

## **Introduction**

This Remuneration Policy outlines the approach of NZME Limited (the “**Company**”) to the remuneration of its directors and executives.

## **Non-Executive Directors**

The Company’s Governance and Remuneration Committee (the “**Committee**”) is responsible for reviewing non-executive directors’ remuneration and benefits. The pool available to be paid to non-executive directors is subject to shareholder approval.

The Committee will obtain independent advice, as necessary, on the appropriateness of remuneration.

The levels of fixed fees payable to non-executive directors should reflect the time commitment and responsibilities of the role. The Committee will also consider the results of market comparison and a benchmarking assessment in setting the fixed fees payable to non-executive directors.

The Company will generally not pay performance based remuneration or retirement payments (other than superannuation payments, if any) to non-executive directors.

While the Company does not pay equity based remuneration to its non-executive directors, it encourages those directors to hold shares in the Company to better align their interests with the interests of other security holders.

## **Executive Remuneration**

The Committee is responsible for reviewing the remuneration of the CEO and any executive directors and, in consultation with the CEO, for reviewing the remuneration packages of executives reporting directly to the CEO.

The Company conducts external benchmarking analysis in order to determine the market rate for a role.

The Company provides a combination of cash and non-cash benefits and takes a total remuneration approach.

The Company reviews remuneration with the objective of achieving pay equity, including by gender.



***Fixed Remuneration***

When setting the levels of fixed remuneration payable to executives, the Company aims to set levels that are fair, based on the scale and complexity of the role and that reflect the performance requirements and expectations attached to the role.

The Company sets fixed remuneration following a market comparison and benchmarking assessment.

***Variable Remuneration***

The Company has established and may from time to time in the future establish incentive schemes under which certain executives may be offered a cash bonus and/or performance share rights.

Incentive schemes established by the Company are designed to align the reward outcomes with the shareholders' interests and to support the achievement of the Company's business strategy.

Eligibility for the CEO and other executive key management personnel to participate in Company incentive schemes is at the absolute discretion of the Board.

Eligible participants will have a target award opportunity, which varies between 50% and 100% of fixed remuneration, depending on the participant's role and responsibilities.

Each award opportunity will include performance measures, as determined by the Committee, which have to be satisfied for the participant to become entitled to the award. These performance measures will typically include financial performance conditions and non-financial performance conditions (such as business unit goals and personal performance conditions).

**Adopted 12 December 2017**

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