



# STRATEGIC REMUNERATION POLICY

## POLICY OBJECTIVE:

To attract, reward and retain staff with skills and capabilities to ensure the successful business outcomes by providing a remuneration environment focused on productivity, performance and accountability.

Version 10 effective: 1 August 2016

## PURPOSE:

The intent of this policy is to ensure that remuneration practices are driven from consistent principles and are competitive within the New Zealand market to enable the organisation to attract and retain a talented, high performing workforce.

## PRINCIPLES

The following principles guide Synlait Milk's Strategic Remuneration Policy:

- The reward and recognition system will foster a culture that is focussed and accountable, is results and success oriented and promotes the kind of collaboration that advances the Company values, behaviours and habits.
- Remuneration systems will be robust, defensible and allow for the recruitment and retention of talented, skilled and motivated people focussed on the delivery of organisation goals.
- The organisation's reward and recognition systems will be:
  - Fair and equitable;
  - Open and transparent;
  - Easy to administer;
  - Practical and workable;
  - Robust and systematic;
  - Consistently applied;
  - Flexible/open to change;
  - Affordable.
- Reward policies and practices will be designed to motivate and reinforce success and excellence in all areas of performance.



## COMPONENTS

The components of the Synlait Milk Strategic Remuneration Policy are:

- All positions are evaluated and sized to understand positioning of the base salary / wage against the market and against other similar sized positions;
- External benchmarking of pay levels is undertaken on an annual basis;
- All base salary / wage levels (new starters and salary movements) must be confirmed with the General Manager People and Culture, to ensure consistency and fit within the Synlait remuneration policy, prior to any discussions with individuals;
- Remuneration levels for all staff employed under an IEA will be reviewed each year, with any changes to remuneration based on market movement, position in the salary range, and individual performance, effective from 1 August;
- The remuneration review process will operate within Annual Review policy parameters and budget parameters approved by the Board, implemented under the authority of the Managing Director/Chief Executive Officer;
- All remuneration payable to the Senior Leadership Team will be recommended by the Remuneration and Governance Committee and approved by the Board;
- The Remuneration and Governance Committee also reviews the level of remuneration for Directors, annually. The Committee considers the skills, performance, experience and level of responsibilities of the Directors in undertaking the review and obtains independent advice on market conditions. The Committee then makes appropriate recommendations to the Board for shareholder approval.

## Application

This policy shall supersede all previous policies and come into effect from 1 August 2016.