



BRISCOE
GROUP LIMITED

Briscoe Group Limited

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BRISCOE GROUP LIMITED

REMUNERATION POLICY

PURPOSE OF THIS POLICY

The purpose of this policy is to outline the remuneration principles which apply to employees, executives, and directors of Briscoe Group (BGP) to ensure that remuneration practices within the group are fair and appropriate for the organisation, its employees and other stakeholders.

INTENT

BGP's Remuneration Policy is designed to attract, motivate, and retain quality employees. As one of the tools available to the company, it serves to encourage discretionary effort and high engagement and reward performance which leads to achievement of the company's business objectives and the creation of shareholder value.

PRINCIPLES

Briscoe Group's remuneration policy is guided by the principles that it:

- Is aligned with Briscoe Group's values, culture and corporate strategy;
- Attracts suitable prospective employees and retains existing employees;
- Is clear and understandable by all stakeholders;
- Is equitable;
- Ensures alignment between performance and remuneration;
- Ensures payment of appropriate remuneration for expected levels of performance along with, at senior levels, a contingent variable component, to recognise and reward superior individual, team, company, or group performance for performance above and beyond expected levels;
- Recognises team and company performance along with the creation of shareholder value;
- Is flexible in providing appropriate remuneration and reward packages by seniority of role, recognises and reflects the importance of key functions and roles and acts to attract and retain key talent;

SCOPE AND FIT

This policy applies to all Briscoe Group employees engaged on individual employment agreements or contracts for service, including the Senior Executive team and Directors. This policy may be reviewed and amended, replaced, or withdrawn by Briscoe Group at any time.

DIRECTOR REMUNERATION

The Board monitors the wider market in relation to remuneration of directors as it does for all employees. In accordance with the Company Constitution, shareholder approval is sought for any increase in the pool available to pay directors' fees. The Board determines appropriate allocations of that pool based on roles and contributions to the governance of the company, primarily in relation to participation in and leadership of Board sub-committees. No directors' fees are paid to executive directors.

BRISCOE GROUP'S APPROACH TO EMPLOYEE REMUNERATION

Briscoe Group is committed to applying fair and equitable remuneration and reward practices in the workplace, taking into account internal and external relativity, the wider commercial environment, the ability to achieve the company's business objectives, along with the creation of shareholder value.

Under Briscoe Group's remuneration framework:

- Individual performance and market relativity are key considerations in all remuneration-based decisions, balanced by the organisational context.
- Remuneration may include a mix of fixed and variable components. A summary of the current provisions is set out below:
 - Wages are benchmarked against the wider market for the same or similar talent;
 - Remuneration for salaried roles is generally assessed and expressed based on Fixed Annual Remuneration (FAR) and includes base salary and employer KiwiSaver contributions. FAR is generally established on the base requirements of the role;
 - A discretionary Short-Term Incentive (STI) may be offered to permanent employees, at the discretion of the Managing Director. The structure of short-term incentive schemes are approved by the Board. Details of any incentive scheme may vary from year to year in accordance with separately documented guidelines, and by approval of the Managing Director. For Senior Executives, final approval includes consideration by the Board;
 - A Medium-Term Incentive (MTI) Plan may be offered, with participation determined on the basis of intended outcomes and as recommended by the Managing Director with approval by the Board. Generally, this will be for those in senior roles and those in specialist functions that have a significant and material impact on the performance of the company;
 - A Long-Term Incentive (LTI) Plan may be offered, with participation determined on the basis of intended outcomes and as recommended by the Managing Director with approval by the Board.

Roles are evaluated using a standardised job sizing methodology using both external specialist advice and acknowledging other market practices. Roles of similar levels are grouped into bands. The remuneration midpoint for each band is determined with reference to Briscoe Group's remuneration comparator groups. Briscoe Group benchmarks both the general market and retail market.

Base salary is determined by role size and the remuneration midpoint applicable to that role. The salary of an individual is generally set between 85% and 115% of the midpoint, dependent upon competency and performance.

For waged and salaried roles, the company undertakes an annual remuneration review, generally in April of each year with changes effective in May, completed after the conclusion of the financial year so as to incorporate performance as one consideration. Recommendations and decisions as to any changes are informed by an assessment of relevant external market data, individual performance, and organisational context. Any increase to an employee's base salary is at Briscoe Group's sole discretion.

Employees who contribute to a KiwiSaver scheme receive Employer contributions paid to their KiwiSaver account in accordance with applicable legislation. This is in addition to base salary or wage rates. Briscoe Group makes employer contributions for active KiwiSaver members irrespective of age. This is done on the basis that encouragement of individuals to save for their retirement is in the interests of both the individual and wider society.

REDUNDANCY COMPENSATION

On the occasion that a role is to be disestablished, Briscoe Group seeks to offer redeployment to other roles or locations of work. Where ongoing employment with the Group is unable to be provided or is unattractive to the individual, notice, as provided for in individual employment agreements, is provided.

Briscoe Group has limited and well-defined contractual commitments to redundancy compensation for our workforce. This is complemented by a clear organisational policy providing for modest payments should redundancy be the outcome of an organisational restructure.

In the limited instances where an ex gratia payment may be considered appropriate, the decision to make a payment, along with determining a suitable quantum, will only be authorised in accordance with the requirements of the Delegated Authorities Policy.

For the avoidance of doubt, termination or retirement benefits (such as "golden parachute" payments) are not a feature of Briscoe Group's terms of employment.

NON-CASH BENEFITS

Non-cash benefits are primarily for reimbursement of costs incurred in the performance of work for Briscoe Group.

Briscoe Group may also offer non-cash benefits / discounts / purchasing provisions for employees, including via relationships with other organisations and suppliers. These may vary from time to time at the discretion of Briscoe Group or the applicable supplier.

RESPONSIBILITIES

The Human Resources Committee, on behalf of the Briscoe Group Board, provides guidance and oversight on:

- Development and approval of the Company's remuneration policy;
 - Performance assessment and remuneration recommendations concerning the Managing Director;
 - Remuneration recommendations relating to the executive management team;
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- Considering budgets for the organisation’s annual remuneration reviews for salaried roles;
- Development and approval of the structures of incentive schemes offered to Briscoe Group employees;
- Confirming the outcomes of any organisational performance measures used to determine payments under Briscoe Group incentive schemes.

The Human Resources Committee reports back to the Board with recommendations for approval.

The Managing Director is required to:

- Make recommendations to the Human Resources Committee on Executive remuneration matters;
- Make recommendations to the Human Resources Committee on incentive proposals and outcomes, and to propose changes to remuneration policy; and
- Approve the outcome of the organisation’s remuneration reviews for roles other than the Group Managing Director’s direct reports and the General Managers.

All remuneration decisions or proposals must be consistent with Briscoe Group’s Delegated Authorities and this policy, principles, and guidelines, and require “one up” approval, i.e., a manager may not change the remuneration terms of any person reporting to them, without the approval of their manager.

PUBLICATION

The Remuneration Policy is available on the Briscoe Group website, www.briscoegroup.co.nz.

This Policy was last approved by the Board in May 2023 and will be reviewed every 12 months.

Responsibility: Chief People Officer

Board approval: May 2023

Next review: May 2024
