

## 1 Policy

### 1.1 Purpose

This Policy outlines the remuneration principles, structure and framework for those employed in Executive positions by PWR Holdings Limited and its controlled entities (PWR Group).

### 1.2 Scope

This policy is intended to guide the setting of remuneration for Executive roles. The term Executive includes:

- Managing Director and Chief Executive Officer (MD/CEO) - accountable to the Board for the performance and long-term planning of the PWR Group;
- Those roles (excluding Non-Executive Directors) classified as Key Management Personnel (KMP) under the Corporations Act; and
- Executive Leadership Team (ELT) members who are the direct reports to the MD/CEO; roles that are business unit, functional, or expertise heads.

Separate policies exist for the remuneration of Non-executive Directors and for Remuneration of PWR employees generally.

### 1.3 Remuneration Principles

This Policy seeks to attract, reward and retain talented Executives who will lead the PWR Group to achieve its strategic objectives. The outcome of this Policy is to have an Executive remuneration framework that:

- Aligns Executive efforts with the creation of sustainable shareholder value and achievement of the PWR Group's strategic objectives by motivating them to manage and lead the business successfully and to drive strong long-term organisational growth
- Delivers market competitive reward packages necessary to attract and retain talented Executives in the jurisdictions in which the PWR Group operates
- Makes clear the line of sight between performance and reward to ensure that superior performance is recognised and rewarded, with a view to driving long-term growth and shareholder value
- Provides fair, consistent and internally equitable reward to appropriately compensate Executives for their contributions and performance outcomes
- Manages the balance between funding Executive remuneration practices and the PWR Group's performance
- Ensures a level of transparency and clarity in the design of Executive Remuneration practices and their governance.

### 1.4 Remuneration Structure

An Executive's Total Variable Remuneration Package consists of the following elements:

- Total Fixed Remuneration – the base salary or cash component of the remuneration plus statutory superannuation, pension or other statutory scheme required by law in the jurisdiction in which the Executive works
- Short Term Variable Remuneration (cash and equity based) through the STI Plan
- Long Term Variable Remuneration (equity based) through the LTI Plan

An Executive's Target Total Remuneration Package (TTRP) = TFR + STVR + LTVR.

### 1.5 Remuneration Components

- Total Fixed Remuneration is determined by taking into account the size and complexity of the Executive's role, individual responsibilities, experience and skills. TFR is targeted at the midline of the market (P50) for on-target performance. TFR is reviewed annually. Benchmarking of TFR is undertaken periodically with the

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assistance of an independent remuneration consultant appointed by the Nomination and Remuneration Committee. Judgement is applied in evaluating benchmarking data and determining appropriate remuneration increases for an Executive's TFR.

- b. Short Term Variable Remuneration rewards the achievement of clearly defined performance targets which are aligned to the PWR Group's performance objectives and are appropriate to its circumstances, goals and risk tolerance. Performance-based remuneration is awarded where a clear contribution to successful outcomes for the PWR Group is demonstrated against pre-agreed key performance indicators during a 12-month performance cycle. The reward is a combination of cash and equity and is administered through the STI and Performance Rights Plans. 50% of the reward earned at the end of a performance period is paid in cash with the remaining 50% satisfied with the grant of deferred equity in the form of performance rights half of which vest 14 months after the end of the performance period and half of which vest 26 months after the end of the performance period provided service conditions have been met. The STVR is administered by the Board under the STI Plan and Performance Rights Plan.
- c. Long Term Variable Remuneration is an equity award in the form of performance rights that relate to performance measured over a performance period of at least 3 years, the objective of which is to align the performance of the Executives with the performance of the Company and therefore the shareholders. The LTVR is administered by the Board under the Performance Rights Plan.

### 1.6 Remuneration Framework

The PWR Group's Executive Remuneration Framework ensures that the business is able to establish a reward strategy that will provide structure to generate, govern and support appropriate remuneration decisions. The drivers of remuneration are:

- a. The Person - When setting remuneration packages, the Executive's specific contribution and performance will impact remuneration decisions. This is done in conjunction with considerations linked to the experience, skills and attributes of the individual including how well they embrace and role model PWR's DNA.
- b. The Internal Relativities - In determining remuneration levels, the Board recognises that there may not be a direct or perfect correlation between the job size of a role as it exists within the PWR Group, and the job size available in the market for benchmarking purposes. In order to recognise internal relativities, a relationship model may be used to identify different categories of roles and to make adjustments to ensure that internal remuneration relativities are appropriate to the current circumstances of the PWR Group. Such a model should be linked to market data-based anchor points. When changes are made to the organisation design or the role of an Executive, the remuneration package may need to be reviewed. In doing this, PWR may also review and, if necessary, adjust the assessment of internal relativities between roles.
- c. Market Positioning - TTRP quantum and structure should be based on relevant market practice in companies having characteristics similar to those of the PWR Group. Such characteristics shall include to the extent possible: listing on the ASX, industry sector, geographic spread etc.

The TTRP for Executives is based on a policy of p50 for Total Fixed Remuneration and between P62.5 and P75 for Target Total Remuneration Package.

The Board and NRC relies upon the independent expert opinion of its External Remuneration Consultants to give recommendations regarding TTRP value estimates in relation to Executive remuneration (i.e. percentages of TFR to be allocated to each of the STVR and LTVR components). Targets for both STVR and LTVR should be challenging but achievable, with terms and conditions covered in separate policies for the STI Plan and the LTI Plan. To encourage a focus on performance and exceeding targets, there will be opportunities for STI and LTI award outcomes to be greater than the P75 target levels.

### 1.7 Termination Payments

Termination benefits (if any) for the Key Management Personnel, excluding specified payments such as accrued but untaken statutory leave entitlements, are limited by the Corporations Act, to one times the final three years average annual base salary (default limit) unless shareholders approve a higher amount.

There will be no termination payment where there is removal of an Executive for misconduct.

**2 Administration of Policy**

**2.1 Annual Remuneration Review**

The NRC will meet prior to the commencement of each remuneration year to determine whether:

- a. an increase in Executive remuneration should be considered, or
- b. a thorough market benchmarking review should be undertaken.

**2.2 External Information and Advice**

If market benchmarking is required, the NRC Chairman will be charged with the responsibility to engage an approved external remuneration consultant (ERC) to provide the necessary information on relevant market practices and recommendations on adjustments that should be considered by the Board.

**2.3 Individual Performance Reviews**

The Board Chair will be asked to provide input to the NRC on the performance of the MD/CEO during the year and to identify any development needs. The MD/CEO will provide input to the NRC on the performance of any Executives during the year and to identify any development needs.

**2.4 General Principles for adjusting TFR**

There are four main factors that should be considered when adjusting Base Salary and TFR and they are:

- a. The competence of the Executive as demonstrated over a significant period of time, evaluation of competence including achievement of KPIs and demonstrated behaviours aligned to PWR DNA
- b. The current position of the TFR in the benchmarking undertaken
- c. The motivational and retention impact of an adjustment or lack of adjustment to the Executive’s TFR, and
- d. The cost to the PWR Group of increases in TFR which may have flow on impacts to the cost of STI and LTI awards when expressed as percentages of TFR.

**2.5 Recommendations for the Board**

Once the NRC has received and considered the information and/or recommendations referred to in the Policy, the NRC will determine the recommendations it will make to the Board in relation to the remuneration for the Executive.

**2.6 Remuneration Report**

Remuneration details for Key Management Personnel will be published annually in PWR’s remuneration report.

**2.7 Definitions**

Term	Meaning
Executive	A person employed by a member of the PWR Group that is a member of the Executive Leadership Team and who reports directly to the Managing Director, including KMP
KMP	Key Management Personnel are those Executives determined by the Board as having authority and responsibility for planning, directing and controlling the activities of the PWR Group directly or indirectly
NRC	Nomination and Remuneration Committee, a committee of the PWR board operating under the Nomination and Remuneration Committee Charter
STI	Short Term Incentive documented in PWR’s Short Term Incentive Plan
LTI	Long Term Incentive documented in PWR’s Long Term Incentive Plan
Performance Rights Plan	The Plan first approved by Shareholders in 2016 and revisions approved at the AGM on 4 November 2022
TFR	Total Fixed Remuneration = Base salary plus superannuation

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Term	Meaning
STVR	Short Term Variable Remuneration
LTVR	Long Term Variable Remuneration
TVR	Total Variable Remuneration
TTRP	Target Total Variable Remuneration (TTRP) = TFR + STVR + LTVR

## 2.8 Policy Amendments

Amendments to this Policy can only be made by the PWR Board.

### Document Version Control Table

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