
Marsden Maritime Holdings Limited

Directors' Fees Summary Report

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Private and Confidential

Overview

Marsden Maritime Holdings Limited (“MMH” hereafter), has commissioned Strategic Pay Limited to provide a review of its Board of Director fees. We were supplied our background information, and we interviewed members of the board and executive team. Board fees were last adjusted in 2017.

Background

The Board of Directors consists of a Chair plus six Directors. The Chair currently receives base annual fees of **\$67,000**, and each independent Director receives base annual fees of **\$33,500**.

The Audit Committee chair receives **\$10,000**. The Remuneration Committee chair receives **\$5,000**. The Port Ecosystem and Land Oversight (PELOC) Committee members are not paid fees.

Board Meetings:	8 times per year, 5 Hours
Audit Committee:	4 times per year, 3 Directors
Remuneration Committee:	2 times per year, 3 Directors
PELOC Committee:	4 times per year, 2 Directors

Organisation Demographics / Dimensions	
Organisation Type	Private Sector, Listed NZX
Ownership	New Zealand
Industry	Industrial Property
Annual Turnover	\$16 million
Assets	\$156 million
Market Capitalisation	\$252 million

RECOMMENDATION SUMMARY

Based on market sample results, MMH's ownership and industry as well as MMH's own guidance, we recommend the following:

SUMMARY

Fees	Current (\$)	Number	Proposed Individual Fees (\$)	Proposed Total (\$)
Chair	67,500	1	90,000 to 120,000	90,000 to 120,000
Non-Executive Director	33,500	6	55,000 to 62,500	330,000 to 375,000
Audit & Risk Committee Chair	10,000	1	10,000	10,000
Audit Committee member		2	5,000	10,000
Rem Committee Chair	5,000	1	10,000	10,000
Rem Committee member		2	5,000	10,000
PELOC Committee Chair		1	10,000	10,000
PELOC Committee member		1	5,000	5,000
Total	Up to 283,500			475,000 to 550,000

Depending on your final decisions, MMH's annual governance cost rises from **\$283,500** into a range from **\$475,000 to \$550,000**.

This recommendation allows the MMH Board to achieve close to the 2.0:1X Chair to Director fee premium consistently seen across the NZ market, reflecting a Chair's greater responsibilities, liabilities, and workload.

We recommend that committee member fees be paid to applicable committee members. This reflects market practice of NZ listed companies

Strategic Pay's guiding principle is that it is important not to undervalue the contributions, experience or time committed by Board members.

DIRECTORS FEES

The above recommendations are based on the data below:

TABLE 1: SUMMARY RESULTS – DIRECTOR FEE SAMPLES FOR MARSDEN MARITIME HOLDINGS:

Sample	Positioning	Base Annual Fee (\$)
Revenue	Median	35,000
Total Assets	Median	55,000
Market Cap	Median	61,500
Employee Numbers	Median	62,500

CHAIR FEES

The above recommendations are based on the data below:

TABLE 2: SUMMARY RESULTS – CHAIR FEE SAMPLES FOR MARSDEN MARITIME HOLDINGS:

Sample	Positioning	Base Annual Fee (\$)
Revenue	Median	67,500
Total Assets	Median	90,000
Market Cap	Median	120,000
Industry Peer Group	Median	90,000

COMMITTEE FEES

Currently, Committee fees are lower than market practice, therefore we recommend the following.

We recommend introducing committee member fees as being typical market practice for publicly listed NZ organisations. The Committee chair fees typically stand at a 2:1 ratio to respective Committee member fees.

Committee	Role	Proposed Annual Fee (\$)
Audit & Risk Committee	Chair	10,000
	Member	5,000
Remuneration	Chair	10,000
	Member	5,000
PELOC	Chair	10,000
	Member	5,000

The Committee member fees are typically only paid to those not performing in the board Chair role.