

DIRECTORS' REMUNERATION AND BENEFITS

1. Procedures

- 1.1 If the Company is to authorise a director's remuneration or other benefits to a director certain procedures must be followed.

2. Remuneration and Benefits Requiring Authorisation

- 2.1 Authorisation will be required for any of the following director's remuneration or benefits:
- 2.2 The payment of remuneration or the provision of other benefits by the Company to a director for services as a director or in any other capacity. This includes payments of directors' fees to directors. It also includes payments of executive salaries to directors who are also executives;
- 2.3 The payment by the Company to a director or former director of compensation for loss of office;
- 2.4 Loans by the Company to a director;
- 2.5 The giving of guarantees by the Company for debts incurred by a director;
- 2.6 The entering into of a contract to do any of the things set out above.

3. Board Authorisation Procedure

- 3.1 For the Board to authorise any remuneration or benefit to a director the following procedures must be observed:
- 3.2 The Board must be satisfied that to make the payment or provide the benefit is fair to the Company;
- 3.3 The Directors who vote in favour of authorising the payment or benefit must sign a certificate stating that, in their opinion, to do so is fair to the Company. The certificate must set out the grounds for that opinion;
- 3.4 Particulars of the payment or benefit must be entered in the Interests Register maintained by the Company.

4. NZX Requirement for Shareholder Approval

- 4.1 The NZX Listing Rules impose an additional requirement for directors' remuneration to be approved by ordinary resolution of the shareholders. That requirement does not apply in relation to the remuneration of executive directors in their capacity as executives. It also does not apply to remuneration which is not paid to a director in his or her capacity as a director.

Shareholders may approve an aggregate limit on Directors fees below which shareholder approval is not required. The current limit is NZ\$700,000 in aggregate.