



## REMUNERATION POLICY

### 1 INTRODUCTION

- 1.1 ArborGen Holdings Limited and its subsidiaries (ArborGen) must attract, retain and motivate high quality employees to achieve its business objectives and create shareholder value. Employee remuneration plays an important part in achieving this.
- 1.2 The Board is responsible for setting this policy, and does so with the assistance of the Remuneration Committee.

### 2 OBJECTIVE

- 2.1 The objective of ArborGen's remuneration policy is to support the company to effectively attract, retain and reward high performing employees who achieve its business objectives and create shareholder value.
- 2.2 ArborGen is committed to ensuring its remuneration practices are fair and reasonable for ArborGen and its directors and employees.
- 2.3 This policy is guided by the principles that ArborGen seeks to:
  - (a) clearly align remuneration to company performance
  - (b) recognise and reward high-performing individuals, based on results achieved
  - (c) reflect external market conditions and internal relativities
  - (d) compete effectively in the employment market
  - (e) have ArborGen remuneration practices that are fair, reasonable, easy to understand and simple to administer.
- 2.4 This policy is supplemented by other documents, which set out further information in respect of specific remuneration components.

### 3 APPLICATION

- 3.1 This policy applies to  
ArborGen's directors, officers and employees.

## DIRECTORS

### 4 Director fees

- 4.1 At ArborGen, director remuneration is paid in the form of director fees and equity based remuneration (for independent directors).
- 4.2 The total remuneration available to directors (overall director remuneration pool) is approved by shareholders.
- 4.3 The Board determines the actual fees and other remuneration paid to directors within the overall director remuneration pool.
- 4.4 Directors do not generally receive additional fees for being a member of a Board committee.
- 4.5 The Board may determine that additional fees and allowances should be paid to individual directors to reflect additional services provided to ArborGen.
- 4.6 Directors do not receive any superannuation or other retirement benefits.

## EMPLOYEES

### 5 ArborGen's approach to remuneration

- 5.1 At ArborGen, employee remuneration may include a mix of the following components:
  - (a) fixed remuneration (which includes base salary, health insurance and superannuation contributions);
  - (b) short-term incentive plan; and
  - (c) long-term incentive plan.

### 6 Fixed remuneration

- 6.1 Fixed remuneration consists of base salary, health insurance (for US employees) and employer superannuation contributions.

#### **Base salary**

- 6.2 Base salary is determined with reference to external and internal relativities, as well as individual factors.
- 6.3 ArborGen uses job evaluation methodology to group positions to bands that make a similar contribution to the business. This methodology takes into account the nature of the work, accountabilities, impact on results, and the knowledge, experience and expertise required to perform the work.
- 6.4 For each band, an appropriate remuneration range is determined. Bands are benchmarked against the remuneration paid by ArborGen's industry peers for similar sized roles.
- 6.5 Tailored remuneration ranges may sometimes be applied by exception for specialist skillsets.
- 6.6 ArborGen undertakes an annual review of remuneration bands each year to ensure ongoing alignment with the external employment market.
- 6.7 Employees' individual base salary is reviewed annually at the end of the financial year, and any changes are at ArborGen's discretion. Individual performance, skills and experience, as well as company performance and market relativity are key considerations in setting individual remuneration.

## **Superannuation and Health Insurance**

- 6.8 Employees in the US are eligible to participate in the ArborGen 401(k) plan on date of hire. ArborGen matches 100% of the first 4% of employee contributions.
- 6.9 Employees in NZ who contribute to a KiwiSaver scheme will receive matched employer contributions of up to 3% of their gross base salary, paid to their KiwiSaver account.
- 6.10 In other jurisdictions, we comply with the requisite regulatory requirements.
- 6.11 Employees in the US are eligible for health, dental, vision and supplemental life insurance coverage at time of hire. Participating employees pay a percentage of premiums through payroll deduction and ArborGen pays the remaining premium balance. The employer premium percentage is determined annually prior to the insurance renewal period.

## **7 Short-term incentive plan**

- 7.1 The ArborGen Board may approve the availability of a short-term incentive plan to eligible employees and participation is at ArborGen's sole discretion. Any short-term incentive plan would be designed to reward achievement of short-term business goals that are set as part of plans to meet ArborGen's longer-term strategy. Any short-term incentive plan payment is conditional on performance criteria set by ArborGen and reviewed from time to time.

## **8 Long-term incentive plan**

- 8.1 The ArborGen Board established a new share-based incentive scheme named the 2019 Omnibus Incentive Scheme (the Omnibus Incentive Scheme) permitting the Board to grant various equity-based awards (such as stock options, stock appreciation rights, restricted stock units and potentially other types of equity and cash awards) to officers, employees and directors of ArborGen. The Omnibus Incentive Scheme aims to align their interests of the group's officers, employees and directors with those of the Company's shareholders over the longer term.
- 8.2 In accordance with the Omnibus Incentive Scheme, ArborGen established the 2021 Long Term Incentive Plan (2021 LTI Plan) allowing certain employees of ArborGen (Participants) to participate in the 2021 LTI Plan. If certain financial performance targets are met by the ArborGen group during the fiscal year ending 31 March 2021 restricted share units (RSUs) and conditional cash awards will be granted to the Participants at no cost to the Participants. The number of RSUs and cash awards to be granted to each Participant will depend on the relevant business unit's achievement of the performance targets, which relate to free cash flow before expansion, revenue and/or EBITDA. Details of ArborGen's long-term incentive plan is disclosed in the Governance Section of the Annual Report.

## **9 Employee remuneration reviews**

- 9.1 ArborGen reviews employee remuneration each year using external market information to ensure market relativity, and internally to test pay equity including by gender. Individual remuneration will be reviewed dependent upon performance and remuneration relativity.
- 9.2 Any increase to an employee's remuneration is at ArborGen's sole discretion.