
Pacific Edge Limited

Directors' Fees Review Summary

June 2021

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Directors Fees Recommendation Summary

RECOMMENDED DIRECTORS FEE POLICY

Pacific Edge Limited to pay around the Lower Quartile of NZX Listed and NZX50 organisations with consideration to comparable Market Capitalisation and organisation dimensions.

RECOMMENDED DIRECTOR FEES

Role	Current Fees per Role	Recommended Fees Range		% Increase
		Min	Max	
Chair	\$80,000	\$120,000	\$128,000	
Deputy Chair	\$50,000	\$72,000	\$76,800	
Director x 4	\$44,000	\$60,000	\$64,000	
Audit & Risk Committee Chair	\$5,000	\$10,000	\$12,000	
Rem, Noms & Capital Committee Chairs	\$0	\$0	\$0	
Audit & Risk Committee Member	\$0	\$0	\$0	
Rem, Noms & Capital Committee Member	\$0	\$0	\$0	
Special Governance Pool - new	\$0	\$30,000	\$30,000	
Total Governance Pool	\$311,000	\$472,000	\$502,800	51.8% to 61.7%

Current Chair Fees Ratio (<i>Chair Fee:Director Fee</i>)	1.8
Proposed Chair Fees Ratio (<i>Chair Fee:Director Fee</i>)	2.0

Current Deputy Chair Fees Ratio (<i>Deputy Chair Fee:Director Fee</i>)	1.1
Proposed Deputy Chair Fees Ratio (<i>Deputy Chair Fee:Director Fee</i>)	1.2

The introduction of a Special Governance pool is deemed necessary to compensate Directors for additional work over and above their usual Director duties. The pool has been based on a daily rate of \$2,000 per day, allowing up to 15 days extra. We understand it may or may not be fully utilised.

In our view, the recommended ranges represent market levels appropriate for your organisation given the context provided and the need to attract and retain Director talent. While the increase to the overall governance pool is needed to bring fees to a competitive level- it also accounts for a change in Director numbers and the introduction of the special governance pool. The increase without the special governance pool is approximately 10% less. The fees increase might be transitioned into range over a period of time.

Strategic Pay's guiding principle is that it is important not to undervalue the contributions, experience or time committed by Board members. Application of any increase and final placement within the range will be solely at the discretion of the Board, considering the current context and requirements of the members of the Board and committees.

APPENDIX: ABOUT STRATEGIC PAY

At Strategic Pay we provide innovative solutions to help organisations meet their strategic remuneration, performance development and performance improvement goals. We help improve your overall performance by ensuring employee effort, remuneration and rewards are closely aligned with business objectives.

Deliver Strategic Rewards

We work alongside you to provide a compelling proposition that attracts retains and motivates the best people.

Our adaptable solutions include:

- Remuneration and reward strategy development
- Executive remuneration and performance advice (including incentives)
- Salary options using job evaluation, grades, bands or benchmarks
- Salary review management, including processes, tools and training
- Performance development systems, including customised design and implementation

Access New Zealand's Largest Remuneration Data Services

Strategic Pay offers an unrivalled suite of nation-wide and specialist industry and sector remuneration survey reports, based on a database of more than 220,000 employees from over 1,300 organisations.

Our key nation-wide surveys and reports include:

- NZ Remuneration Report (published 6 monthly)
- CEO and Top Executive Remuneration Report
- NZ Benchmark Report
- Corporate Services and Executive Management
- Directors' Fees Report
- HR Metrics Survey

Use Smart Technology

We understand busy HR practitioners' needs and offer a range of smart tools to manage remuneration and survey submissions:

- RemWise®: a remuneration tool to manage all aspects of your salary review, market data and survey submissions
- Rem On-Demand®: online access to remuneration reports, resources and insights
- PayCalculator: survey data at your fingertips

Drive Organisation Performance

Superior organisational performance is critical to delivering strategic business objectives. Speak to us today about using PLUS+ to develop a future proof strategy, an organisational model and structure that supports the strategy and matching the right people to accountabilities best designed to deliver the strategy in your organisation.

Build Capability

Through a range of workshops and the Strategic Pay Academy we provide clients with comprehensive short courses in Remuneration, Performance Management and Organisational Performance. We also offer training programmes that can be tailored to meet your specific requirements.

Consult Nationwide

Strategic Pay is nationwide, servicing clients across all parts of New Zealand from our various locations. Our consultants regularly travel to visit clients around the country and are happy to meet wherever you are. Find out more at www.strategicpay.co.nz