General Philosophy
The People and Remuneration Committee reviews and determines salaries, bonuses and other elements of the remuneration packages offered to the Company’s executives, including the Chief Executive Officer, and establishes general remuneration policies.

The Company needs to attract, motivate and retain high quality employees who will enable the Company to achieve its short and long-term strategic objectives. The Company participates in international markets where substantial competition exists for skilled employees. The ability of the Company to attract, motivate and retain capable people depends in large part upon the remuneration packages it offers.

The Company’s salaried employee remuneration program consists of a base salary, a component providing the potential for an annual bonus based on relevant company performance and a component providing the opportunity to purchase shares and/or receive share options.

Base Remuneration
Salaried employees receive base remuneration packages that are generally benchmarked against similar positions in companies of comparable size and complexity. The People and Remuneration Committee uses industry remuneration surveys for each country, conducted by outside consultants in determining remuneration levels.

Remuneration is generally reviewed annually with the amount of any increases determined by factors such as company performance, general economic conditions, marketplace remuneration trends and individual performance.

Variable Remuneration
The Company operates variable remuneration plans. A profit sharing bonus plan applies to all qualifying employees worldwide. Other plans apply to selected executives and are based on selected financial performance measures.

Employee Share Purchase and Option Plans
The Company operates employee share purchase plans for qualifying New Zealand and Australian employees. The initial purchase of shares at a discount by the schemes is funded by advances from the Company. The Company also operates a share purchase plan for employees in the United States of America. The employees eligible under each of these plans are able to purchase shares at a discount through the use of payroll deductions.

The Company also operates share option plans for selected employees. Options are fully exercisable for all participants by the end of year five and depending on the country a participant is employed in, there are annual exercise instalments between years two and five.

A primary purpose of our share ownership and option plans is to create some measure or commonality of interest between the Company’s employees and its shareholders.