

1. POLICY PURPOSE

Sky Network Television Limited (**Sky**) Board and Executive Key Management Personnel Remuneration Policy's purpose is to establish clear and guiding principles for decisions around remuneration in accordance with the NZX Corporate Governance Code (1 April 2023) and ASX Corporate Governance Principles and Recommendations (4th Edition) (both referred to from here as **NZX & ASX Corporate governance guides**) and NZX and ASX listed company practice that will ensure fair, market competitive and appropriate remuneration is awarded for all disclosed positions.

Sky's goal is to ensure that the mix and balance of remuneration paid to the directors (together, the **Board**) and the Chief Executive Officer (**CEO**) and direct reports to the CEO (together, **Executive KMP**) is appropriate from an attraction, retention and motivational perspective and in line with generally accepted market practice.

2. SCOPE

This policy applies only to disclosed Board and Executive KMP.

3. GOVERNANCE

Effective governance will ensure that this policy is translated into effective decisions that are consistent with the intentions of the Board.

The Board approves this policy and all components of remuneration, being base and committee fees for the Board and including fixed remuneration, the quantum and terms of short-term incentives (**STI**) and the quantum and terms of any long-term incentives (**LTI**).

The People & Performance Committee (**PPC**) oversees the implementation of this policy supported by the People function and independent external advice, as required.

4. USE OF REMUNERATION CONSULTANTS

Sky ensures the procedure for procuring advice relating to Board and Executive KMP remuneration is consistent with corporate governance standards. This will include a summary of the procedures for engagement of the remuneration consultant, the provision of information to the remuneration consultant and the communication of remuneration recommendations, if any.

These procedures are to ensure the independence of the remuneration consultants and to avoid actual or perceived conflicts of interest. The procedures require that remuneration consultants are directly engaged by the PPC and act on instruction from its Chair or the Chair of the Board. Reports must be delivered to the Chair and the remuneration consultant is prohibited from communicating with Management, except as authorised by the Chair, and generally should be limited to the provision or validation of factual or policy data. The remuneration consultant must include a statement confirming the absence of any undue influence from Management.

5. NON-EXECUTIVE DIRECTOR REMUNERATION

In line with the NZX & ASX Corporate governance guides, Sky adopts the following position in respect of non-executive director remuneration:

- Non-executive directors will be remunerated by way of fees in the form of cash, non-cash benefits;
- Fixed remuneration for non-executive directors will reflect the time commitment and responsibilities of the role;
- Non-executive directors will not participate in schemes designed for the remuneration of Executive KMP;
- Non-executive directors will not be provided with retirement benefits.

The aggregate sum available to remunerate all non-executive directors is set at NZD \$950,000. Any change to the aggregate sum available to remunerate all non-executive directors requires shareholder approval. The Board has discretion to allocate this aggregate sum amongst the directors in the manner they see fit.

All Board and committee fees paid are inclusive of statutory superannuation, where applied, and is included in the total director fees paid.

Non-executive directors will receive reimbursement for all costs directly related to the performance of their duties on behalf of Sky.

The Board will review non-executive director remuneration periodically to ensure remuneration levels are maintained in line with market expectations. Market expectations will be assessed independently from time to time by reference to the remuneration paid to non-executive directors of comparable ASX & NZX listed companies. The remuneration positioning will be determined by the Board, but would be expected to be between the median and 75th percentile of these comparator companies.

5.1 Minimum shareholding requirements

There is no minimum shareholding for non-executive directors. All dealings in securities of Sky are subject to the provisions of the Sky Securities Trading Policy. Any proposed issue of securities to directors or their associates will be subject to Sky obtaining the approval of its shareholders.

6. EXECUTIVE KMP REMUNERATION

6.1 Remuneration policy statement – Executive KMP

Consistent with contemporary Governance Standards this policy aims to set Executive KMP remuneration that is fair, equitable, competitive and appropriate for the markets in which it operates and is mindful of internal relativities.

Sky will aim to ensure that the mix and balance of fixed and performance-based remuneration is appropriate to reward fairly, attract, motivate and retain Executive KMP.

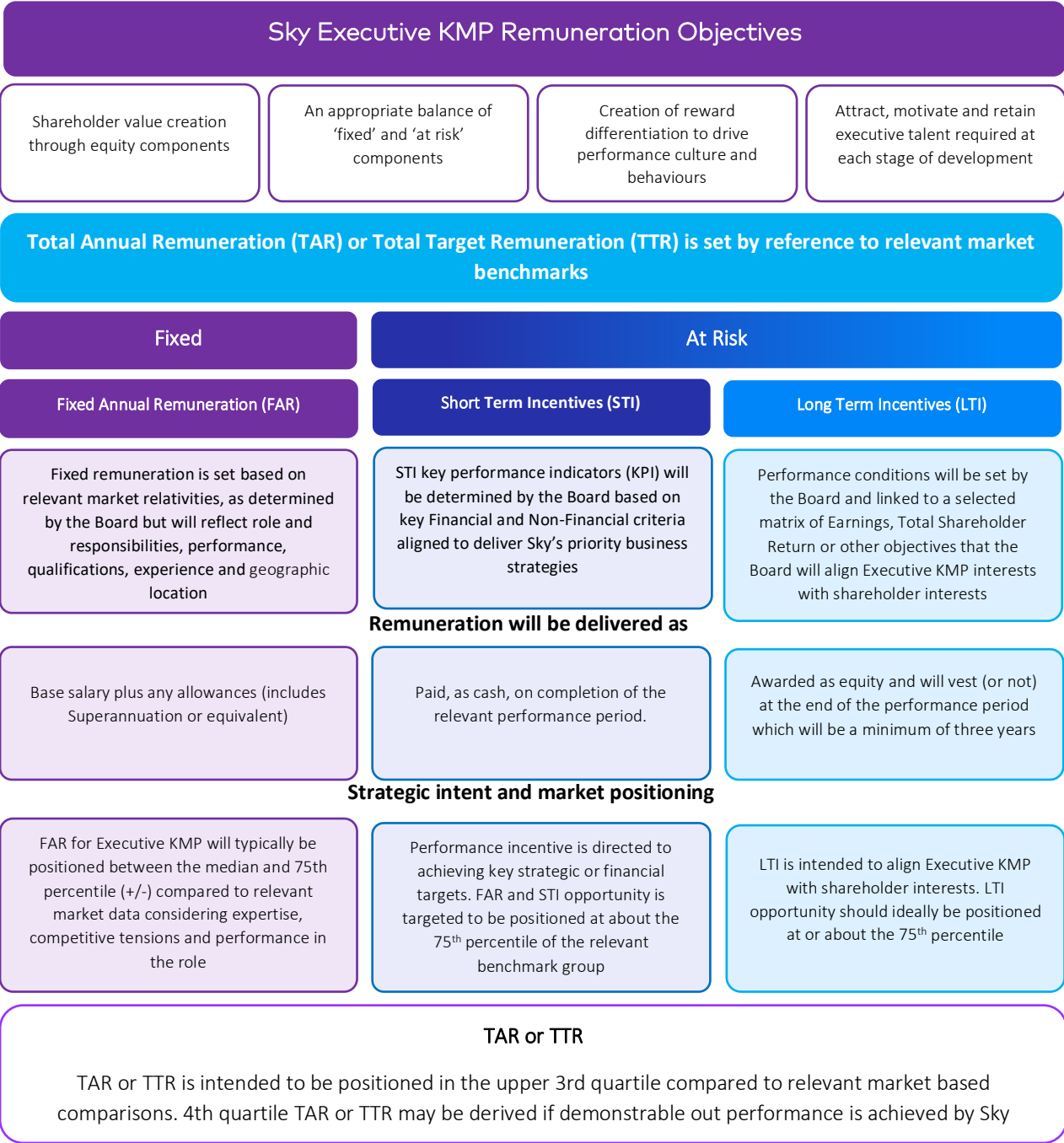
Specific objectives of this policy include the following:

- Provide a fair and competitive (internal and external) fixed annual remuneration which reflect core performance requirements and expectations for all positions under transparent policies and review procedures;
- Link Executive KMP remuneration to Sky's performance, as determined by the Board;
- Provide competitive total remuneration opportunities that will attract and retain appropriately skilled and motivated Executive KMP;
- Have a meaningful portion of remuneration 'at risk', dependent upon meeting pre-determined performance benchmarks, both short term (annual) and long term (equity based with both performance and service (3+ years) requirements), which are consistent with Sky's purpose, strategic goals, behaviours and risk appetite; and
- Termination payments, if any, for Executive KMP will be agreed in advance in a written agreement which sets out what will happen in the case of early termination and providing that no payments will be made for removal for misconduct.

This policy will be executed by Sky under a Total Targeted Remuneration (TTR) framework. Appropriate remuneration policy settings will be achieved by consistently applying a clear remuneration strategy directed at supporting the Board approved business strategy with appropriate and flexible processes, policies and procedures established by the board from time to time.

Fixed remuneration will consist of base salary, KiwiSaver (or equivalent), other benefits and allowances.

Sky's remuneration objectives for Executive KMP are summarised in the following table.



6.2 Executive KMP remuneration structure

Sky's Executive KMP remuneration strategic intention in approximate percentages is set out below.

Position	FAR %	STI%	LTI%	TAR %
CEO	50	25	25	100
Other KMP	63	22	15	100

The remuneration strategy intention will be subject to change from time to time and reviewed and approved by the Board (and the PPC) each year.

6.3 Setting remuneration levels – FAR

FAR is reviewed annually and tested against relevant independent external benchmark data. Any increases in FAR for Executive KMP are approved by the PPC and the Board.

Setting FAR is critical because FAR is used to pivot the 'at risk' components of 'at risk' remuneration. Generally, Executive KMP FAR will be positioned between the market median and the 75th percentile.

Strategically critical executives may be positioned at 75th percentile or above, subject to Board approval.

6.4 Short term incentives (STI)

Sky has a target based STI scheme in place for all Executive KMP. The Board has full discretion to amend and cancel the scheme and approve all payments in the application of the STI plan.

Purpose

The STI scheme is designed to reward executives for meeting the performance criteria set in respect of their position, each year to support and drive Sky's short-term performance, as directed by the Board.

Eligibility

Eligibility is determined by the Board and confirmed by an annual invitation. All Executive KMP are currently eligible to participate.

Performance criteria

Performance criteria (KPI) set for the STI scheme will be reviewed annually and designed to reflect fundamental strategic or performance (both financial and non-financial) objectives. KPIs for Executive KMP will be re-approved by PPC and the Board each year.

Weightings

KPIs are weighted to their relative importance with appropriate threshold, budget and target levels set. As a guide, for non-financial performance measures a rating guide is determined as follows:

Performance Rating	Score
Below Satisfactory	0
Satisfactory	15
Good	50
Very Good	100
Outstanding	125
Exceptional	150

Progressive performance measures will be applied with an award determination taking into account relative performance. Indicative ranges are shown below:

STI Performance Rating	Percentage of Budget	Maximum % STI to be awarded
Threshold - Budget	85 - 95%	50 - 75%
Budget	95-105%	100%
Stretch (Target)	105 - 130%	101 – 149%
Capped	> 130%	150%

6.5 Long term incentive (LTI)

A long-term equity incentive plan called the Sky Employee Incentive Plan (**Plan**) has been established to assist Sky to retain and reward Executive KMP and other senior executives appropriately. The Plan will be reviewed by external legal and tax advisers on a regular basis to ensure continuing compliance.

Purpose

Sky's LTI program is intended to align the Executive KMP performance interests with the interests of shareholders by creating long term value. It is also intended to provide an additional remuneration opportunity to participating executives for Sky achieving predetermined, Board approved, earnings (internal), total shareholder returns (external) or other performance conditions designed to align Executive KMP rewards with shareholder outcomes.

Eligibility

All Executive KMP are eligible to participate in the Plan each year, subject to a Board approved invitation.

The Board retains complete discretion on whether to make an LTI grant from year to year and on what terms bar where a contractual entitlement has been established prior to the implementation of this Policy.

LTI offers – key terms

LTI offers will be approved by the Board each year and the offer terms may vary from year to year or individual to individual, but will typically include:

- Date of grant;
- Type of equity award (performance rights, options, shares or other);
- The exercise price or issue price;
- Consideration, if any;
- Allocation value and number;
- Performance conditions;
- Service conditions;
- Other conditions or restrictions;
- Hedging restrictions;
- Change of control provisions; and
- Termination of employment conditions.

Any Plan offers will be supported by appropriate complying documentation.

6.6 Leaver (good/bad) policy in respect of unvested equity awards

The consequence for awards and shares where a participant ceases to be an employee is as follows:

- in the case of a "Good Leaver":
 - where the cessation of employment is due to death of the employee, and the employee has been continuously employed with Sky for more than 2 years up to and including the date of death, the vesting conditions and any restriction periods applicable to all or any of their awards and shares cease to apply; and
 - in all other cases of a "Good Leaver" (and regardless of whether the cessation of employment is due to death, permanent disablement, retirement, retrenchment or any other circumstances which the Board determines constitute a "Good Leaver" departure), unless otherwise expressly stated in an invitation the Board may, in its discretion, determine that some or all of the participant's awards or shares continue to be subject to their vesting conditions or restriction periods (as the case may be) or that some or all of those vesting conditions or restrictions will be waived, and/or that some or all of the participant's unvested awards will lapse; and
- in the case of a "Bad Leaver", unless otherwise expressly stated in an invitation all unvested awards would automatically lapse.

Additional circumstances resulting in the lapse or forfeiture of unvested awards, will include where the Board determines that a participant has:

- committed an act of fraud, defalcation or gross misconduct in relation to the affairs of Sky;
- hedged the value of, or entered into a derivative arrangement in respect of, unvested awards;
- purported to dispose of, or grant any security interest, over an award other than in accordance with the Plan Rules; or

- where there is reasonable evidence that the participant has materially contributed to, or been materially responsible for, the need for the restatement of financial results.

Notwithstanding the above, if the applicable Plan rules at the time of grant provided for a different treatment of awards where a participant ceases to be an employee, then those Plan rules will apply to those awards.

6.7 Recruitment incentive

Sky defines a recruitment incentive as any payment that serves as an incentive to encourage a person to join Sky. This form of payment (including equity grants) will not be paid unless the incentive is approved appropriately in advance as set out below:

- Where a payment is under a total value of NZD 50,000 the CEO has delegated authority to approve the incentive payment with the incentive to be reported at the next PPC meeting;
- Where the aggregate total of payments under NZD 50,000 meets or exceeds NZD 50,000 in a rolling 12 month period this will be reported at the next PPC and Board meeting; and
- Where a payment exceeds a total value of NZD \$50,000 it is to be approved prior to offer by the PPC and the Board.

The "grandparenting" principle will apply to all recruitment incentive decisions, whereby all approvals must be by the level above the line manager offering the incentive. As an example, where the CEO is making an incentive payment to a new Executive team member, PPC approval must be sought.

6.8 Out of cycle remuneration increases

Out of cycle or 'ad hoc' remuneration increases for any Executive KMP will only be considered in special circumstances and must be approved by the PPC and the Board, in advance.

6.9 Minimum shareholding requirements

There is no minimum shareholding for Executive KMP. All dealings by Executive KMP in securities of Sky are subject to the provisions of the Sky Securities Trading Policy as amended from time to time. Any proposed issue of securities to directors or their associates will be subject to Sky obtaining the approval of its shareholders.

6.10 Executive KMP employment agreements

All Executive KMP will be required to enter into an individual employment agreement. The key terms of the agreements are determined from time to time, subject to changing market circumstances and advice from independent external legal advisers.

The "grandparenting" principle will apply to all key terms, including remuneration offers, whereby all approvals must be by the level above the line manager offering the incentive. As an example, where the CEO is making a change to a key term for an Executive team member, PPC approval must be sought.

6.11 Remuneration management – approval and review cycle

The PPC is responsible for reviewing, and the Board for approving, Sky's overall remuneration strategy. Sky's senior executive remuneration review and approval cycle occurs between June and August to align with the annual reporting requirements..

7. MONITORING, EVALUATION AND REVIEW

7.1 Diversity and inclusion

Equal pay and pay equity are important principles to be upheld. Regular reporting of critical ratios and relative remuneration must be conducted to highlight any areas for action or comment.

7.2 Review

Sky's Board is responsible for approving this policy and any amendments to it. This policy was reviewed and approved by the Board in 22 August 2023.