

# 1 Executive summary

## Introduction

Scott Technology engaged the Institute of Directors in New Zealand (IoD) to undertake an independent review of the remuneration paid to its board of directors. The objective of this review is to assess whether current fees remain appropriate given market benchmarks, the company's size and complexity, and the governance responsibilities associated with an NZX-listed organisation.

Directors of listed companies operate in an increasingly demanding governance environment characterised by continuous disclosure obligations, regulatory oversight and heightened stakeholder expectations. Appropriate remuneration recognises the experience, judgement and accountability required of directors and helps ensure board fees remain broadly aligned with comparable NZX-listed organisations.

This review draws on benchmarking data from the IoD Directors' Fees Survey 2025 - 26, publicly available annual reports of comparable NZX-listed companies, and information provided by Scott Technology regarding board structure and time commitments.

## Key findings

The analysis indicates that:

- The current non-executive director fee of \$75,000 aligns broadly with the median of relevant survey comparators but sits below the average of comparable NZX-listed companies identified through annual report analysis.
- The current chair fee of \$155,000 sits around the upper quartile of survey data but slightly below the average observed in comparable NZX-listed companies.
- Committee chair fees currently align around the median of survey data, although Audit & Risk Committee chair fees in comparable NZX-listed organisations tend to be higher.
- Based on the time commitment estimates provided, Scott Technology's director hours sit below the median of comparator organisations, while the chair role sits slightly above the median.

Overall, the benchmarking suggests that moderate adjustments to director fees would align Scott Technology more closely with comparable NZX-listed organisations, maintaining consistency with the board's objective of positioning remuneration toward the upper range of relevant benchmarks.

## Recommended fee ranges

We recommend the following fee ranges and consider them to reflect fair remuneration for the governance commitments of Scott Technology, and to be representative of the wider market.

| FEE CATEGORY                                             | RECOMMENDED FEE RANGE |
|----------------------------------------------------------|-----------------------|
| Base Directors' fee                                      | \$82,000 - \$86,000   |
| Chair fee                                                | \$170,000 - \$175,000 |
| Audit & Risk Committee Chair fee                         | \$17,000 - \$21,000   |
| Governance, Remuneration and Nominations Committee Chair | \$13,000 - \$17,000   |

These ranges:

- position director remuneration closer to the upper quartile of relevant benchmarks
- recognise the governance complexity associated with an NZX-listed multinational organisation
- remain within the observed range of comparable listed companies.

Base fees include committee membership. We generally only recommend an additional fee for a committee chair

THE SUPPORTING INFORMATION FOR THESE RECOMMENDATIONS CAN BE FOUND ON PAGES 21 AND 22.

## Purpose and scope

In carrying out this assignment, the IoD has considered the following:

- Information supplied by Scott Technology
- Data from the latest available annual IoD Directors' Fees survey, with specific emphasis on NZX-listed company data subsets
- Fee data from comparable NZX-listed organisations, taking into account market capitalisation, complexity and risk profile
- Other confidential sources of fee data held by the IoD

This report does not assess specific constraints that may influence Scott Technology's final decision such as funding availability, the effect of fee levels on attracting and retaining skilled directors, or commentary on the performance of current directors. The final decision on fee levels, including any requirement for shareholder approval of a director fee pool, rests solely with Scott Technology.

## Organisation information

Scott Technology design and manufacture advanced automation and robotics solutions, helping industries replace dangerous, repetitive manual tasks with efficient, safe, and productive automated systems. The focus is on key sectors – for example meat processing, mining (sample prep), appliance manufacturing (whitegoods), materials handling and industrial automation. They provide end-to-end solutions, from design and commissioning to service and support, serving global companies to improve productivity and address labour shortages.

Scott Technology is listed on the New Zealand Stock Exchange (NZX-listed) with 83,177,005 shares on issue; 53% of which are offshore shareholders. It operates globally across twelve countries.

It is noted that three members of the board are appointed by the company's majority shareholder, JBS, and do not receive director fees from Scott Technology. As a result, the company's director fee pool applies only to the three independent directors. When considering benchmarking data, it is important to recognise that governance responsibilities for listed companies are typically shared across a fully remunerated board. The structure at Scott Technology means the effective remuneration pool is distributed across fewer remunerated directors than is typical among comparable organisations however all directors share equal responsibility.

### Current remuneration:

|                                                          |                     |
|----------------------------------------------------------|---------------------|
| Non-Executive Chair                                      | \$155,000 per annum |
| Non-Executive Director                                   | \$ 75,000 per annum |
| Audit, Finance and Risk Committee Chair                  | \$ 10,000 per annum |
| Governance, Remuneration and Nominations Committee Chair | \$ 10,000 per annum |

The current chair fee represents approximately a x 2.0 premium over the base director fee. The board has indicated that it considers it appropriate for director fees to be positioned toward the upper quartile of relevant market comparators. Scott Technology's board fees were last formally reviewed in 2021.

## Summary of fee research

### Organisation specific research

This table provides a summary of our fee research, as presented on pages 12 to 16.

| DATA SOURCE                          | FEE COMPARATOR CATEGORY                                                                                                                | AVERAGE DIRECTOR FEE | AVERAGE CHAIR FEE |
|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------|
| 2025 - 26 IoD Directors' Fees Survey | Scott Technology comparator dataset – upper quartile                                                                                   | \$88,757             | \$148,817         |
| 2025 - 26 IoD Directors' Fees Survey | NZX-listed Companies<br>All industries<br>Revenue \$200.1m - \$500m<br>Assets \$200.1m - \$500m                                        | \$78,643             | Insufficient data |
| 2025 - 26 IoD Directors' Fees Survey | NZX-listed Companies<br>All industries<br>Market capitalisation \$200m - \$500m                                                        | \$85,000             | \$165,000         |
| 2025 - 26 IoD Directors' Fees Survey | All organisation types<br>Manufacturing<br>Revenue \$200.1m - \$500m<br>Assets \$200.1m - \$500m                                       | \$93,333             | Insufficient data |
| Available online reports             | NZX-listed Companies<br>Manufacturing and/or Information, Media and Telcos<br>Revenue \$72.5m - \$385.4m<br>Assets \$126.3m - \$460.3m | \$91,715             | \$174,006         |
|                                      | SCOTT TECHNOLOGY CURRENT FEE                                                                                                           | \$75,000             | \$155,000         |

## Summary of time commitments

Directors are paid for the expertise and skills they bring to the boardroom rather than for the specific time invested in the role. However, the hours devoted to an organisations' governance may provide an indication of the complexity of the roles, level of involvement required, and is one of the considerations that can help to inform decisions on the appropriate level of fees. The estimated time commitments for the Scott Technology board align to the lower quartile of our comparator survey data for directors and at the median for the chair (see pages 17 - 19).

|                                          | NON-EXECUTIVE DIRECTOR TIME COMMITMENTS |        |                | NON-EXECUTIVE CHAIR TIME COMMITMENTS |        |                |
|------------------------------------------|-----------------------------------------|--------|----------------|--------------------------------------|--------|----------------|
|                                          | LOWER QUARTILE                          | MEDIAN | UPPER QUARTILE | LOWER QUARTILE                       | MEDIAN | UPPER QUARTILE |
| Survey comparator dataset – annual hours | 145                                     | 200    | 269            | 165                                  | 242    | 374            |
| SCOTT TECHNOLOGY TIME COMMITMENTS        | 133                                     |        |                | 255                                  |        |                |

## Summary of representative hourly fees

The IoD recommends fixed annual fees not hourly fees for directors, however understanding the representative hourly rate is helpful to reflect the time commitment expected of a boards' directors and ensure the board are being remunerated appropriately. The representative hourly fees may be helpful in determining special exertion fees for directors should it be appropriate to do so. The estimated hourly fees for Scott Technology's board members align at the upper quartile of our comparator data for all board members (see page 20)

|                                            | NON-EXECUTIVE DIRECTOR HOURLY RATE |             |                     | NON-EXECUTIVE CHAIR HOURLY RATE |             |                     |
|--------------------------------------------|------------------------------------|-------------|---------------------|---------------------------------|-------------|---------------------|
|                                            | LOWER QUARTILE (\$)                | MEDIAN (\$) | UPPER QUARTILE (\$) | LOWER QUARTILE (\$)             | MEDIAN (\$) | UPPER QUARTILE (\$) |
| Survey comparator dataset hourly fees (\$) | 207                                | 287         | 418                 | 274                             | 414         | 636                 |
| SCOTT TECHNOLOGY HOURLY FEE ESTIMATE       | 564                                |             |                     | 608                             |             |                     |