
Pacific Edge

Summary of Directors' Fees Review

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Recommendation Summary

RECOMMENDED DIRECTOR FEE POLICY

Pacific Edge to pay in a range between the Median and up to 15% above the Median of the Total Sample of New Zealand Directors Fees. The maximum of the range is below the Upper Quartile of the Total Sample.

RECOMMENDED DIRECTOR FEES

Role / Committee	Current Fees	Recommended Fees Range		% Increase	
Chair	\$75,000	\$72,675	\$83,600		
Deputy Chair	\$43,000	\$45,900	\$52,800		
Director x 2	\$40,000	\$38,250	\$44,000		
US Based Director	\$77,000	\$70,763	\$81,400		
Audit Committee Chair	-	\$10,000			
Total Governance Pool	\$275,000	\$275,838	\$315,800	0.3%	14.8%

We recommend reviewing base annual fees for the **Directors** into a range from **\$38,250 - \$44,000 per annum** as per the analysis below:

We recommend reviewing base annual fees for the **Deputy Chair** into a range from **\$45,900 - \$52,800 per annum** based on a **1.2:1X ratio** of Deputy Chair to Directors Fees.

We recommend reviewing base annual fees for the **Chair** into a range from **\$72,675 - \$83,600 per annum** based on a **1.9:1X ratio** of Chair to Directors Fees.

Further, we have recommended that a ratio of **1.85:1X** applies for the US Based Director to Directors Fees.

In our view, the recommended ranges represent market levels appropriate for your organisation given the context provided, and reflects the Directors Fee Policy.

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 180,000 employees from nearly 1,100 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