

## MARLBOROUGH WINE ESTATES GROUP LIMITED

### REMUNERATION POLICY

#### Policy Statement

Marlborough Wine Estates Group Limited (**MWE**) and its subsidiaries (together, the **Group**) are committed to the provision of transparent information about MWE directors' (**Director**) remuneration. MWE believes directors' remuneration should be fair and reasonable, yet competitive, to ensure that MWE attracts and retains high calibre directors who have the skills, experience and knowledge to increase MWE's value, to the benefit of all shareholders. Equal remuneration will be awarded when the nature of the services performed by directors is similar, when taking into account directors' experience, skills and overall performance.

MWE has a Remuneration Committee (**Committee**) which reviews and makes recommendations to the Board (generally annually) in respect of remuneration practices, policies and levels for directors.

#### Application

This Remuneration Policy applies to all MWE Executive and Non-executive directors and the CEO. This policy does not address remuneration of other executive managers or employees.

#### Directors' Remuneration

As required by MWE's Constitution, no increase in Directors' remuneration shall apply unless that increase has been approved by ordinary resolution of shareholders. A notice of meeting proposing any increase in Directors' remuneration for shareholders' approval shall include the amount of, and an explanation for, the proposed increase.

If the Committee thinks fit and for the purpose of aligning remuneration with shareholders' interests, it may make a recommendation to the Board that it seek shareholder approval to satisfy Directors' remuneration (or to otherwise incentivise directors) through issues of equity securities in MWE in accordance with the NZX Main Board Listing Rules (**Rules**).

In reviewing remuneration policies and practises for directors, the Committee will take into account:

- a) An independent assessment of the competitive market;
- b) MWE's remuneration practices compared with similar companies and market trends;
- c) The competitiveness of the prevailing level of remuneration and its ability to meet the primary remuneration policy objective of attracting and retaining high quality Directors; and
- d) Changes in Directors' workloads.

#### Executive Remuneration

MWE's broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

The determination of a base salary for executive Directors is based on responsibilities, individual performance and experience, market data, and, to some extent, performance of MWE and the Group.

Fixed cash remuneration is reviewed, but not necessarily increased, on an annual basis. Any salary increases awarded must be based on individual performance. In conducting its salary review, the Committee may seek external advice from a recognised and competent source, including an evaluation against comparable peers (i.e. through external remuneration surveys).

Any performance based remuneration available to executive Directors will be linked to targets set by the MWE's board of directors (**Board**). These targets will reflect MWE's performance objectives, and be set in accordance with the MWE's appetite for risk.

The percentage of total executive Director remuneration awarded through equity securities will be calculated at a reasonable level (as determined by the Committee) to prevent undue risk taking by executive Directors. The long term success of MWE is of paramount importance to all MWE stakeholders and executive Director remuneration should reflect this.

MWE's CEO is remunerated with a mix of a base salary and equity securities in MWE.

**Non-executive Remuneration**

Non-executive Directors' remuneration is paid in the form of directors' fees. The value of these fixed fees will reflect the time commitment of each individual Director and the level of responsibility each have in performing part of the collective duties of the Board.

Non-executive directors' will not receive performance based remuneration. MWE recognises the importance of non-executive directors' independence and freedom from any potential or perceived bias in decision making.

Non-executive directors' can receive equity securities in MWE as part of their total remuneration package.

Non-executive directors are not entitled to any retirement payments.

Non-executive directors are entitled to be reimbursed by MWE for reasonable travelling, accommodation and other expenses they may incur whilst travelling to or from meetings of the directors or committees (where those meetings cannot be held by conference call).

Non-executive Directors who are the chair of the Board or the chair of the Audit and Risk Committee may receive additional directors fees to compensate them for the additional time commitment that those roles require.

**Disclosure**

MWE will disclose Director remuneration in accordance with all legal requirements.

Actual Director remuneration will be disclosed to shareholders in MWE's annual report. The annual report will outline components of individual director remuneration, including remuneration for committee roles and for fees and benefits received for any other services provided to the issuer. The annual report will also disclose the remuneration arrangements in place for the CEO, including base salary, performance criteria used to determine performance based payments, and short and long term incentives.

This Remuneration Policy will be available on MWE's website. MWE reserves the right to review and amend this policy at any time to meet the needs of MWE. Any changes will be communicated to all Directors and shareholders.

<b>Issue</b>	<b>Approved by</b>	<b>Date</b>
1.0	The Board	AUGUST 2019