

Confidential

# **Addington** **(NZ Metropolitan Trotting Club Inc)**

## **Directors' Fee Review**

May 2026



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## **Independence Statement**

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Intepeople has prepared this report as an independent governance remuneration assessment for New Zealand Metropolitan Trotting Club Inc. (NZMTC / the Club).

For this review, independence means Intepeople has not been directed by the Board, management, or any other party to reach a particular outcome. The Board has not provided a preferred recommendation.

The findings and recommendations in this report are based on the information reviewed, relevant New Zealand governance remuneration data, market practice, and Intepeople's independent professional judgement.

## 1. Recommendation Summary

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Intepeople recommends increasing the approved Officers' remuneration pool from \$182,500 to \$220,000 for the next approval cycle.

This recommendation reflects NZMTC's scale, governance complexity, current fee levels, financial position, member-based incorporated society context, and relevant New Zealand governance remuneration data.

The recommended pool would support the following indicative role-based allocation:

| Role / component                         | Current  | Recommended |
|------------------------------------------|----------|-------------|
| Standard Officer fee                     | \$21,560 | \$25,000    |
| Chair total fee                          | \$43,120 | \$50,000    |
| Deputy Chair total fee                   | \$28,580 | \$33,000    |
| Audit and Risk Committee Chair total fee | \$24,560 | \$30,000    |

No separate Audit and Risk Committee member fee is included in the proposed allocation with ordinary Board and committee participation being recognised through the standard Officer fee.

For a seven-person Board, the proposed role-based allocation would total \$213,000. The recommended pool is \$220,000, which leaves \$7,000 of flexibility for changes during the year.

This is a conservative recommendation. It does not seek to align NZMTC with commercial market medians. It is a measured increase that better reflects the Club's governance responsibilities, while recognising that NZMTC is a member-based incorporated society.

The financial statements show total Directors' fees of \$218,375 for FY2025. This figure is different from the approved Officers' remuneration pool because it includes some related entity governance payments.

If the Officers' remuneration pool increases to \$220,000, future financial statements may still show total Directors' fees above \$220,000 if related entity governance payments continue. This is not necessarily a problem, but the difference should be clearly explained and reconciled.

## 2. Introduction and Scope

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Intepeople has been engaged to review NZMTC's governance fees and provide an independent recommendation to support the Chairperson, Board, and members when considering the maximum annual remuneration for Officers.

The purpose of the review is to assess whether the current fees remain appropriate, market-informed, transparent, and fair, given NZMTC's scale, structure, and governance responsibilities.

The review considers:

- the approved Officers' remuneration pool;
- standard Officer fees;
- Chair and Deputy Chair fees;
- Audit and Risk, committee, or other additional responsibility payments; and,
- the relationship between the approved Officers' remuneration pool and actual Directors' fees disclosed in the financial statements.

The review also considers related entity governance payments and non-associated director fees where these are disclosed as Directors' fees, so the approved pool and financial statement disclosures can be clearly reconciled. It does not make separate recommendations on those payments unless they form part of the approved NZMTC Officers' remuneration pool.

This review is limited to governance remuneration. It does not cover executive or employee pay, expenses, contractor payments, consulting fees, or project fees, unless they are treated as governance-related payments.

This report is not legal, tax, or accounting advice. NZMTC should confirm the treatment of any final remuneration resolution through its usual governance and professional advice channels.

This report relies on the constitutional and governance documents provided by NZMTC.

In this report:

- **Officers** means the constitutional role covered by the AGM-approved remuneration pool;
- **Directors' fees** means the amount disclosed in the financial statements;
- **Governance remuneration** means payments for governance roles, including Officer fees, role-based additional fees, and related entity governance payments; and
- **Members** means current members of New Zealand Metropolitan Trotting Club Inc. who hold membership rights under the Club's Constitution.

### 3. Constitutional and Approval Context

NZMTC's Constitution provides that the Annual General Meeting (AGM) must consider and approve the Chairperson's recommendation as to the maximum annual amount of remuneration for the Board. It also provides that the maximum annual amount of remuneration for Officers must be approved at the AGM after consideration of the recommendation of an independent person nominated by the Chairperson.

This report has been prepared to support that process.

The Constitution also provides that the Board consists of a minimum of five Officers and a maximum of seven Officers. The current remuneration split is based on a seven-person Board.

The Constitution also allows the Board to appoint one additional Officer where the Board considers that person has business or professional expertise that would assist the Board in conducting the Club's business more effectively. The Constitution allows the Board to agree an additional Officer fee for that appointment, separate from the fees approved at the AGM.

For remuneration purposes, NZMTC should maintain a clear distinction between:

| Category                                    | Meaning                                                                                                                                                 |
|---------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Approved Officers' remuneration pool</b> | The maximum annual amount approved by members for NZMTC Officers.                                                                                       |
| <b>Role-based allocation</b>                | The Board's allocation of the approved pool between standard Officers, Chair, Deputy Chair, and committee responsibilities.                             |
| <b>Additional Officer fees</b>              | Any additional fee arrangement made under the Constitution for an additional Officer appointment.                                                       |
| <b>Related entity governance payments</b>   | Governance fees paid through related entities, such as NZMPML.                                                                                          |
| <b>Actual Directors' fees disclosed</b>     | Actual governance-related payments recognised in the financial statements, which may include payments outside the approved Officers' remuneration pool. |

The recommended \$220,000 Officers' remuneration pool is the core constitutional recommendation.

In practical terms, members are responsible for approving the maximum annual remuneration pool for Officers at the AGM, after considering the Chairperson's recommendation and the recommendation of an independent person.

Once the maximum pool has been approved, allocation of the approved amount between individual Officers is at the discretion of the Board. This means the member decision relates to the total approved pool, not the specific fee allocated to each individual Officer.

## 4. Background and Organisational Context

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NZMTC is a significant harness racing, events, hospitality, and property-based organisation. It is not simply a local club with a narrow member function. It is a nationally significant racing venue with material commercial operations and a substantial asset base.

The Club's activities include promoting and conducting harness racing, hosting race meetings, operating hospitality and events activity through the Events Centre, managing commercial property interests, supporting the wider harness racing industry, and using Club assets for the ultimate benefit of harness racing.

The Club's vision is to be Australasia's premier harness club. Its purpose is to set the benchmark in Australasian harness racing by delivering premier racing and events, supporting people, and building a sustainable future.

In FY2025, NZMTC operated at significant scale. It hosted 67 race meetings, ran 631 races, and recorded Cup Week turnover of \$11.6m. The Club generated \$31.08m in total revenue, including \$7.17m from the Events Centre and \$1.86m from investment and development property. It also held total assets of \$87.61m, net assets of \$78.74m, and achieved 96% commercial property occupancy at year end.

NZMTC is also progressing long-term precinct planning to make better use of under-utilised or low-revenue assets and support financial sustainability. This means the Board's role includes active oversight of property, events, hospitality, commercial activity, and future asset use.

The FY2025 Annual Report also identifies current operating and property-related risks. These include Events Centre cost pressures, uncertainty around future facility use following the planned closure of Apollo Projects Stadium in 2026, and the financial and operational impact of the Government's 2025 decision to close greyhound racing, given Christchurch Greyhound Racing Club's longstanding role as a tenant.

NZMTC's operating environment also involves ongoing engagement with Harness Racing New Zealand, Entain, racing industry forums, sponsors, members, commercial partners, and local stakeholders.

This context is relevant because governance responsibility at NZMTC extends across racing, events, hospitality, commercial property, stakeholder engagement, financial stewardship, risk, strategy, and member accountability.

## 5. Governance Context

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The current Board comprises seven Officers:

- John Hartnell, Chair;
- Nick James, Deputy Chair;
- Rebecca Scott, Audit and Risk Committee Chair;
- John Grainger;
- Erin Jamieson;
- Ged Mooar; and,
- Toni Rowell.

Ged Mooar is understood to hold the Racing Director role. The current fee split shows Ged receiving the standard Officer fee only, with no additional fee identified for this role. This indicates that the Racing Director portfolio is currently treated as part of ordinary Board contribution, rather than as a separately paid responsibility.

The current annualised fee split is based on a seven-person Board and includes:

- a standard Officer fee;
- an additional Chair fee;
- an additional Deputy Chair fee; and,
- an additional Audit and Risk Committee Chair fee.

The 2025 AGM material also records relevant Board composition matters, including the expiry of Ged Mooar's term, the Board's intention to appoint Ged as an additional Officer for one year, and Erin Jamieson's co-opted appointment being subject to ratification.

For the purposes of this review, no assumptions have been made about:

- Board meeting cadence;
- committee meeting frequency;
- expected attendance at major events;
- informal stakeholder commitments;
- subsidiary governance duties beyond what is disclosed in the financial statements; or,
- additional unpaid or unrecorded governance workload.

The Director profile information shows that the current Board brings a broad mix of experience across business leadership, racing, accounting, investment, finance, communications, legal, property, commercial operations, governance, risk, and health and safety.

This supports the view that NZMTC requires a governance remuneration framework that recognises both the scale of the Club and the breadth of capability required around the Board table.

Based on the available operating and governance context, NZMTC's governance environment can reasonably be described as complex and multi-dimensional.

| <b>Governance area</b>            | <b>Relevance to remuneration review</b>                                                                                                                                  |
|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Harness racing</b>             | NZMTC is a nationally significant harness racing venue and contributes materially to the national racing calendar.                                                       |
| <b>Events and hospitality</b>     | The Events Centre is a material revenue stream and operates in a competitive, cost-sensitive market.                                                                     |
| <b>Commercial property</b>        | The Club owns and manages material property interests and derives income from investment and development property.                                                       |
| <b>Strategic transformation</b>   | The precinct masterplan and future asset utilisation work create material strategic governance responsibility.                                                           |
| <b>Stakeholder accountability</b> | The Board has accountability to members, racing participants, sponsors, partners, HRNZ, Entain, and wider sector stakeholders.                                           |
| <b>Risk and compliance</b>        | The Club operates in environments involving racing, public events, hospitality, animal welfare, health and safety, property, alcohol licensing, and financial oversight. |
| <b>Financial stewardship</b>      | The Group has substantial revenue, assets, borrowings, property interests, leases, and capital commitments.                                                              |

Public racing club comparators also indicate that major racing club governance commonly extends beyond racing activity alone. It often includes audit, finance, remuneration, legislative compliance, hospitality, and property-related oversight. These comparators have been used as context only, not as direct fee benchmarks.

Overall, NZMTC's governance requirements extend well beyond racing oversight. The Board is also responsible for property utilisation, precinct planning, event and hospitality operations, financial sustainability, stakeholder confidence, risk, compliance, and sector change. This requires governance capability across finance, risk, commercial judgement, property and asset oversight, legal and regulatory awareness, communications, strategy, people, stakeholder engagement, and technology.

## 6. Current Governance Remuneration Position

### 6.1 Approved Officers' Remuneration Pool

The current approved Officers' remuneration pool is \$182,500, with the seven-person Board split for the year ending October 2026 having the following annualised fee structure:

| Role / component                             | Current amount |
|----------------------------------------------|----------------|
| Standard Officer fee                         | \$21,560       |
| Chair additional fee                         | \$21,560       |
| Deputy Chair additional fee                  | \$7,020        |
| Audit and Risk Chair additional fee          | \$3,000        |
| Current approved Officers' remuneration pool | \$182,500      |

The current total annual remuneration by role is:

| Role                 | Current total annual fee |
|----------------------|--------------------------|
| Standard Officer     | \$21,560                 |
| Chair                | \$43,120                 |
| Deputy Chair         | \$28,580                 |
| Audit and Risk Chair | \$24,560                 |

The current structure recognises the base contribution of all Officers and provides additional remuneration for the Chair, Deputy Chair, and Audit and Risk Committee Chair responsibility.

### 6.2 Actual Directors' Fees Disclosed in FY2025

The FY2025 financial statements disclose total Directors' fees of **\$218,375**, comprising:

| Disclosure category    | FY2025 amount |
|------------------------|---------------|
| NZMTC Directors' fees  | \$174,375     |
| NZMPML Directors' fees | \$44,000      |
| Total Directors' fees  | \$218,375     |

The NZMPML amount includes \$19,555 for non-associated directors.

The FY2025 disclosed amount is an accounting disclosure. It includes payments that do not align exactly with the current annualised seven-person Officers' fee model. This is because it may

include related entity governance payments, non-associated directors, part-year arrangements, former Officers, or timing differences.

The Officers' remuneration pool and the financial statement Directors' fees disclosure do not serve the same purpose. The Officers' remuneration pool is the amount approved for NZMTC Officers. The financial statement disclosure records actual Directors' fees recognised in the financial year.

For transparency, NZMTC should continue to distinguish between:

- the approved Officers' remuneration pool;
- actual NZMTC Officers' fees paid;
- related entity governance payments;
- non-associated director fees; and,
- timing or part-year differences.

If the Officers' remuneration pool increases to \$220,000 and related entity governance payments continue, total Directors' fees disclosed in future financial statements may exceed the approved Officers' remuneration pool. This should be explained as a disclosure difference, not as a breach of the approved pool, provided the payments are properly authorised, recorded, and reconciled.

## 7. Assessment of Current Framework

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The current remuneration structure is sound, but the fee levels are modest.

The framework appropriately differentiates between standard Officers, the Chair, Deputy Chair, and Audit and Risk Chair. The current Chair fee, at twice the standard Officer fee, is also appropriate.

The issue is the amount paid. The standard Officer fee of \$21,560, Chair fee of \$43,120, and Audit and Risk Chair additional fee of \$3,000 are low when considered against NZMTC's scale, revenue, asset base, governance complexity, and relevant market indicators.

If fees remain materially below relevant market indicators, it may become harder over time to attract and retain the governance capability required for an organisation of NZMTC's scale and complexity. This is particularly relevant given the Club's property interests, Events Centre operations, public-event risk, sector visibility, and strategic asset planning.

The current approved Officers' remuneration pool is \$182,500. The recommended movement to \$220,000 is an increase of approximately 20.5%.

This should be explained as a staged correction to a historically modest fee base and a clearer role-based framework. It should not be presented as an ordinary annual increase.

The recommendation is also balanced against NZMTC's financial position. The Club delivered a positive operating result in FY2025, but the total comprehensive result was negative due largely to property valuation movements. This supports a measured increase, not full market alignment.

This report does not recommend creating a broader total governance remuneration pool. Instead, it recommends continued reconciliation between the approved Officers' remuneration pool and actual Directors' fees disclosed in the financial statements.

## 8. Methodology and Data Sources

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Director fee reviews require a different approach from employee remuneration reviews. Direct comparison is more difficult because governance roles vary by organisation structure, scale, risk profile, ownership model, committee arrangements, stakeholder expectations, time commitment, and any related entity responsibilities.

This review uses a blended approach. Market data is an important input, but it is not the only factor. The recommendation also considers NZMTC's revenue, assets, commercial activity, property interests, racing and events context, member-based incorporated society status, governance responsibilities, and need for member defensibility.

The recommendation has been assessed against the following principles:

- independence;
- market awareness;
- proportionality;
- role-based recognition;
- transparency;
- prudence;
- sustainability; and,
- member defensibility.

These principles recognise that NZMTC should remain below full commercial market positioning, while still having a fee framework that reflects the scale and complexity of the Club. The remuneration principles used to guide this review are set out in **Appendix 1**.

The review considered NZMTC's current fee settings, FY2025 Directors' fees disclosure, current Officers' fee split, revenue and asset scale, operating context, governance responsibilities, and member-based context. It also drew on New Zealand director fee survey data, public sector and local-body-owned governance fee data, revenue-based and committee fee data, recent Intepeople governance remuneration work, and publicly available racing club and governance information.

Particular attention was given to role-based remuneration, Chair-to-Officer relativity, committee fee practice, governance capability requirements, and whether the recommendation would be reasonable and explainable to members.

### 8.1 Comparator Weighting

The recommendation is not based on a single data point. Different comparator groups have been given different weight, depending on how relevant they are to NZMTC.

| Comparator lens                        | Weighting | Rationale                                                                               |
|----------------------------------------|-----------|-----------------------------------------------------------------------------------------|
| Public / member-accountable governance | High      | Relevant because NZMTC needs a restrained, transparent, and member-defensible approach. |

| Comparator lens                                                 | Weighting     | Rationale                                                                                                                           |
|-----------------------------------------------------------------|---------------|-------------------------------------------------------------------------------------------------------------------------------------|
| <b>Revenue and asset scale</b>                                  | High          | Relevant because NZMTC has material revenue, assets, property interests, and commercial activity.                                   |
| <b>Events / hospitality / property</b>                          | Medium        | Relevant to operating complexity, but purely commercial comparators may overstate appropriate fee levels.                           |
| <b>General New Zealand market</b>                               | Low to medium | Useful as broad context, but too general to be the main benchmark.                                                                  |
| <b>Listed company comparators</b>                               | Low           | Useful for methodology and relativities, but not appropriate for setting NZMTC's fee level.                                         |
| <b>Small trust / volunteer-style not-for-profit comparators</b> | Low           | Likely to understate NZMTC's commercial and governance complexity.                                                                  |
| <b>Major racing club comparators</b>                            | Medium        | Useful for understanding governance breadth, but not direct fee benchmarks unless role scope, scale, and disclosure are comparable. |

Overall, the recommended remuneration sits below commercial medians, below broader general market medians, and below some revenue-based medians. It sits above small community or volunteer-style governance fee levels. This is appropriate given NZMTC's scale, responsibilities, and member-based incorporated society context.

## 8.2 Use of Market Data

Some market data used in this review is drawn from proprietary remuneration survey material and recent governance remuneration assignments. It has been used to inform Intepeople's independent judgement.

If the report is adapted for member-facing use, detailed market figures should be summarised at a high level rather than reproduced in full.

## 8.3 Use of Internal Context Material

The Board Skills Matrix was used as an internal sense-check when considering the governance capability required to support NZMTC's operating context and strategic priorities.

This report does not assess or disclose internal Board capability information. The capability discussion has been framed by reference to NZMTC's publicly disclosed operating context and Director profile information.

## 9. Market and Benchmarking Analysis

### 9.1 Market Commentary

Current New Zealand directors' fee data shows upward movement over the past five years, particularly for non-executive director roles. Broad market indicators place the general market non-executive director median at approximately \$53,800 and the general market non-executive chair median at approximately \$90,000.

Governance roles have also become more demanding. Boards are facing greater expectations around compliance, stakeholder scrutiny, health and safety, technology risk, cybersecurity, financial sustainability, reputation, and overall director workload.

NZMTC should not be benchmarked against listed company or full commercial market medians. It is a member-based incorporated society and requires a more restrained approach. However, its scale, revenue, property interests, public event activity, hospitality operations, and strategic responsibilities mean it should not be treated as a small volunteer-style not-for-profit board.

Market practice supports additional remuneration for Chair, Deputy Chair, and committee Chair responsibilities. NZMTC's current 2:1 Chair-to-Officer relativity is appropriate. The issue is the current fee level, not the structure. However, the current additional Audit and Risk Chair fee of \$3,000 is low when considered against the responsibility attached to chairing that function.

### 9.2 Relevant Market Data Summary

The following market data points are relevant to NZMTC.

| Market lens                                                    | Indicative data   | Relevance to NZMTC                                                     |
|----------------------------------------------------------------|-------------------|------------------------------------------------------------------------|
| <b>General market non-executive director</b>                   | c.\$53,800 median | Broad reference only; above appropriate NZMTC positioning.             |
| <b>General market non-executive chair</b>                      | c.\$90,000 median | Broad reference only; above appropriate NZMTC positioning.             |
| <b>Public sector non-executive director</b>                    | c.\$32,000 median | Useful restraint and public accountability comparator.                 |
| <b>Public sector chair</b>                                     | c.\$62,000 median | Useful conservative Chair comparator.                                  |
| <b>Public sector / local body owned non-executive director</b> | c.\$43,000 median | Relevant due to public accountability, stakeholder, and asset context. |
| <b>Public sector / local body owned chair</b>                  | c.\$79,000 median | Relevant as a higher public accountability comparator.                 |
| <b>Revenue \$20.1m–\$50m non-executive director</b>            | c.\$36,000 median | Highly relevant due to NZMTC's revenue scale.                          |

| Market lens                                                    | Indicative data   | Relevance to NZMTC                                |
|----------------------------------------------------------------|-------------------|---------------------------------------------------|
| <b>Revenue \$20.1m–\$50m non-executive chair</b>               | c.\$67,300 median | Highly relevant Chair reference point by revenue. |
| <b>Audit, Risk, and Finance committee chair</b>                | c.\$11,500 median | Relevant to Audit and Risk Chair fee.             |
| <b>Audit, Risk, and Finance committee chair lower quartile</b> | c.\$6,000         | Relevant conservative comparator for NZMTC.       |

The recommended NZMTC fees sit below the majority of these market indicators. This is deliberate, given NZMTC's member-based incorporated society status and the need for member defensibility.

### 9.3 Standard Officer Fee

The current standard Officer fee is \$21,560. This is below the most relevant blended market indicators, including:

- public sector non-executive director median of approximately \$32,000;
- public sector / local body owned non-executive director median of approximately \$43,000;
- revenue-based non-executive director median of approximately \$36,000; and,
- broad general market non-executive director median of approximately \$53,800.

However, NZMTC should not be moved immediately to those market medians. It is a member-based incorporated society, and moving immediately to market median would be difficult to justify in a single year.

**A standard Officer fee of \$25,000 is recommended as a conservative next step.** This remains below the relevant public sector median, below the revenue-based median, and materially below broad commercial and general market medians.

It is, however, a reasonable movement from the current position and better recognises the Club's scale and governance complexity.

### 9.4 Chair Fee

Chair fees are commonly set at a premium to standard director or Officer fees, usually around 1.75 to 2.0 times the standard fee, depending on scale, complexity, Board structure, and Chair workload.

NZMTC's current Chair fee is \$43,120 which is two times the standard Officer fee. This relativity is appropriate, simple, transparent, and defensible. Given the current Chair fee remains low against relevant market indicators, we recommend retaining the 2:1 relativity.

**The recommended Chair fee is \$50,000**, made up of:

- standard Officer fee of \$25,000; plus
- Chair additional fee of \$25,000.

This remains conservative when compared with relevant market indicators, including:

- public sector chair median of approximately \$62,000;

- public sector / local body owned chair median of approximately \$79,000; and,
- revenue-based chair median of approximately \$67,300.

### **9.5 Deputy Chair Fee**

The current Deputy Chair fee is \$28,580, made up of the standard Officer fee of \$21,560 and an additional Deputy Chair fee of \$7,020.

A Deputy Chair premium is appropriate because the role provides additional support to the Chair and helps provide continuity, succession, and governance resilience. The current premium is structurally sound, but should be modestly adjusted if the standard Officer fee increases.

Available Deputy Chair market data suggests that NZMTC's current Deputy Chair fee is low, although Deputy Chair data is generally less robust than Chair and non-executive director data.

**The recommended Deputy Chair fee is \$33,000, made up of:**

- standard Officer fee of \$25,000; plus
- Deputy Chair additional fee of \$8,000.

This remains conservative when compared with relevant Deputy Chair market indicators, including:

- public sector Deputy Chair lower quartile of approximately \$29,200;
- public sector Deputy Chair median of approximately \$39,000;
- public sector / local body owned Deputy Chair median of approximately \$47,200; and,
- broader non-executive Deputy Chair median of approximately \$43,600.

The proposed \$33,000 fee sits above public sector lower-quartile data, but below the public sector median, local body owned median, and broader non-executive Deputy Chair median. This supports the view that the recommendation is restrained and appropriate for NZMTC's member-based incorporated society context. It also preserves a sensible hierarchy between the standard Officer, Audit and Risk Chair, Deputy Chair, and Chair roles.

### **9.6 Audit and Risk Chair Fee**

The current total Audit and Risk Chair fee is \$24,560, comprising the standard Officer fee of \$21,560 and an additional Audit and Risk Chair fee of \$3,000.

The current additional fee of \$3,000 is low given NZMTC's financial scale, property interests, public event activity, hospitality operations, racing context, investment property, borrowings, audit requirements, health and safety exposure, and wider risk environment.

**The recommended Audit and Risk Chair fee is \$30,000, made up of:**

- standard Officer fee of \$25,000; plus
- Audit and Risk Chair additional fee of \$5,000.

The recommended \$5,000 additional fee remains conservative when compared with relevant Audit, Risk, and Finance Committee Chair market indicators, including:

- combined-market lower quartile of approximately \$6,000;
- combined-market median of approximately \$11,500; and,
- combined-market upper quartile of approximately \$22,000.

The proposed \$5,000 additional fee sits below available lower-quartile committee Chair market data. This is deliberate. It reflects a restrained, context-specific recommendation that recognises the additional responsibility attached to chairing Audit and Risk, while also recognising NZMTC's member-based incorporated society context, the overall increase to the Officers' remuneration pool, and the need for member defensibility.

The proposed total Audit and Risk Chair fee of \$30,000 preserves a sensible hierarchy between the standard Officer, Audit and Risk Chair, Deputy Chair, and Chair roles. It recognises the additional responsibility of the Audit and Risk Chair role without moving NZMTC toward full market alignment.

If this role materially changes in future, the additional fee should be reviewed at that time.

### **9.7 Audit and Risk Committee Member Fees**

Market data indicates that private sector organisations are more likely to pay both committee Chair and committee member fees, while other organisation types more commonly pay only a committee Chair fee. Approximately 22% of boards with an Audit Committee pay separate committee member fees, indicating that this is not standard practice across the market.

In NZMTC's context, the standard Officer fee is intended to recognise ordinary Board and committee participation. On that basis, no separate Audit and Risk Committee member fee is recommended at this stage.

If it is determined that the workload for Audit and Risk Committee members should be separately recognised, a modest additional fee of approximately \$2,000 to \$3,000 per member would be reasonable, with \$2,500 per member as a practical reference. Any such payment should be managed within the approved Officers' remuneration pool and reviewed alongside committee workload, meeting frequency, role expectations, and member defensibility.

## **10. Recommended Framework and Implementation**

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Having considered NZMTC's current remuneration structure, financial disclosure, organisational scale, governance context, market data, governance capability requirements, and member-based incorporated society status, we recommend the following.

### **10.1 Effective Period**

This recommendation is intended to apply from the next approval cycle, expected to cover the period from 1 November 2026 to 31 October 2027.

### **10.2 Why the Recommendation is Conservative**

The recommended increase to \$220,000 should not be treated as full market alignment.

Relevant market data would support a higher fee level if NZMTC were benchmarked only by revenue, asset scale, commercial activity, or property exposure. However, NZMTC is a member-based incorporated society operating in a public-interest sporting and racing context. A more restrained approach is therefore appropriate.

The recommendation is best understood as a staged adjustment, rather than an attempt to move immediately to market median. It recognises that current fees are low, particularly for standard Officers and the Audit and Risk Chair, while also recognising that the Officers' remuneration pool was increased in the previous approval cycle.

### **10.3 Increase the Approved Officers' Remuneration Pool**

We recommend increasing the approved NZMTC Officers' remuneration pool from \$182,500 to \$220,000.

This is recommended because:

- the current standard Officer fee is low relative to NZMTC's scale and relevant market indicators;
- the current Chair fee is modest, despite an appropriate 2:1 relativity to the Officer fee;
- the Audit and Risk Chair additional fee is low for the responsibility involved;
- the Club has material revenue, assets, events, hospitality, property, and strategic responsibilities;
- the Club's governance capability requirements support a more sustainable fee framework;
- the increase remains conservative against relevant market indicators; and,
- the recommendation is proportionate and defensible for a member-based incorporated society.

#### 10.4 Recommended Role-Based Allocation

The recommended allocation is:

| Role / component                           | Current  | Recommended     |
|--------------------------------------------|----------|-----------------|
| <b>Standard Officer fee</b>                | \$21,560 | <b>\$25,000</b> |
| <b>Chair additional fee</b>                | \$21,560 | <b>\$25,000</b> |
| <b>Deputy Chair additional fee</b>         | \$7,020  | <b>\$8,000</b>  |
| <b>Audit and Risk Chair additional fee</b> | \$3,000  | <b>\$5,000</b>  |

For the current seven-person Board, this allocation would produce the following indicative NZMTC Officers' remuneration cost:

| Component                                               | Amount           |
|---------------------------------------------------------|------------------|
| <b>Seven standard Officer fees at \$25,000</b>          | \$175,000        |
| <b>Chair additional fee</b>                             | \$25,000         |
| <b>Deputy Chair additional fee</b>                      | \$8,000          |
| <b>Audit and Risk Chair additional fee</b>              | \$5,000          |
| <b>Indicative total allocation</b>                      | \$213,000        |
| <b>Recommended approved Officers' remuneration pool</b> | <b>\$220,000</b> |
| <b>Flexibility within pool</b>                          | <b>\$7,000</b>   |

*No separate Audit and Risk Committee member fee has been included in the proposed allocation.*

The proposed allocation totals \$213,000, leaving \$7,000 of flexibility within the recommended \$220,000 pool. This is limited but appropriate, given the recommendation is intended to be conservative and member-defensible.

### **10.5 Reconciliation with Financial Statement Disclosure**

The FY2025 financial statements disclose total Directors' fees of **\$218,375**. This is broader than the approved NZMTC Officers' remuneration pool because it includes related entity governance payments.

NZMTC should continue to reconcile the approved Officers' remuneration pool with actual Directors' fees disclosed in the financial statements. This reconciliation should identify:

- the approved Officers' remuneration pool;
- actual NZMTC Officers' fees paid during the year;
- any related entity governance payments;
- non-associated director fees;
- timing or part-year differences; and,
- any other governance-related payments included in the financial statement Directors' fees disclosure.

This will help members understand the difference between the approved Officers' remuneration pool and the wider Directors' fees disclosure.

### **10.6 Related Entity Governance Fees**

The FY2025 financial statements disclose \$44,000 in NZMPML Directors' fees, including \$19,555 for non-associated directors. These payments should remain separately identifiable and reconciled against the financial statement Directors' fees disclosure. If related entity governance responsibilities materially change, the relevant fees should be reviewed separately rather than absorbed into the NZMTC Officers' remuneration framework.

### **10.7 Implementation**

The revised framework should apply from the next governance remuneration approval cycle.

The increase to the Officers' remuneration pool from \$182,500 to \$220,000 represents a movement of approximately 20.5%.

While this is a meaningful increase, it is defensible because:

- it follows an independent review;
- current fees are low against relevant market indicators;
- the revised fee levels remain below key market medians;
- the recommendation recognises governance complexity and capability requirements;
- the Club has significant revenue, assets, and strategic responsibilities; and,
- the framework improves transparency across governance-related payments.

The increase could be staged over two years if the Board considers that would be easier to explain to members. However, our independent recommendation is that an immediate increase to \$220,000 is reasonable and defensible, provided the rationale is clearly explained.

Suggested wording for member communication is provided in **Appendix 2**.

### **10.8 Review Cycle**

It is recommended that governance remuneration be formally reviewed every two years, or earlier if there is a material change in:

- Board composition;
- committee structure;
- committee workload and role expectations;
- related entity governance;
- strategic or property activity;
- risk profile;
- governance workload;
- financial scale;
- legislative or regulatory obligations; or,
- market conditions.

A regular review cycle will help NZMTC avoid large irregular catch-up increases and maintain a remuneration framework that remains proportionate, transparent, and defensible.

## 11. Conclusion

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NZMTC's current governance remuneration structure is sound, but the fee levels are modest for an organisation of the Club's scale and complexity.

The recommended increase to the Officers' remuneration pool from \$182,500 to \$220,000 is a measured and defensible adjustment. It better recognises the Club's racing, events, hospitality, property, financial, stakeholder, and risk responsibilities, while remaining conservative against relevant market indicators.

The role-based structure should be retained, with updated fee levels for the Chair, Deputy Chair, and Audit and Risk Chair responsibilities. This provides a clearer structure and better reflects the different levels of responsibility within the Board. No separate Audit and Risk Committee member fee is recommended at this stage, as ordinary committee participation is intended to be recognised through the standard Officer fee.

The report also recommends that NZMTC continue to reconcile the approved Officers' remuneration pool with actual Directors' fees disclosed in the financial statements. This will help members understand the difference between the approved pool and wider governance-related payments, including related entity fees.

On balance, the recommended \$220,000 Officers' remuneration pool is a prudent next step. It supports governance sustainability, remains appropriate for a member-based incorporated society, and can be clearly explained to members.

## Consultant

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Thank you for the opportunity to prepare this report. This report has been peer reviewed by Claire Bourne, People and Capability Lead for consistency and accuracy. We trust this information is of assistance to you.

If you have any further queries, please do not hesitate to contact me at [karen@intepeople.co.nz](mailto:karen@intepeople.co.nz)

Ngā mihi nui



Karen Grant  
**People and Capability Partner**

## Appendix 1: Remuneration Principles

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The recommended framework is based on the following principles.

| Principle              | Application to NZMTC                                                                                                          |
|------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| <b>Independent</b>     | The recommendation should not reflect a predetermined Board preference.                                                       |
| <b>Market-informed</b> | Fees should be informed by relevant New Zealand governance data.                                                              |
| <b>Proportionate</b>   | Fees should reflect NZMTC's scale, member context, financial position, and governance complexity.                             |
| <b>Role-based</b>      | Additional responsibilities should be recognised through Chair, Deputy Chair, and committee Chair premiums where appropriate. |
| <b>Transparent</b>     | Members should be able to understand the Officers' remuneration pool, actual payments, and financial statement disclosures.   |
| <b>Defensible</b>      | The recommendation should be capable of clear explanation at AGM.                                                             |
| <b>Prudent</b>         | Fees should not move to commercial median or upper quartile levels unless clearly justified.                                  |
| <b>Sustainable</b>     | The framework should support governance capability requirements and avoid large, irregular catch-up increases.                |
| <b>Flexible</b>        | The framework should allow for changes in Board composition, related entity governance, and committee responsibilities.       |

These principles support a measured increase and a clearer governance remuneration framework.

## Appendix 2: Suggested Communications

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### Suggested Member Communication

The following wording could be adapted for AGM or member communication.

*The Board commissioned Intepeople to undertake an independent review of governance remuneration for New Zealand Metropolitan Trotting Club Inc.*

*The review considered the current Officers' remuneration pool, the Club's scale and complexity, relevant New Zealand governance remuneration data, and governance-related payments disclosed in the financial statements.*

*The review found that the current Officers' remuneration pool is modest when considered against the Club's responsibilities as a nationally significant harness racing venue, events and hospitality operator, and property-owning incorporated society.*

*The recommended approach is to increase the Officers' remuneration pool from \$182,500 to \$220,000.*

*The proposed allocation remains role-based, with additional recognition for the Chair, Deputy Chair, and Audit and Risk Chair responsibilities. The proposed allocation totals \$213,000, leaving \$7,000 of flexibility within the recommended pool.*

*The financial statements also disclose Directors' fees that are broader than the approved Officers' remuneration pool. These may include related entity governance payments and non-associated director fees. The Club will continue to reconcile these disclosures so members can understand the difference between the approved Officers' remuneration pool and actual Directors' fees disclosed in the financial statements.*

*The recommendation is conservative. It does not seek to align NZMTC with commercial market medians. Rather, it provides a measured and defensible adjustment that better reflects the Club's governance responsibilities while recognising its member-based incorporated society context.*

### Draft AGM Resolution

The following draft resolution could be adapted for inclusion in the AGM notice or supporting materials.

*That the maximum annual remuneration pool for Officers of New Zealand Metropolitan Trotting Club Inc. be increased from \$182,500 to \$220,000 for the period 1 November 2026 to 31 October 2027, with allocation of that pool to be determined by the Board.*