



SCOPE

This policy applies to Senior Leaders and Senior Managers employed within Fliway Group (Fliway Transport Ltd, Fliway International Ltd, and Fliway Logistics Ltd), “Fliway”, along with our Board of Directors (“Board” or “Director”).

PURPOSE

Fliway is committed to ensuring that remuneration practices are fair and appropriate to the business, and there is a clear link between remuneration and performance in order:

- To attract, retain and motivate high calibre performers and talent through competitive remuneration;
- To encourage and reward the delivery of strong performance and the creation of shareholder value.

The policy may be amended at any time by Fliway, without advance warning. You will be notified of any changes by communication via email or noticeboards; or updates on the company website.

1.0 REMUNERATION OF NON-EXECUTIVE DIRECTORS

The remuneration of non-executive Directors will be reviewed bi-annually, and will take into consideration benchmarking data from similar businesses listed on the NZX.

Any proposed changes are recommended to the Board, and are subject to shareholder approval.

2.0 REMUNERATION OF SENIOR LEADERS & SENIOR MANAGERS

Fliway is committed to applying fair and equitable remuneration and reward practices; whilst taking into account internal and external market relativities, commercial environment; business and organisational realities at the time, along with the ability to achieve Fliway’s business objectives and the creation of shareholder value.

Remuneration decisions are based on a mix of the above factors, but with strong weighting to individual performance, market relativity and organisational context at the time of employment and/or review.

Salary reviews occur annually in September and October. With payment of any changes to be made effective from 1 October.

Decisions to increase base salary is at the company’s sole discretion.

There may be some out of cycle remuneration reviews, but they are in the minority and will still be required to adhere to this policy. (This same principle and timing will apply to all employees on Individual Employment Agreements.)

Policy / Guideline	Authorised by:	Owned by:	Issue Date	Page
Fliway Remuneration Policy_2017-08-10	Board of Directors	Kate Bacchus, HR	Aug 2017	Page 1 of 3

For Senior Leaders and many Senior Manager positions, **total maximum remuneration** is a mix of fixed remuneration, company vehicles and/or allowances (refer Company Vehicle Policy), along with short term incentives.

2.1 Fixed remuneration includes the base salary and KiwiSaver contributions (if the employee contributes) paid at 3% Company Contribution.

2.2 Discretionary Short Term Incentive (STI) Scheme may be offered, at the discretion of the Managing Director. Details of any STI scheme will vary from year to year, and will be a mix of company financial and business performance teamed with individual performance measures and results. It is designed to reward performance and contribution towards business outcomes.

In general, at the beginning of the new Financial Year (July) and also confirmed as outcome of the annual Performance Development Review (“PDR”) process (September), objectives and goals area are set for the company financial and business performance targets; along with any individual performance targets.

The company financial and business performance targets will include financial targets, Health & Safety objectives, quality and customer service targets, along with individual role/position objectives.

The objectives and targets set for the STI scheme should be specific, objective and measureable (as possible). The objectives for the prior financial year will be reviewed and judged during the PDR process, and following the confirmation of the audited full year financial results.

The STI scheme will only apply for the year (or part year) of offer only.

2.3 Non Cash Benefits are offered where our people can access non-cash benefits, discounts or purchasing provisions via our relationships with other organisations or suppliers. I.e. Access to discounted medical insurance, or banking discounts. Non cash benefits are NOT a term of employment and may vary from time to time at the discretion of Fliway or the supplier.

3.0 ACCOUNTABILITIES

The Board is required to approve the following:

- The Remuneration Policy;
- Remuneration proposals and performance decisions concerning the Managing Director;
- The structure of the STI scheme offered to Fliway people;
- The approval of the STI payments for the Managing Director, and his/her direct reports.

The Managing Director, in line with the Delegated Authorities Matrix:

- Has the authority and discretion to authorise the annual STI payments for all entitled team members, other than his/her direct reports.
- All salary increases within Fliway, other than his/her direct reports.

Policy / Guideline	Authorised by:	Owned by:	Issue Date	Page
Fliway Remuneration Policy_2017-08-10	Board of Directors	Kate Bacchus, HR	Aug 2017	Page 2 of 3

All managers, including the Managing Director, are required to follow:

- To follow the required Human Resource practices and relevant policies;
- To ensure that any remuneration decisions are in line with the Delegated Authorities Matrix and the Remuneration Policy;
- This requires as a minimum, the 'one up' approval process.

Policy / Guideline	Authorised by:	Owned by:	Issue Date	Page
Fliway Remuneration Policy_2017-08-10	Board of Directors	Kate Bacchus, HR	Aug 2017	Page 3 of 3