

REMUNERATION POLICY

Scope

This policy relates the remuneration of the directors and executives (being the CEO and the Executive Team) of Radius Residential Care Limited (RAD). This policy does not form part of any employee's contract of employment.

Remuneration Policy

It is recognised that in order to support the business and its strategy, the Group must attract and retain people of a high calibre. Accordingly, the Board will set remuneration with regard to this and other business objectives. The Board sets remuneration levels that are fair and reasonable in a competitive market in accordance with the NZX Listing Rules and the RAD's constitution.

Specifically, in relation to the Executive Team, it is the policy of the Group to align executive remuneration with the performance of the Group and that executive remuneration should be comprised of both fixed and 'at risk' (or performance-based) elements. The purpose of this is to ensure that the interests of the executives are aligned with the interests of the Group and its shareholders.

Remuneration Governance & Practices

As set out in the Charter for the Remuneration and People Committee, the Committee is responsible for reviewing, recommending and, if delegated by the Board, setting, in accordance with this policy and Group practices, all components of the remuneration of the directors and executives.

In accordance with the Board's current practices:

- the Remuneration and People Committee is responsible for approving the remuneration of executives; and
- the Remuneration Committee is responsible for reviewing non-executive directors' and executive directors' remuneration and making a recommendation to the Board for approval.

The Board is responsible for approval of remuneration policies.

Executive Remuneration

The structure of executive remuneration is as follows:

FIXED REMUNERATION

The main component of remuneration is the fixed remuneration component (salary). Fixed remuneration is set by reference to the person's position, performance at RAD, their qualifications and their experience. Market data for executive remuneration for comparable companies (by size, industry classification and/or complexity) can also be considered in setting an executive's salary from year to year.

Fixed remuneration may include KiwiSaver contributions for New Zealand-based employees.

SHORT TERM INCENTIVE (STI)

The STI is currently an annual cash payment which is dependent on the achievement of performance measures set for each executive. The performance measures are set by reference to the executive's responsibilities and particular projects relevant to that executive and the business or function for which they are responsible. The purpose of the STI is to reward executives for meeting measurable objectives linked to a financial year.

Any share issue as part of remuneration (for example, as part of a long-term incentive plan) must be approved by the Board.

For example, for executives that are responsible for businesses in the Group, their performance measures may be set by reference to the performance of that business and the Group as a whole. For executives that have functional responsibilities, their performance objectives may be set by reference to the financial performance of the Group.

LONG TERM INCENTIVE (LTI)

RAD Group has a long-term incentive share plan.

The performance conditions related to an LTI plan are generally related to the performance of the Group over a 'performance period' (usually three years). The purpose of the LTI plan is to align a portion of executives' remuneration with the medium to long term performance of the Group.

The Committee determines whether an LTI plan will operate and the extent (if any) to which each executive is invited to participate in an LTI plan.

Weightings of Components of Remuneration

The weightings of the remuneration components are determined by the Committee from time to time having regard to market practice, the responsibilities of the CEO and her or his direct reports, the performance of the Group and any projects of the Group from time to time.

RAD will provide a summary of the weightings of the remuneration of the CEO and their direct reports in its Corporate Governance Statement.

Director Remuneration and Expenses

The remuneration of directors should be set by reference to the time commitment and responsibilities of the directors (including any commitment as a member of a Board committee). Market rates for director remuneration for comparable companies (by size, industry classification and/or complexity) can also be considered.

Director remuneration is usually in the form of fees however it may be acceptable for there to be a component of equity-based remuneration.

Directors may provide consultancy services to RAD with the approval of the Board.

Non-Executive Directors should not receive performance-based remuneration. Accordingly:

- fees should be 'fixed' in that they are not variable year-to-year based on the performance of the Group
- equity-based remuneration (if any) should not be linked to performance hurdles or requirements.

An additional allowance may be paid in recognition of additional work, for example for any merger, takeover or capital raise activity.

In addition, termination or retirement benefits (such as 'golden parachute' payments) should not be paid to directors.

Executive directors shall be paid separately for their Executive duties as determined by the Board.

The maximum aggregate amount of fees (inclusive of superannuation) that can be paid to directors is subject to approval by shareholders at the Annual Shareholders Meeting.

Directors will be reimbursed their reasonably-incurred expenses from time to time.

Approval and Review of Charter

The Policy was approved by the Board in June 2022 and will be reviewed by the Board at least every two years.