
Market Gardeners Ltd, trading as MG Group

Directors' Fees Executive Summary

September 2025

Private and Confidential

Strategic Pay Limited is independent of Market Gardeners Ltd, trading as MG Group. In this context, independence means that Strategic Pay Limited has not been subjected to any undue influence from management of Market Gardeners Ltd, trading as MG Group, any board member of Market Gardeners Ltd, trading as MG Group, or any other party in relation to the services provided by Strategic Pay Limited or the outcomes of those services.

PRIVATE AND CONFIDENTIAL

This document and any related advice, data or correspondence provided in relation to it is the intellectual property of Strategic Pay Limited. The intellectual property is confidential information and provided to the client to whom it is addressed (or if not so addressed, to the intended recipient) only for the internal purposes of that recipient on a confidential basis.

If an engagement is awarded to Strategic Pay, the right of the client to duplicate, use, or disclose such information will be such as may be agreed in the resulting engagement contract. If an engagement is not awarded, this document and any duplicate copy thereof must be returned to Strategic Pay or destroyed.

1. Background

MG Group was established almost 100 years ago and is a Christchurch based co-operative with over 400 owner-members. The core business is wholesaling, and marketing of grower supplied domestic and imported fruit and vegetables. The company has a number of complementary subsidiary and associate businesses and a strategy to have diversity across business offerings.

MG Group's Core Purpose is to grow the overall wealth and profitability of the Co-operative, it's shareholders and growers, through relevant initiatives while maintaining co-operative principles.

Its Vision is to be a leader in the Horticulture industry, preferred partner for growers and customers, and a great place to work.

MG Group's Values are Resilience, Partnership, Growth, Value, Capability, Co-operative behaviour.

Parent Company is Market Gardeners Ltd trading as MG Group.
The Australian subsidiary group was sold in June 2024.

BOARD COMPOSITION AND MEETING SCHEDULE

The Board is composed of a Chair, a Deputy Chair (in name only as required by constitution) and 6 Directors (plus the deputy chair).

There are 8 Board meetings of 6 hours per year plus conference calls as required (typically 2 – 3 a year).
AGM – circa 2 hours once a year.

There are two Committees:

- The Audit Committee meets 4-5 times per year for 2 to 3 hours, and has 1 Chair and 3 Directors and 4 Executives by invitation
- The Remuneration & Nomination Committee meets 2-3 times per year for 1-2 hours and has 1 Chair and 3 Members, plus CEO and company Secretary by invitation.

As MG Group is a cooperative its board is primarily made up of shareholders. In addition, Bruce Irvine and Trevor Burt are appointed as Special Directors for their Professional Skills and Expertise.

ORGANISATION DEMOGRAPHICS / DIMENSIONS	
Organisation Type	Cooperative since 1923
Ownership	430 shareholders - NZ wide and 5 overseas (but mostly dry shareholders now)
Industry	Fresh produce growing, wholesale, import and export – refer 30 June 2024 annual report for further detail
Annual Turnover (\$NZ million)	Gross sales under management \$1.224b in 2024 (as a lot of our sales are on a consignment basis). Accounting turnover \$256m. <i>Director Fees analysis based on \$600m - \$700m estimate due to sale and acquisition</i>
Assets (\$NZ million)	\$402m
Shareholders' Funds (\$NZ million)	\$220m
Number of Employees	Seasonal – 800 – 900
Region	New Zealand

DIRECTORS FEES POLICY

When reviewing Directors Fees, for robustness of decision making there are a number of internal and external factors to be considered, as shown in the diagram below:



CURRENT DIRECTOR FEE POLICY

Market Gardeners Ltd, trading as MG Group to pay at the Median of similar organisations in terms of type, industry and complexity with emphasis on Revenues.

Per 2021 Strategic Pay Report

CURRENT CHAIR FEE POLICY

Chair Fees currently at 2.0:1x ratio of Directors Fees.

We consider this on the low side for Chairs of Co-operatives which generally have a higher workload than Chairs of other organisation types.

2. Recommendation

2025 DIRECTORS FEES POLICY

Our recommendation is based on several factors including the organisation size, ownership, and industry of Market Gardeners Ltd, trading as MG Group, and the market data presented below.

We recommend the following criteria for the 2025 policy for base annual fees:

Market Data from	2025 Strategic Pays NZ Directors' Fees Report / Customised Analysis
Market Comparators	Revenue (Private Sector, Org Type and Industry)
Market Position	Median
Fees Range	A range of \$4,000 up to the Median of all comparators
Ratio	2.25:1X ratio applied to director fees to determine chair fees

2025 CHAIR FEES POLICY

We recommend a higher ratio of 2.25:1x director fees is considered, in line with practices for large Co-operatives.

2025 COMMITTEE FEES POLICY

We recommend maintaining or increasing the fees for the committee chairs. These are market competitive and appropriate fee levels for New Zealand.

We can also support payment of committee member fees at half the chair levels, if you choose to do so. We find that over time, more work and more responsibility are being dealt to committees from full boards.

2025 RECOMMENDED FEES RANGES & COMMITTEE FEES

Role / Committee	Current Fees	Recommended Fees Range		% Increase	
Chair (2.25x:1 ratio)	\$140,000	\$180,000	\$189,000		
Director x 7	\$70,000	\$80,000	\$84,000		
Audit Committee Chair	\$10,000	\$10,000	\$15,000		
Rem & Nom Committee Chair	\$7,750	\$7,750	\$11,550		
Audit Committee Member	\$5,000	\$5,000	\$7,500		
Rem & Nom Committee Member	\$3,875	\$3,875	\$5,775		
Total Governance Pool Paid	\$674,375	\$784,375	\$843,375	16.3%	25.1%
Total Governance Pool Available	\$716,107			9.5%	17.8%

In our view, the recommended ranges represent market levels appropriate for your organisation given the context provided and reflects the directors' fee policy. It is the board's prerogative whether to accept the Strategic Pay Recommendation or not, based on both internal and external factors best understood within the organisation. Also considering what may be deemed palatable to stakeholders at this time.

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

3. Market Data

CUSTOMISED MARKET ANALYSIS SUMMARY

TABLE A: SUMMARY RESULTS – DIRECTOR FEE SAMPLES FOR MARKET GARDENERS LTD, TRADING AS MG GROUP:

Director Market Comparators	Positioning	Base Annual Fee (\$)
Revenue – Private Sector	Median	\$100,000
Organisation Type – Co-op & Revenue	Median	\$80,000
Industry- Agribusiness & Revenue	Median	\$84,080
Samples Above	Median	\$84,080
Samples Above	Average	\$88,027

TABLE B: SUMMARY RESULTS – CHAIR FEE SAMPLES FOR MARKET GARDENERS LTD, TRADING AS MG GROUP:

Chair Market Comparators	Positioning	Base Annual Fee (\$)
Revenue – Private Sector	Median	\$201,000
Organisation Type – Co-op & Revenue	Median	\$150,000
Industry- Agribusiness & Revenue	Median	\$166,000

CUSTOMISED DIRECTORS FEE – REVENUE ANALYSIS & PRIVATE SECTOR

Our research consistently demonstrates that in the NZ market, company turnover is most strongly correlated with director fee levels, and consequently results of revenue samples are a key consideration as we develop board fee recommendations.

The table below details directors' base annual fee for 18 organisations with total annual revenues in a range around your own. The sample consists of 14 NZX, 3 Unlisted and 1 Co-op. There are 17 chairs and 96 directors.

TABLE 1: FEES IN PRIVATE SECTOR WITH REVENUES BETWEEN \$500M AND \$1B

	Lower Quartile	Median	Upper Quartile	Average
Chair	\$165,000	\$201,000	\$220,000	\$189,913
Directors	\$84,080	\$100,000	\$110,250	\$95,857

CUSTOMISED DIRECTORS FEE– ORGANISATION TYPE ANALYSIS & REVENUE

The table below details directors' base annual fee for 11 Co-operatives with Revenues greater than \$150M. There are 11 chairs and 71 directors in the sample.

TABLE 2: FEES IN CO-OPERATIVES WITH REVENUES >\$150M

	Lower Quartile	Median	Upper Quartile	Average
Chair	\$134,649	\$150,000	\$181,350	\$159,933
Directors	\$67,882	\$80,000	\$90,000	\$77,743

CUSTOMISED DIRECTORS FEE– INDUSTRY ANALYSIS & REVENUE

The table below details directors' base annual fee for 7 Agribusiness organisations with Revenues between \$300M & \$1.5B. There are 7 chairs and 41 directors in the sample.

TABLE 3: FEES IN AGRIBUSINESS ORGANISATIONS WITH REVENUE BETWEEN \$300M AND \$1.5B

	Lower Quartile	Median	Upper Quartile	Average
Chair	\$140,000	\$166,000	\$185,500	\$156,571
Directors	\$70,000	\$84,080	\$88,000	\$81,607

DIRECTORS' FEE MARKET DATA – TOTAL SAMPLE

The total sample represents the general market and is made up of both private and public sectors. It details directors' base annual fees for 324 chairs and 1,615 directors from all industry, organisation type and organisation size. The total sample is provided for general information as fees practices vary across the various industries as well as the organisations type and size.

TABLE 4A: DIRECTORS FEES TOTAL SAMPLE

General Market	Lower Quartile	Median	Upper Quartile	Average
Chair	59 625	90 021	151 ,683	118 435
Directors	33 124	53 844	86 000	63 640

TABLE 4B: DIRECTORS FEES MARKET DATA – PRIVATE SECTOR ONLY

Private Sector	Lower Quartile	Median	Upper Quartile	Average
Chair	80 000	132 815	182 166	147 819
Deputy Chair	55 875	83 500	111,500	90 710
Directors	45 000	73 005	100 000	79 873

4. Committees

Strategic Pay supports the 'unbundling' practice of paying separate committee fees as a means of tracking and rewarding actual workload and responsibilities and providing greater accountability and transparency. However, there are also appropriate situations where this will not be paid.

The following table shows Committee fees for:

- **All** – (Total Sample)- all chairs and members from all organisations, noting some organisations pay fees only to chairs.

Committee	Receiving Fees	Chair \$				Member \$			
		Lower Quartile	Median	Upper Quartile	Average	Lower Quartile	Median	Upper Quartile	Average
Audit	All	10,000	15,000	25,000	20,313	7,000	10,000	15,000	11782
Nominations / Governance	All	5,750	10,000	20,000	13,266	5,000	10,000	10,000	8,636
Remuneration	All	5,345	8,750	15,000	12,971	3,000	6,000	12,000	9,925
All Committees	All	6,095	11,625	25,900	15,728	3,050	8,000	12,000	7,608

APPENDIX 1: ABOUT STRATEGIC PAY

At Strategic Pay we provide innovative solutions to help organisations meet their strategic remuneration, performance development and improvement goals. We help improve your overall performance by ensuring employee effort, remuneration and rewards are closely aligned with business objectives.

Deliver Strategic Rewards

We work with you to provide a compelling proposition that attracts retains and motivates the best people.

Our adaptable solutions include:

- Remuneration and reward strategy development
- Executive remuneration, performance and incentives advice
- Salary options using job evaluation, grades, bands or benchmarks
- Salary review management, including processes, tools and training
- Performance development systems, including customised design and implementation

Access New Zealand's Largest Remuneration Data Services

We offer an unrivalled suite of over 30 nationwide and specialist industry and sector remuneration survey reports, based on New Zealand's largest remuneration database.

Use Smart Technology

We understand busy HR practitioners' needs and offer a range of Smart Tools to manage remuneration and survey submissions:

RemWise®: a remuneration tool to manage all aspects of your salary review, market data and survey submissions

Rem On-Demand®: online access to remuneration reports, resources and insights

PayCalculator: survey data at your fingertips

Drive Organisation Performance

Superior organisational performance is critical to delivering strategic business objectives. Speak to us today about using PLUS+ to develop a future proof strategy, an organisational model and structure that supports the strategy and matching the right people to accountabilities best designed to deliver the strategy in your organisation.

Build Capability

Through a range of workshops, we provide clients with comprehensive short courses in Remuneration. We also offer training programmes that can be tailored to meet your specific requirements.

Consulting

Strategic Pay services clients across New Zealand and the Pacific from our various locations. Our consultants regularly travel around the country and overseas to visit clients and are happy to meet wherever you are.

Find out more at www.strategicpay.co.nz