

Remuneration and Nomination Committee Charter

Effective 1 July 2019

1. Constitution

The Remuneration and Nomination Committee (“**Committee**”) is a Board committee of Good Spirits Hospitality Limited (“**Company**”).

2. Purpose & Objectives of the Remuneration and Nomination Committee

The objectives of the Committee are:

- to oversee a formal and transparent method of recommending Director remuneration to shareholders;
- to assist the Board in establishing remuneration policies and practices for the Company and in discharging its responsibilities for reviewing and setting the remuneration of the Chief Executive Officer and senior management;
- to assist the Board in reviewing the Board’s composition and the competencies required of prospective Directors, identifying prospective Directors, developing succession plans for the Board and making recommendations to the Board accordingly; and
- to oversee a formal and transparent method for nominating and appointing Directors to the Board.

3. Membership

- Members of the Committee shall comprise Directors appointed by the Board.
- The Committee shall have at least three members, a majority of whom shall be Independent Directors.
- The Chief Executive Officer and the Chief Financial Officer shall attend all meetings other than at times that their own remuneration is being determined.
- The chair of the Committee shall be appointed by the Board. He/she should be an Independent Director.

4. Meetings & Reporting

- A notice and agenda shall be prepared and circulated to all members and attendees within a reasonable timeframe.
- Directors who are not members of the Committee shall only attend meetings at the invitation of the Committee.
- The Committee may invite an advisor (or advisors), including any member of the senior management team, to attend meetings to provide information and assistance as required.
- The Committee shall meet at least once per annum having regard to when Director and senior management remuneration is due for review in terms of the Company’s remuneration policies. Any member of the Committee may request a meeting at any time if they consider it necessary.
- A quorum for meetings shall be two Independent Directors.
- The Committee shall ensure that minutes are kept of all meetings. Such minutes will be prepared for approval by the Committee and, once approved, the chair of the Committee will report the Committee’s recommendations and findings to the Board.
- Meetings of the Committee may be held or participated in by conference call or similar means, and decisions may be made by circular or written resolution.
- Each member of the Committee will have one vote.
- The Committee chair will not have a casting vote. If there is a tied vote, the motion will lapse.
- A Director must not be present for discussions at a Committee meeting on, or

vote on a matter regarding, his or her remuneration.

- The Committee must be provided with such internal resources as it considers necessary or desirable to fulfil its objectives.

5. Remuneration Responsibilities

The Committee shall:

- set and review separately, the policies and practices of the Company regarding the remuneration of non-executive Directors and the remuneration of executive Directors (if any) and other senior managers. The Committee may take into account the performance of senior managers when setting and/or reviewing their remuneration;
- at least annually review Directors' fees and make recommendations to the Board regarding any proposed increases within the total Directors' remuneration pool already approved by shareholders or for consideration by shareholders at the annual meeting;
- review and recommend to the Board the terms of any short or long term incentive plans including any share and option schemes for Directors and/or employees;
- review and recommend to the Board the remuneration of the Chief Executive Officer and such other senior managers as the Board may from time to time determine;
- approve the terms of employment agreements for the Chief Executive Officer and such other senior managers as the Board may from time to time determine;
- receive reports from senior management on the annual remuneration review and incentive schemes;
- attend to any other matter relating to remuneration issues put to the Committee for consideration by the Board or by senior management; and
- have regard to the Company's *Director and Senior Manager Remuneration Policy* when considering any of the above items.

6. Board Appointments and Nominations Responsibilities

The Committee shall:

- having reviewed the composition of the Board and the balance of skills, qualifications, experience and background on the Board, identify and recommend for the approval of the Board candidates to fill Board vacancies as and when they arise, and having regard to the desired composition of the Board as stated in the Company's *Board Charter, Diversity Policy* and the Nomination Procedure as set out in the Schedule to this Charter;
- make recommendations to the Board with respect to:
 - the re-appointment of any non-executive Director at the conclusion of their specified term of office;
 - the re-election by shareholders of any Director under the retirement by rotation provisions in the Company's Constitution;
 - the degree of independence of any Director; and
 - any other matters relating to the continuation in office of any Director at any time;
- consider any nominations received for the election of Directors by shareholders and make appropriate recommendations to the Board;
- attend to any other matter relating to Board appointment and nomination issues put to the Committee for consideration by the Board;
- provide shareholders with all material information in the Committee's possession relevant to a decision on whether or not to elect or re-elect a Director (including biographical details, qualifications, the candidate's independence and a statement from the Board as to whether it supports the candidate's existing directorships (if any));
- inform the Board of the names of Directors who are retiring in accordance with the provisions of the Company's constitution and make recommendations to the Board as to whether the Board should support the re-election of that retiring Director. In order to make these recommendations, the Committee will review the retiring Director's performance during the period in which the Director has been a member of the Board;
- formulate and review succession plans for Directors and other senior managers of the

Company, taking into account the challenges and opportunities facing the Company and the skills, experience, diversity and expertise accordingly required on the Board going forward;

- review the Nomination Procedure related to the selection, appointment and re-appointment of Directors set out in the Schedule to this Charter from time to time;
- regularly review the structure, size and composition (including the skills, knowledge and experience) of the Board and to make recommendations to the Board regarding any changes to ensure a diverse range of candidates are selected and any gaps in the skill or experience of the Board are identified;
- keep under review the leadership requirements of the Company;
- establish with each candidate for a non-executive Directorship their commitments outside the Company and the time involved with each, and obtain from each a written statement confirming they are able to dedicate sufficient time to the position;
- annually review and report to the Board on:
 - the Company's progress in meeting its current measurable objectives with respect to diversity in the current reporting period; and
 - the effectiveness of the Company's current measurable objectives with respect to diversity (this includes providing the Board with recommendations as to any updates that should be made to the measurable objective for the ensuing reporting period).
- establish and facilitate an induction programme for new Directors with all such information and advice which may be considered necessary or desirable for the Director to commence their appointment to the Board;
- require non-executive Directors to inform both the Chairperson of the Company and the Committee chair before accepting any new directorships;
- advise and assist the Company's Chairperson and the Board (as the case may be and as required from time to time) in the critical review of the skills, performance and effectiveness of the Board, committees of the Board and individual Directors;
- provide to Directors continuing education for the purpose of updating and maintaining their skills and knowledge; and
- consider such other matters relating to Board nomination or succession issues as may be referred to it by the Board.

7. Authorities

The Committee will make recommendations to the Board on all matters requiring a decision. The Committee does not have the power or authority to make a decision in the Board's name or on its behalf.

The Committee is authorised by the Board, at the expense of the Company, to obtain such outside information and advice including market surveys and reports, and to consult with such senior management and executive search consultants and other outside advisors with relevant experience and expertise, as it thinks necessary for carrying out its responsibilities.

8. Review of the Committee and this Charter

- The Board shall undertake a regular review, at least annually of the Committee's performance, objectives and responsibilities, and processes and procedures to ensure that they are not unduly complex, are designed to assist the Board in effectively fulfilling its role and are delivering to a high standard.
- The Committee may recommend to the Board any amendments or improvements to this Charter for approval by the Board.
- The Committee, in order to ensure that it is fulfilling its duties to the Company and its shareholders, will periodically:
 - obtain feedback from the Board on the Committee's performance and implement any agreed actions; and
 - provide any information the Board may request to facilitate its review of the Committee's performance.

10. General

A copy of this Charter shall be made available on the Company's website at all times.

SCHEDULE NOMINATION PROCEDURE

- As noted in section 6 of this Charter, the Committee will be responsible for recommending to the Board candidates for election and re-election as Directors.
- In considering potential candidates, the Committee will undertake appropriate checks on the candidate including (as appropriate) checks as to the candidate's character, experience, education, criminal record and bankruptcy history ("Background Checks").
- It is the Committee's responsibility to ensure that all material information regarding the candidate, including negative information, is considered. The Committee shall consider and recommend to the Board whether the candidate would be an "Independent Director" under the NZX Listing Rules.
- If the candidate is standing for the first time, the Committee must also consider any materially adverse information revealed by the Background Checks, or, if the candidate is being re-elected, information about the term of office served by the Director.
- The Committee must ensure that key information about the candidate is available to be provided to shareholders in order to assist shareholders in their decision as to whether or not to elect or re-elect the candidate. Key information includes:
 - biographical details;
 - relevant skills and experience; and
 - other material directorships held.

Director and Senior Management Remuneration Policy

Effective 1 July 2019

1. Purpose and Scope

Good Spirits Hospitality Limited ("GSH" or the "Company") is committed to ensuring that the remuneration of the Board of Directors and senior management (including the Chief Executive Officer and the Chief Financial Officer) is fair, simple and transparent. It is designed to promote a high- performance culture and to align remuneration to the development and achievement of strategies and business objectives to create sustainable value for shareholders.

The Company's Remuneration and Nomination Committee is responsible for:

- overseeing a formal and transparent method of recommending Director remuneration to shareholders; and
- assisting the Board in establishing remuneration policies and practices for the Company and in discharging its responsibilities for reviewing and setting the remuneration of senior management (including the Chief Executive Officer and the Chief Financial Officer).

When evaluating Director and senior management remuneration, the Remuneration and Nomination Committee shall have regard to the following principles:

- For executive Directors (if any) and senior management:
 - fixed remuneration should be fair and should be based on the scale and complexity of the role and should reflect performance requirements and expectations attached to the role;
 - any performance-based remuneration should be linked to clear targets aligned with the issuer's performance objectives and appropriate to its risk profile; and
 - equity-based remuneration schemes should be carefully designed to support a

- long term approach and not promote undue risk taking.
- For non-executive Directors:
 - levels of fixed fees should reflect the time commitment and responsibilities of the role;
 - there should not be performance-based remuneration as it may lead to bias in decision making;
 - equity-based remuneration is generally acceptable for non-executive Directors. Such Directors may receive securities as part of their remuneration to align their interests with the interests of other security holders; and
 - retirement payments should not be provided other than superannuation.

Remuneration should be fair and equal throughout the Company based on the value of the services performed within the context of a competitive market and having regard to the person's experience, skills and performance.

2. Statement of Purpose

This Policy applies to Directors and senior management.

3. Directors

Non-executive Directors' remuneration is paid in the form of Directors' fees. The total fees available to Directors (the "**Director Fee Pool**") is approved by shareholders. The Board determines the actual fees paid to Directors within the overall Director Fee Pool, reflecting Director roles, responsibilities and contributions. Any increase in the Director Fee Pool must be approved by shareholders.

Additional fees are paid to the Chairperson of the Board to reflect the additional responsibilities of the position. The Board may determine that additional fees and allowances be paid to individual Directors to reflect additional services provided to GSH.

Non-executive Directors do not receive any:

- performance or equity-based remuneration; or
- superannuation of any other scheme entitlements or retirement benefits.

Details of the Director Fee Pool and fees paid are provided in the Company's Annual Report. The Board regularly reviews Director remuneration to ensure it is fair and reasonable.

4. Senior management

The Company provides the opportunity for the senior management to receive, where performance merits, a total remuneration package for equivalent market-matched roles. The Company's Remuneration and Nomination Committee reviews the annual performance appraisal outcomes for all senior managers. The review takes into account external benchmarking to ensure competitiveness with comparable market peers, along with consideration of an individual's performance, skills, expertise and experience.

Total remuneration is made up of two components: fixed remuneration and short-term performance-based cash remuneration. Fixed remuneration consists of base salary and benefits. Short Term Incentives ("**STI**") are at-risk payments designed to motivate and reward for performance, typically in that financial year. The target value of an STI payment is set annually, usually as a percentage of the senior manager's base salary. The relevant percentage range is 10% to 20%.

5. Review

The Board shall review this Policy annually.

6. General

A copy of this Policy shall be made available at all times on the Company's website.