BLIS Technologies

Remuneration Policy

The Company's remuneration policy is based on practical, guiding principles and a framework that provides consistency, fairness and transparency while having regard to the risk appetite of the Company and alignment to its long-term strategic goals.

The Company's remuneration philosophy is:

- Aimed at attracting, retaining and motivating employees of the highest quality at all levels of the organisation;
- To motivate our organisation to achieve shared goals directly aligned with our strategic priorities;
- Aligned with our values;
- About recognising both team and company performance as well as shareholder value with alignment between performance and reward.

The People & Performance Committee is responsible for establishing the policies and practices of the Company regarding the remuneration of directors and other senior executives and reviewing key components of the Company's remuneration practices relevant to its employees.

A People & Performance Committee Charter sets out the objectives, responsibilities and authority of the RemunerationCommittee in relation to remuneration matters. The Charter stipulates that the Committee may countenance advice and make recommendations to the Board, but all decision-making authority in relation to remuneration remains with the Board.

Non-executive Directors

The structure of non-executive Directors remuneration is separate and distinct from the remuneration of the CEO and other executives. Non-executive Directors have no entitlement to any performance-based remuneration or participation in any share-based incentive schemes.

The Board seeks to set aggregate remuneration for non-executive Directors at a level which provides the Company with the ability to attract and retain Directors of the highest calibre whilst incurring a cost which is acceptable to shareholders. No remuneration is payable to Directors unless it is approved by the Company's shareholders or permitted under the NZX Listing Rules in the event of an increase in the total number of Directors.

Within the fee pool available, the Board reviews its fees annually. The process involves benchmarking against a group of peer companies.

Each non-executive Director receives a fee for services as a Director of the Company and an additional fee is also paid to the Chair and each Chair of the Board Committees to recognise the additional time commitment required for that role. All Directors are entitled to be reimbursed for reasonable costs associated with carrying out their duties.

CEO and Senior Leadership Team (SLT)

The Company is committed to providing a remuneration framework that promotes a high-performance culture and aligns rewards to the creation of sustainable value for shareholders. The underlying principle is to reward employees for Company and business unit performance against shared strategic objectives set by reference to appropriate benchmarks and key performance indicators (KPIs).The Board's policy for remunerating the CEO and the SLT is to provide market-based remuneration packagescomprising a blend of fixed and variable at-risk incentive-based remuneration with clear links between individual and Company performance and reward.

The CEO and SLT have fixed remuneration in addition to variable remuneration in the form of a short-term incentive (STI) as part of their remuneration package. In addition the CEO and SLT havelong-term incentives (LTIs) as part of their remuneration package.

1. Fixed Remuneration

The fixed remuneration for a position is informed and adjusted (if required) every two years based on data from independent remuneration specialists and sources. It takes into account a number of factors including:

- Internal relativity assessment using Job Evaluation
- Market rates – using private sector as the market comparator
- Median (midpoint) fixed remuneration i.e. the "going rate" for a competent performance
- Remuneration range of 15% above and below the midpoint based on individual experience and competence in the role

2. Variable Remuneration

All incentive programs that provide the potential to receive payment over and above fixed remuneration are based on a framework whereby such payments are discretionary, are appropriate to the results delivered by the Company and are based on a principle of reward for performance.

2.1 Short Term Incentive Plan (STI)

STI values are calculated as a percentage of fixed remuneration. STI strategic objectives, values and performance targets are approved by the Board at the start of each financial year.

The SLT STI is set at 20% of fixed remuneration based solely on Company strategic objectives, 50% financialand 50% non- financial..
The CEO STI is set at 30% of fixed remuneration based solely on Company strategic objectives, 50% financial and 50% non- financial.

STI payments are determined and paid annually following the finalisation of audited Company results. and are contingent on achievement of Company financial targets and achievement of strategic objective targets.
STI payments are conditional upon:

- Achievement of at least 85% of our financial objective target. Financial target includes both revenue and EBITDA thresholds;
- Achievement of an overall rating of 3 or above as a part of the Annual Performance Review process based on individual performance objectives;
- Staff remaining in good employment standing throughout with pro-rata provisions for early event situations (change in circumstances, sickness etc) in line with good employment practice.
- The Employer reserves the right to suspend or entirely remove the STI payment should the Employee be subject to disciplinary action for misconduct of any kind.
- The Employee being employed at the time of payment and not working through a notice period;
- Having been employed for at least 6 months. Staff that have been employed at least 6 months but not yet 12 months at the end of the financial year will have

their STI pro rated equivalent to their time of employment (to the nearest month).

*Note, if other staff outside of the Leadership Team/CEO have an STI Scheme as a part of their remuneration package this will be under the same prerequisite conditions above.

2.2 Long Term Incentive Plan (LTI)

A Performance Rights Share Plan (**PRS**) is additive for the CEO and available to the SLT and other eligible employees approved by the Board. The **PRS** core objectives and principles are:

- To incentivise and encourage long term commitment from SLT over coming years
- Alignment with and focus on long term shareholder value creation
- Proportional sharing of value created between owners and executive
- Retention of key leadership team members
- Pay packages appropriately and competitively weighted to at-risk, variable, pay for performance components
- Affordability and appropriately sized to Blis Technologies
- Acceptable to the Board, defensible to shareholders and stakeholders

A Performance Share Rights Agreement is attached to the policy document.

Key parameters for the **PRS** are:

- LTI incentive represents 20% of Total Remuneration (TR) in the year of grant
- Vesting ratio is 50% weighting to a minimum share price return of 15% CAGR and 50% weighting to 15% CAGR of net profit growth for 3 years from date of granting
- Maximum pool of shares available for staff share schemes is 3% of issued capital in any 12 month period without shareholder approval, in line with NZX listing rules
- Participation requires staff to remain in good employment standing throughout with pro-rata provisions for early event situations (change in circumstances, sickness etc) in line with good employment practice and board discretion
- Granting of rights is reviewed annually as part of remuneration and approval at full discretion of the Board
- Taxation on the gross income benefit from the Performance Rights is to the account and responsibility of the staff member. This may involve the staff member needing to sell some shares to cover the tax obligations. Provision for Freedom to Trade and meeting timing around payment of tax obligations will need to be considered by the Company’s legal advisors and confirmation that it is fully understood by staff.

3. Staff Remuneration

The Company is committed to employing staff in line with the NZ Living Wage.
In regard to permanent employees, the Company undertakes to complete a salary review annually, on the basis a review does not guarantee an increase and there is no obligation to increase an employee’s salary. Salary increases are contingent on overall Company performance and changed at the discretion of the Company. Any increase to base salary is at our discretion.

Salary reviews may include:

- Salary benchmark information both internal and external, relativity and job evaluation;
- Sustained individual performance in the role;
- CPI inflation;
- The Company's performance/ability to pay.