

Governance matters

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Governance matters

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. Contact has chosen to report against the latest version of the NZX Corporate Governance Code (1 April 2023) and as at 30 June 2023, we comply with the recommendations of the Code in all material respects. You can see our full reporting in our **Corporate Governance Statement** on our website.

Our board

The Boards 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 on the Board, 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. In addition to these skills, all seven Contact directors have strong governance expertise.

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 FY23 the directors went on an international study tour to more learn about developments in the renewable energy sector. We regularly review the performance of the Board to ensure the Board as a whole, and individual directors, perform to a high standard. We plan to undertake a full independent Board performance review again in FY24.

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.

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.

Director skills matrix

 Primary  Secondary

Strategic Focus	Director Expertise	Governance Capabilities
Brand value and customer experience	  	Brand identity and value. Deep customer insight and advocacy including in energy poverty. Understands generational shift and the impact on customer drivers. Retail growth and transformation expertise including customer-centric experience design, data analytics, digital marketing, sales, and agile retail. Skills to support and challenge progress towards improving the customer experience and reducing cost to serve.
Energy sector including generation, renewables, and wholesale energy markets	 	Leadership experience across the energy sector including in a generation portfolio of geothermal, hydro and thermal, energy markets, supply/demand and commercial and industrial customers. Core understanding of key drivers in value creation and prediction of market needs, moving towards a sustainable renewable energy business model. Operational risk management including health and safety.
Asset infrastructure	   	Experience successfully leading energy sector or adjacent companies (e.g. physical infrastructure, new technologies, engineering and construction), large-scale projects, investment and management. Skills to support and challenge in project investment, build and industrial maintenance.
Portfolio efficiency	   	Expertise in cost base reduction and increasing flexibility of an asset portfolio with sustainability at the forefront. Proven track record in cost out, improving reliability and resource utilisation while maintaining safety. Ideally experience in process improvement in resource environments.
Capital markets, investment community and ESG	   	Significant investment community experience. This spans finance, communications and securities law to enable the most effective two-way understanding of, and communication between, the company and the financial community, contributing to fair valuation and ability to gain buy-in for future strategic shifts. Experienced in sustainable investing and with the ESG data toolkit for identifying risks, informing solutions and impacting valuations, brand value and reputation.
Government and regulation	       	Ability to engage effectively and collaboratively with key government stakeholders. Brings an understanding of legal, policy, and regulatory environments that Contact operates in. Insight into non-financial risks around climate change, natural resources scarcity, pollution/waste and ecological opportunities.
Iwi connection and relationships	  	Iwi connection and relationships to develop shared understanding of kaitiakitanga and collaborative investment into resources.
Executive experience	     	Former CEO or C-suite executive with excellent track record of growing value, leading with purpose, strategy development and execution, including investing in people, leadership of culture, and effective delegation. Experience in international markets.
Financial expertise	    	Finance and accounting experience of large companies including transformation and cost optimisation. Expertise in M&A, project financing and/or wholesale commodity markets. The skills to chair the Audit and Risk Committee.
IT, digital and new technologies	    	Contemporary digital ecosystem platforms and systems to support lean operations, automation, security management and customer innovation. Skills to support and challenge in capital investment plans, technology-enabled operational efficiencies and service improvements. Strong exposure to trends in new energy technologies, cleantech and new products that support decarbonisation including the developments in transmission and changing nature of the 'energy corridor'.

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.

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) Victoria Crone Rukumoana Schaafhausen
Health,Safety and Environment	Elena Trout (Chair) David Smol Rukumoana Schaafhausen
People	Jon Macdonald (Chair) Robert McDonald Sandra Dodds

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.

We have a **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 third **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 also have a Supplier Code of Conduct, updated during 2023, which outlines the behaviours we expect from suppliers, particularly regarding ethical, social and environmental business practices as well as expectations for information security and privacy.

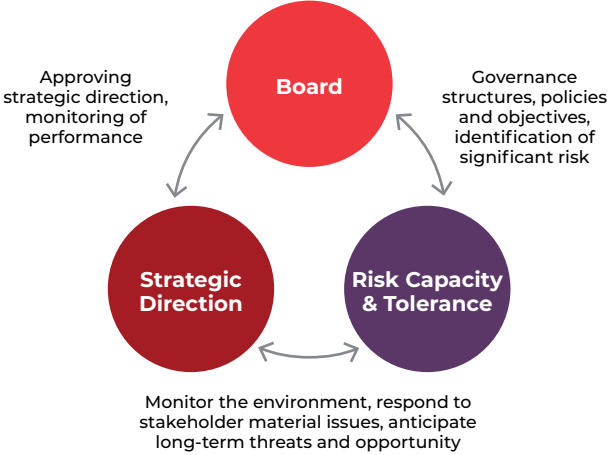
Risk management and assurance

Risk Management

Our risk management framework enables the Board to set an appropriate risk strategy and ensure that risk is managed throughout the organisation in accordance with the Board's risk appetite statements. The framework ensures we have appropriate systems in place to identify, assess, treat, monitor and report on material risks and that, where applicable, the Board sets appropriate tolerance limits. We assign responsibility to individuals to manage identified risks and we monitor any material change to Contact's risk profile.

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 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 are considered by the Board during the strategy setting process including the analysis into how actions to limit the impacts of climate change could affect the demand for our products and services.



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

- The full Board considers a wide range of risks (including economic, environment, social and governance risks) when reviewing the business strategy alongside a market update. The reports our teams produce ensure the Board understand the key risks and issues (such as climate change) that 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 Health, Safety and Environment 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 are encouraged to identify and manage potential risks to Contact.

There were no significant instances of non-compliance with laws and regulations, no fines were paid during the reporting period and there were no critical concerns.

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

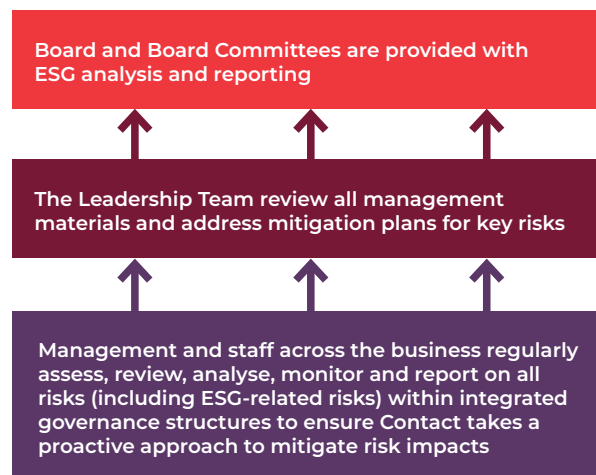
Our business assurance team fulfils our internal audit function and provides objective assurance of the effectiveness of our internal control framework. The team is based in-house, and draws on external expertise where required.

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 other 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 that 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 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 additional engagements this year including assuring our green borrowing programme, greenhouse gas emissions and Global Reporting 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,

I am pleased to present Contact's remuneration report for FY23 on behalf of the Board's People Committee.

FY23 Financial results and remuneration

Contact has delivered a solid financial result for shareholders this year with profit of \$127 million, underlying EBITDAF* of \$573 million, and operating free cash flow of \$282 million. Operating costs and capital expenditure have been managed well, while contending with inflationary pressures.

Our discretionary short-term incentive pool reflects Contact's performance in FY23 and any payments under these arrangements to eligible participants will be made in September 2023. Given the company's performance over the past year, we consider executive remuneration to be appropriate.

We believe that the structure and components of Contact's remuneration are serving the company well, and therefore we haven't made any changes to that structure over the past year.

A detailed overview of employee remuneration is set out in [Contact employee remuneration](#).

Details of Contact's Short Term Incentive

Each year we consider how we might further improve our reporting on Contact's remuneration. Last year we added information on the make-up of corporate element of the Short Term Incentive for executives. This year we've extended on that with the addition of a table [Corporate scorecard results](#) that provides more information on the targets and results that made up the corporate part of the Short Term Incentive for executives.

Gender pay equity

We've provided comprehensive information on Contact Energy's gender pay gap and pay equity in [Gender pay reporting](#). We appreciate that we have work to do, on Contact's pay gap in particular. We have made good progress in our most recent pay round, which will move our overall pay equity from 96 percent at the end of our last financial year to 98 percent as of 1 September 2024. I look forward to being able to give more detail on our progress in our Integrated Report next year.

We know our people are key to our success and we are continuously looking for ways to improve as part of our commitment to being a good employer. We have made good progress and launched some market leading initiatives this year and we look forward to continuing to make progress through FY24 and beyond.

You can read more about our overall employee value proposition in our strategic enablers section [Transformative ways of working](#).



Jon Macdonald
Chair, People Committee



* EBITDAF is a non-GAAP measure. Information regarding the usefulness, calculation and reconciliation of this measure is provided within note [A2](#) to the financial statements.

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 FY22 and FY23, fees for the Board and Committee fees increased by around 2 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 is a non-executive director of Western Energy Services Limited and was paid \$24,750 in director fees during FY23.

FY23	Chair per annum	Member per annum
Board of Directors	\$300,000*	142,800
Audit and Risk Committee	\$47,430	\$23,715
Health, Safety and Environment Committee	\$27,030	\$13,515
People Committee	\$27,030	\$13,515
Development Committee (disestablished effective March 2023)	\$27,030	\$13,515
Overseas director travelling allowance		\$15,300
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 FY23 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	\$300,000							\$300,000
Victoria Crone	\$142,800	\$23,715						\$166,515
Sandra Dodds	\$142,800	\$47,430		\$13,515		\$15,300	\$600	\$219,645
Jon Macdonald	\$142,800			\$27,030	\$9,010			\$178,840
Rukumoana Schaafhausen	\$142,800	\$23,715	\$13,515					\$180,030
David Smol	\$142,800		\$13,515		\$18,020		\$1,200	\$175,535
Elena Trout	\$142,800		\$27,030		\$9,010		\$1,200	\$180,040
Total	\$1,156,800	\$94,860	\$54,060	\$40,545	\$36,040	\$15,300	\$3,000	\$1,400,605

* The Development Committee was disestablished effective March 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 some 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 and key talent. 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 2023 there were 78 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 **E10** of the financial statements.

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', a new policy to support primary caregivers, and 'Good to Be Home', a \$400 after-tax payment for setting up a home office or putting towards wellbeing. Some of our other benefits have eligibility criteria and include: discounts for home energy and broadband; employer-subsidised health insurance; an employee share ownership plan called 'Contact Share' (see note **E11** in financial statements for more detail); and additional benefits and offers from retailers and service providers.

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.

The remuneration reflects the complexity of the roles and the wide-ranging skills needed to do them well. 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 FY23 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 (operating free cash flow, EBITDAF*, OPEX) • 15% safety targets • 45% 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 2023 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% internal hurdle related to our strategic priority of decarbonisation. For FY23 this included renewable generation development, stimulation of electricity demand flexibility, and delivery of our Te Huka 3 power station. <p>Tested once, at year 3.</p>	<p>Executive Team set at 20% of base salary.</p> <p>CEO set at 35% of base salary.</p>

* EBITDAF and operating free cash flow are 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.

FY23 corporate scorecard results

The table below outlines corporate performance metrics and outcomes for FY23. These are used to determine the payout for the corporate component of the STI for the CEO and leadership team.

Measure	Components	Result	Potential award	Actual award
Financial	EBITDAF	Achieved	40%	Partially achieved
	Cash conversion	Not achieved		
	Opex	Achieved		
Health and safety	Implementation of safety transformation programme	Achieved	15%	Partially achieved
	TISR (described in Health and safety) of controlled activities	Not achieved		
	TISR of monitored activities	Not achieved		
Strategic initiatives	On-time delivery of Tauhara steam field	Not achieved	45%	Achieved
	On-time delivery of SAP for finance and generation	Achieved/Exceeded		
	Renewable generation development pipeline	Max achievement		
	Generation asset operational uptime	Achieved		
	Growth of multi-product retail customers	Not achieved		

* EBITDAF is measured prior to impact of AGS onerous contract movements and accounting guidance changes for ASX Market Making Treatment.

At the beginning of the year, each component of the STI is allocated a weighting, along with levels that constitute meeting target (Good), exceeding target (Great) and maximum achievement (Outstanding). For each component, failure to reach target results in zero payout. A result at or above target results in payment between 50% and 100% of the award available for that component, based on the result relative to the pre-agreed range between target and maximum achievement.

CEO remuneration

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

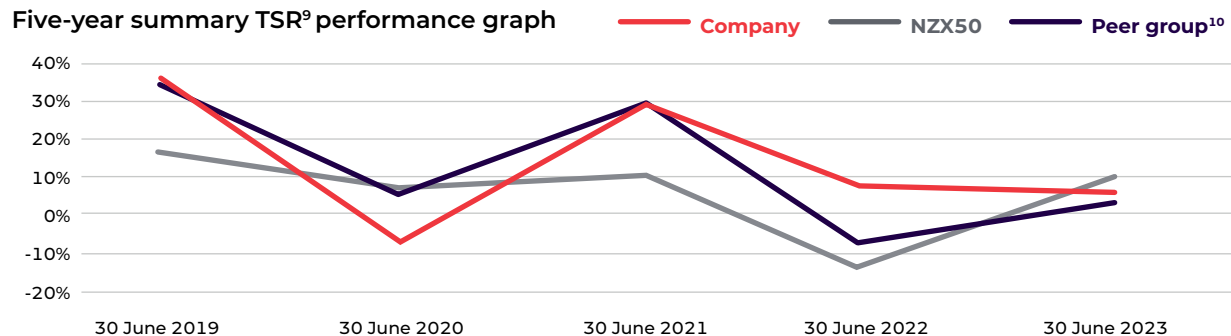
CEO remuneration for the period ended 30 June 2023

Position	Fixed remuneration			Pay-for-performance remuneration				Total remuneration
	Salary paid \$	Benefits \$	Subtotal \$	Cash STI \$	Equity STI \$	Equity LTI \$	Subtotal \$	
FY23	1,195,779	47,037 ¹	1,242,815	291,292 ²	174,584 ³	418,523 ⁴	884,399	2,127,214

Five-year CEO remuneration summary

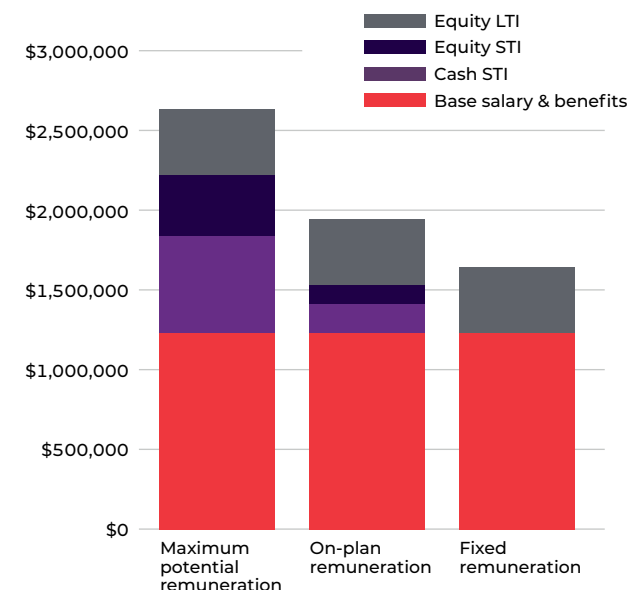
Financial year	Total remuneration paid ⁵	Percentage Cash STI awarded against maximum	Percentage vested Equity STI against maximum	Span of Equity STI performance period	Percentage vested Equity LTI against maximum	Span of Equity LTI performance period
Mike Fuge						
FY23	\$2,127,214	49%	50%	2020–2022	0%	n/a
FY22	\$2,128,603	57%	0%	n/a	0%	n/a
FY21	\$2,280,840	75%	0%	n/a	0%	n/a
FY20 ⁶	\$669,641	40%	0%	n/a	0%	n/a
Dennis Barnes						
FY20 ⁷	\$995,566	32%	100%	2017–2019 2018–2019	2015 Options/PSR 89.54% 2016 Options/PSR 50%	2015–2020 2016–2020
FY19	\$1,787,816	78%	100%	2016–2018	2013 Options 100% ⁸ 2014 Options 100%	2013–2018 2014–2019

Five-year summary TSR⁹ performance graph



Scenario chart

The scenario chart below demonstrates the elements of Mike Fuge's CEO remuneration design for FY23.



- Benefits include 3% Kiwisaver contribution calculated on remuneration amounts including cash STI, and health insurance.
- Cash STI for FY23 period 49% of maximum potential, paid in FY24 (September 2023).
- Equity STI, 49% of maximum potential, based on fair value allocation. To be granted October 2023 and tested October 2025.
- Equity LTI is based on fair value allocation. To be granted October 2023 and tested October 2026.
- Total remuneration paid includes salary, benefits, Cash STI, and value of STI and LTI Equity (paid in shares).
- 24 February 2020 – 30 June 2020.
- July 2019 – 28 February 2020.
- 100% of STI and LTI Equity vested as a result of Origin selling its shareholding in Contact triggering vesting of equity due to the change of control.
- TSR 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.

Group¹ 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 FY23 of at least \$100,000 for the year ended 30 June 2023.

The value of remuneration benefits analysed includes:

- fixed remuneration including allowance/overtime payments
- employer superannuation contributions
- short-term cash incentives relating to FY22 performance but paid in FY23 (Contact and Simply Energy)
- the value of equity-based incentives at fair value allocation received during FY23 (Contact)
- the value of Contact Share received during FY23 (Contact)
- redundancy and other payments made on termination of employment.

The figures do not include; amounts paid after 30 June 2023 that relate to the year ended 30 June 2023, the remuneration (and any other benefits) of the Contact CEO, Mike Fuge, as they are disclosed in **CEO remuneration**.

Table of employees who earn over \$100k

Remuneration band	Number of employees
\$100,001–\$110,000	60
\$110,001–\$120,000	48
\$120,001–\$130,000	71
\$130,001–\$140,000	72
\$140,001–\$150,000	61
\$150,001–\$160,000	63
\$160,001–\$170,000	62
\$170,001–\$180,000	40
\$180,001–\$190,000	25
\$190,001–\$200,000	20
\$200,001–\$210,000	17
\$210,001–\$220,000	13
\$220,001–\$230,000	19
\$230,001–\$240,000	8
\$240,001–\$250,000	10
\$250,001–\$260,000	3
\$260,001–\$270,000	9
\$270,001–\$280,000	1
\$280,001–\$290,000	2
\$290,001–\$300,000	3
\$300,001–\$310,000	2
\$310,001–\$320,000	3
\$320,001–\$330,000	2
\$330,001–\$340,000	3
\$340,001–\$350,000	3
\$350,001–\$360,000	1

Remuneration band	Number of employees
\$360,001–\$370,000	3
\$370,001–\$380,000	3
\$400,001–\$410,000	3
\$410,001–\$420,000	1
\$420,001–\$430,000	1
\$440,001–\$450,000	1
\$460,001–\$470,000	1
\$470,001–\$480,000	1
\$490,001–\$500,000	1
\$560,001–\$570,000	1
\$580,001–\$590,000	1
\$620,001–\$630,000	1
\$680,001–\$690,000	1
\$700,001–\$710,000	1
\$710,001–\$720,000	1
\$720,001–\$730,000	1
\$730,001–\$740,000	1
\$750,001–\$760,000	1
\$850,001–\$860,000	1
\$990,001–\$1,000,000	1
Grand Total	703²

¹ Excludes Drylandcarbon and Forest Partners.

² Excludes 42 former employees across the group (excluding Drylandcarbon and Forest Partners).

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 of 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 one percent of our people identify as gender diverse).

Contact's average pay gap is 34.1% (median 47.3%). There are two key drivers of our gender pay gap. The first is a higher proportion of our women in our customer channels and the second is a lower proportion of woman in highly skilled energy roles. Closing our gaps requires us to improve the gender balance with these areas.

Contact's pay equity sits at 96%. 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.

We're implementing a number of initiatives to drive improvement, including working with external partners to improve female participation in some historically male-dominated fields, applying gender recruitment targets where appropriate to increase the representation of women, and a continued focus to promote women internally into more senior-level roles.

We recognise that these activities will take time to have an impact.

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, -0.7:1. 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	% Women population	% Men population	Pay equity	Pay gap (hourly rate average)
Executive	0.2%	0.7%	N/A	11.6%
Strategic Senior Management	1.4%	3.3%	99.4%	7.1%
Operational Management/National Specialist	5.5%	11.7%	98.4%	4.4%
Team Leader/Technical Specialist	16.1%	29.4%	96.8%	14.7%
Team Member	23.8%	7.9%	99.2%	2.5%
Overall	47%	53%	96%	33.7%