.

Understanding our pay reporting

Pay reporting is broadly defined as:

Gender parity – when men and women are equally represented at all levels at Contact.

Gender pay gap – the gap between the pay of women and the pay of men.

Pay gap calculation:

$$\frac{\text{average male hourly rate} - \text{average female hourly rate}}{\text{average male hourly rate}}$$

Closing the gender pay gap typically relies on addressing all these elements. Pay equity (equal pay for equal work) will typically not close the overall gender gap especially if genders are not equally represented at each level of the organisation.

Gender pay equity – equal pay for equal work – that is people undertaking the same work (roles requiring a similar level of skills, knowledge, and accountabilities) being paid the same regardless of gender. (Note: Equal pay is a legal requirement in New Zealand. We have processes and monitoring in place to ensure our people are treated and paid fairly, meeting both our legal and moral obligations.)

Pay equity calculation:

$$\frac{\text{average female (fixed remuneration/midpoint of salary range)}}{\text{average male (fixed remuneration/midpoint of salary range)}}$$

Contact's pay reporting

We recognise and respect that gender is not binary. For this reporting we have calculated our gender pay equity and pay gap only as the difference between those who identify as Women and Men (around 1.5 percent of our people identify as gender diverse).

Contact has made positive progress in closing our gender pay gap, with the average pay gap (including Simply Energy) sitting at 31.1 percent (was 34.1 percent) and the median gap sitting at 42.2 percent (down from 47.3 percent). There are two key drivers of our gender pay gap. The first is a higher proportion of women in our customer channels and the second is a lower proportion of women in highly skilled energy roles. Over the last 12 months, we have increased the number of women in our higher grades which has helped in closing our pay gap. Continued focus on improving our gender balance will lead to further reductions in the future.

Contact's pay equity sits at 98 percent at the end of the financial year. We assess all roles at Contact based on the skills, capability and experience required for the role. We then use market data to apply an appropriate remuneration range for each role. Roles are then grouped into pay bands, which cluster similar-sized roles together.

The bands contain different roles that may be filled by people with a range of experience. This can include people recently promoted into higher roles or bands, and who sit at the lower end of the range.

Each year, as part of our annual salary review, we review all our data to ensure that we are maintaining our commitment to gender pay equity, and make adjustments if required. We remain committed to achieving more balance of gender across all levels at Contact.

Additional Contact remuneration disclosures

- + CEO-to-employee pay ratio, 24:1. The ratio between the total annual compensation of the CEO and the median employee compensation.
- + CEO-to-employee pay increase ratio, 0.98:1. The ratio of the percentage increase in annual total compensation for the CEO to the median percentage increase.
- + Contact does not implement any clawback practices on employee remuneration other than in situations permitted by Aotearoa New Zealand legislation (e.g. for correction of overpayments).
- + Contact does not have a share ownership requirement for the CEO or Executive Team.
- + The notice period for Mike Fuge in his role as CEO is six months.

Career level	Workforce demographic		Pay gap (hourly rate)		
	Female population	Male population	Median	Average	Pay equity
Executive	0.2%	0.7%	-7.5%	12.1%	N/A
Strategic Senior Management	1.5%	3.3%	10.2%	5.1%	100.1%
Operational Management/National Specialist	6.2%	13.9%	1.2%	1.9%	100.9%
Team Leader/Technical Specialist	16.8%	27.6%	16.9%	13.1%	100.0%
Team Member	22.5%	7.4%	3.7%	2.1%	99.0%
Overall	47.2%	52.8%	42.2%	31.1%	97.9%