



Beef + Lamb New Zealand Ltd 2025 Company Resolutions

RESOLUTION ONE - DIRECTOR FEES

That farmers consider and, if thought fit, pass the following ordinary resolution:

- That the director fees pool for farmer directors, industry directors and the independent director be increased to \$417,500 per annum from \$401,500, an increase of 4%.
- This represents a fee increase for the Chair to \$83,320 (currently \$76,220) and for each director to \$39,250 (currently \$38,110).
- The pool available for additional director duties will not change from the existing \$20,400.
- The pool is currently used to recognise additional duties as a Chair of Board Committees (Audit & Risk and People & Culture) and is intended for those directors who sit on our representative organisations' advisory groups on behalf of B+LNZ and who are not remunerated in these roles. The pool is allocated at the discretion of the Board and is currently allocated to those directors representing B+LNZ on Farmer Council, OSPRI and the Meat Industry Association.

Explanatory note

This resolution is based on the recommendation of the Director Independent Remuneration Committee (DIRC). The DIRC provides independent recommendations based on market information, benchmarking, director time commitments and other factors. Any adjustments to fees will require farmer approval.

The DIRC recommended a 6% movement, however the Board decided 4% was more appropriate at this time. This represents a 3% movement for each director and the balance going to the Chair to reflect the additional commitment required of the Chair as identified in the DIRC report. The 4% movement proposed to farmers will move the director fees to 68% in the benchmarked range (which is lower than the 75% position in range recommended by DIRC below).

Director Independent Remuneration Committee

Report to Beef + Lamb New Zealand farmers for the 2025 Annual Meeting

The Beef + Lamb New Zealand Ltd (B+LNZ) Director Independent Remuneration Committee (DIRC) provides independent consideration of market conditions and benchmarking.

The DIRC comprises Murray Donald (Chair), Sarah von Dadelszen and Simon Davies, with Cros Spooner Chief Operating Officer B+LNZ as Secretary.

The Committee operates under a [Terms of Reference](#).

When reviewing director fees, the DIRC considered the following principles in 2023 and these continue to apply.

1. Consideration of market information including benchmarking for B+LNZ provided to DIRC by Strategic Pay and the Institute of Directors. Both surveys reference types of industries e.g. agriculture, cooperative, private sector and by number of employees. DIRC has considered other similar organisations such as DairyNZ and Federated Farmers.
2. The B+LNZ Board role and time commitment required of directors including regional responsibilities for each B+LNZ director. The DIRC note that there are two elements to a B+LNZ director role - governance and representation. Representation includes an expectation by farmers, reinforced at the 2023 annual meeting, of elected directors increasing their visibility with farmers in their communities including the development of annual woolshed meetings. The time commitment for governance and representation continues to be significant and ranges from around 900 hours for the Chair and 500-600 hours across farmer directors. Board meeting preparation, travel and attendance, including representation roles are beyond a director meeting time.
3. In the 2023-24 financial year the unallocated director fees pool of \$20,400 was allocated to those directors who carried additional representation or committee responsibilities as follows

Committee Chair Audit & Risk (increased to \$5,000)	\$760
MIA Representation	\$4,000
OSPRI Stakeholders group representation	\$4,000
Farmer Council representation	\$3,000

4. The DIRC considered the complexity and risk involved in the role. While the commercial risks are not high, the complexity of issues addressed in an industry good role requires high calibre of directors and the recognition of personal reputational risks within the farming community.
5. When considering benchmarks DIRC carefully considered the director/ governance remuneration of DairyNZ and Federated Farmers as both these organisations have similar representation requirements.
6. The 2023 benchmarking identified that current B+LNZ Chair and directors' remuneration are at the low end of both Chair and Director remuneration benchmarks, and even more so when considered against time commitments. It is difficult to benchmark with commercial organisations given the large component of industry good that are included in a B+LNZ director role.
7. The Chair role is significantly greater than other directors and that this has been taken into account.
8. DIRC considers the B+LNZ director fees should be at the low end of the upper quartile of benchmarking, to be competitive with other representative organisations and to attract the expertise to address complex issues.

Director fees were last increased at the 2022 annual meeting by 3%.

In 2023 DIRC reviewed and recommended a fee movement of 9% for the Chair and for directors respectively and an increase of 11% for the unallocated director fee pool. This was not supported by farmers at the annual meeting in March 2024 with 976 farmers (65.7%) voting against.

Recommendation for 2024-25 director Fees

The general market movement for the past 12 months was an increase of 2.5% and the benchmarking against other similar organisations has been included in the DIRC review.

After this consideration DIRC recommends:

	Current Remuneration 2023-24 (approved 2022)	Recommended Remuneration 2024-25	% Change
Chair	76,220	90,000	18%
Director (each)	38,110	39,250	3%
Pool for additional director duties	20,400	20,400	0%
Total director fees pool	401,500	424,400	6%

The pool for additional director duties has been allocated as disclosed in this report and no increase is recommended for this year.

The Chair's role is significantly greater than that of directors and should receive a significantly higher fee to reflect the increased responsibility and workload of that role. This is consistent with benchmarked organisations.

The DIRC continues to recommend that Director fees be reviewed and adjusted annually to avoid large one-off increases.

The DIRC considers it is necessary to ensure director fees remain competitive with other similar entities to attract and retain suitably skilled levy payers to governance roles and suggests they move from a 60% position in range of benchmarked organisations to 75%.

The B+LNZ Board should review the Board workload, number and length of face-to-face meetings.

RESOLUTION TWO

That farmers consider and, if thought fit, pass the following ordinary resolution:

- That KPMG be appointed as B+LNZ's auditor for the year ending 30 September 2025.

Explanatory note

The Audit & Risk Committee undertook a review of audit fees and compared them to publicly available benchmarks. The Committee agreed that KPMG continues to offer an efficient and effective audit process.

A new KPMG partner is now responsible for the annual audit and completed his second year on the audit. The External Reporting Board (XRB) is the Crown Entity responsible for accounting and auditing and assurance standards in New Zealand and their maximum prescribed rotation period for large not for profit Public Benefit Entities is seven years.