Directors' Independent Remuneration Committee
Terms of Reference
2026

1. Role

The purpose of the Directors' Independent Remuneration Committee (DIRC) is to provide an independent review Beef + Lamb New Zealand (B+LNZ) Directors' remuneration.

Following a review, recommend any proposed director remuneration to the Board of B+LNZ.

B+LNZ's constitution (Clause 61.1) requires B+LNZ to seek farmer approval (one farmer one vote Clause 10.4) at each annual meeting for an increase in Directors' remuneration and other benefits.

The DIRC report and recommendations including benchmarking would be included in the explanatory notes to support the resolution.

2. Status, Composition and Establishment

The number of members of the DIRC shall be three, they will not be associated with B+LNZ's business activity.

The members of DIRC will be one independent chair and two levy payers. The independent chair must have previous experience in governance or senior executive roles and/or experience with director compensation and ideally the levy payer representatives will have some background.

B+LNZ will provide secretarial support to the DIRC. The B+LNZ People & Culture Committee will be responsible for the oversight of DIRC.

To establish DIRC, the Board will advertise for members who will be appointed by the B+LNZ People & Culture Committee for the Independent Chair and the B+LNZ People & Culture Committee and Independent Chair for levy payer representatives.

Thereafter one member will retire effective March 2025. The role will be advertised, and the retiring member will be eligible to reapply. Thereafter the longest serving member will retire each year effective each March.

The remuneration for the DIRC members will be $1,000 per day for the Chair and $500 per day for members (including travel and preparation time). Part-days will be paid at a pro-rated amount based on an eight-hour day. All costs for travel to meetings will be covered by B+LNZ.

3. Scope

The Boards of B+LNZ has an objective to ensure that the director roles are remunerated to compensate for the time commitment made for each Board.

The B+LNZ director fee review must consider directors unique responsibilities and time commitments and be benchmarked independently.

The scope of the DIRC's role for each of B+LNZ will be to:

- Consider market information including benchmarking for B+LNZ provided to DIRC by an independent consultant.
- Consider the B+LNZ Board role and time commitment required of directors including regional responsibilities for each B+LNZ director.
- Consideration of complexity and risk involved in the role.
- Consideration of each company's performance and operating environment and any significant changes the company or industry is going through.
- Provide a report to farmers for inclusion in the information material and voting documents provided for the annual meetings for B+LNZ. This report will detail remuneration the DIRC recommends be paid to each Director and the Chair. This report will be due in the first week of December.

4. Procedures

The following procedures will be observed by the DIRC:

1. The Chair shall call meetings and shall give at least three weeks' notice of each such meeting.
2. A quorum for a meeting is three members.
3. The members will determine the frequency of meetings and the manner in which each meeting can be held, whether in person, by telephone or by some other means of communication. The DIRC should meet at least once a year prior to the annual meeting resolutions being distributed for farmer voting (typically this meeting will be in November).
4. Relevant market and benchmarking data (Institute of Directors and/ or Strategic Pay) shall be supplied to the DIRC for consideration in making the recommendation.
5. The DIRC will meet with the Chairs of B+LNZ, and nominated Directors regarding the duties, responsibilities, and workloads of Directors and any other information relevant to determining the appropriate level of remuneration.
6. Minutes of meetings will be kept, and B+LNZ staff will provide secretarial services.
7. The DIRC may seek advice from external independent advisers and/or benchmarks about an appropriate level of remuneration and the cost of such advisers will be met by B+LNZ/ NZMB.

5. Reporting

The following reporting procedures will be followed:

1. The DIRC will discuss its report with the Chair of B+LNZ and People & Culture Committee before presenting the report to the Board. The contents of the report will satisfy these terms of reference and include benchmarking to support the recommendation made.
2. This report from the DIRC, regarding the proposed Director remuneration will accompany the Director remuneration resolution that is put to farmers at the B+LNZ Annual Meeting to vote on.
3. The Chair of the DIRC is to attend the Annual Meetings of B+LNZ and the NZMB, if required. This may be in person or digital.

6. Terms of Reference Review

The TOR will be reviewed every three years.

Dated 28 October 2026