
New Zealand King Salmon Investments Limited

Directors' Fees Review Summary

Delivered by email:

Prepared by:
Strategic Pay
May 2024

Private and Confidential

Strategic Pay Limited is independent of New Zealand King Salmon Investments Limited. In this context, independence means that Strategic Pay Limited has not been subjected to any undue influence from management of New Zealand King Salmon Investments Limited, any board member of New Zealand King Salmon Investments Limited, or any other party in relation to the services provided by Strategic Pay Limited or the outcomes of those services.

PRIVATE AND CONFIDENTIAL

This document and any related advice, data or correspondence provided in relation to it is the intellectual property of Strategic Pay Limited. The intellectual property is confidential information and provided to the client to whom it is addressed (or if not so addressed, to the intended recipient) only for the internal purposes of that recipient on a confidential basis.

If an engagement is awarded to Strategic Pay, the right of the client to duplicate, use, or disclose such information will be such as may be agreed in the resulting engagement contract. If an engagement is not awarded, this document and any duplicate copy thereof must be returned to Strategic Pay or destroyed.

Background

New Zealand King Salmon Investments Limited ("NZKS") is the world's largest producer of King Salmon, with more than 35 years of farming, and processing this breed. King salmon is exported to more than 15 countries around the world under the brands of Ora King, Regal, Omega Plus, Southern Ocean.

The NZKS vision: To create a healthier world. We strive to grow healthy kai, healthy communities, healthy relationships, healthy environments, and healthy economies. This will contribute to growing a healthier Aotearoa and ultimately a healthier world.

BOARD COMPOSITION AND MEETING SCHEDULE

The Board is composed of a Chair and 6 Directors

There are 9 full day Board meetings per year.

There are four Committees:

- The Audit, Finance & Risk Committee meets four times for approximately four hours and has a Chair plus two Directors
- The People & Performance Committee meets three times for approximately 1.5 hours and has a Chair plus two Directors
- The Fish Farming Committee meets eight times for approximately 1.5 hours and has a Chair plus two Directors
- The Health & Safety, Food Safety Committee meets five times for approximately two hours and has a Chair plus two Directors

ORGANISATION DEMOGRAPHICS

Organisation Demographics / Dimensions	
Organisation Type	Private Sector – NZX Listed
Ownership	Oregon Group
Industry	Aquaculture
Annual Turnover / Budget	\$187m
Assets	\$238m
Shareholders' Funds	\$190m
Market Capitalisation	\$145 m
Number of Employees	450
Region	Nelson/Marlborough

CURRENT DIRECTOR FEE POLICY

There is no formal director fees policy currently in place.

Recommendation

2024 DIRECTORS FEES POLICY

Our recommendation is based on several factors including the organisation size, ownership, and complexity of NZKS, and the market data presented below.

We recommend the following criteria for the 2024 policy for Base Annual Fees:

- Market Data from 2024 Strategic Pay's NZ Directors' Fees Report
- Market Comparator Revenue (with consideration of the median of samples)
- Market Position Median
- Fees Range A range of \$5,000 up to the median of revenue
- Ratio 2.0:1X ratio applied to the Director fees to determine the Chair Fees

2024 COMMITTEE FEES POLICY

We recommend maintaining the fees for the Committee Chairs. These are market competitive and appropriate fee levels, reflecting median positioning figures in the NZ market.

We can also support payment of Committee Member fees at half the Chair levels, if you choose to do so. We find that over time, more work and more responsibility are being dealt to committees from full Boards.

RECOMMENDED FEES RANGES & COMMITTEE FEES

Role / Committee	Current Fees	Recommended Fees Range		% Increase
Chair	\$130,000	\$130,000	\$140,000	0 – 8%
Director x 6	\$65,000	\$65,000	\$70,000	0 - 8%
Committee Chair x 4	\$12,000 – 15,000	\$12,000	\$15,000	0%
Committee Member	N/A	\$6,000	\$7,500	N/A

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

It is the Board's prerogative, whether to accept the Strategic Pay Recommendation or not, based on both internal and external factors best understood within the organisation. Also considering what may be deemed palatable to stakeholders at this time.

Strategic Pay's guiding principle is that it is important not to undervalue the contributions, experience or time committed by Board members.

APPENDIX: ABOUT STRATEGIC PAY

At Strategic Pay we provide innovative solutions to help organisations meet their strategic remuneration, performance development and 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 with 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, performance and incentives advice
- 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

We offer an unrivalled suite of over 30 nationwide and specialist industry and sector remuneration survey reports, based on New Zealand's largest remuneration database.

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, we provide clients with comprehensive short courses in Remuneration. We also offer training programmes that can be tailored to meet your specific requirements.

Consulting

Strategic Pay services clients across New Zealand and the Pacific from our various locations. Our consultants regularly travel around the country and overseas to visit clients and are happy to meet wherever you are.

Find out more at www.strategicpay.co.nz