

RESOLUTION 3: INCREASE IN DIRECTORS' FEES

The Chairman of REL's remuneration committee, Rodger Finlay, has overseen a review of the fees paid to REL's Directors. The REL Directors' fee pool has not been increased since 2012. As part of the review, an Independent Report was commissioned from Strategic Pay, one of New Zealand's leading remuneration experts.

Through their review, Strategic Pay gained an understanding of REL and the responsibilities of its Directors. Strategic Pay conducted extensive market analysis using its New Zealand directors' fee database to determine and position appropriate director fee levels for REL. Organisations with similar revenues, balance sheets and market capitalisation were assessed together with other businesses in the agricultural and finance sectors.

This resolution is put to Shareholders in accordance with REL's constitution and relates to the maximum aggregate fees payable to REL's Directors. At present the fee pool for its Directors is \$275,000 per annum which was approved at REL's 2012 Annual Shareholders' Meeting. The fee pool of \$275,000 is fully utilised in the Directors' fees currently paid to REL's four Directors. Following their review, Strategic Pay recommended setting total base annual fees for REL Directors in a range between \$405,500 and \$448,500. It is proposed to increase the total Directors' fee pool by \$170,000 to \$445,000 per annum.

It is the Directors current intention, that if the increase in the fee pool is approved by Shareholders, then with effect from 30 June 2021 the total Directors' fees paid to REL's four Directors will be \$420,000 per annum, leaving \$25,000 of the increased fee pool unallocated.

Unlike many other companies, REL does not pay additional fees to its Directors for their input and responsibilities associated with their membership of REL's Directors' committees – audit, remuneration, health and safety and the recently established equity investment committee.

The Directors consider, in light of the realities of the increased workloads and responsibilities undertaken by the Directors and in consideration of the Independent Report, that the proposed increased fee pool is fair and reflective of current market conditions. It will also ensure that REL can offer competitive fees to retain directors of a high calibre.

The actual allocation of Directors' fees in each financial year will be reported in REL's Annual Report.

The Directors recommend that Shareholders vote to approve this resolution.