
REMUNERATION STATEMENT

Remuneration

In determining competitive remuneration rates, the remuneration committee seeks independent advice on local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share employee option plans.

Independent advice should be obtained to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

Performance-based Remuneration

The remuneration committee recognises that nearmap operates in a global environment. To prosper in this environment, we must attract, motivate and retain key executive staff.

The principles supporting our remuneration policy are that:

- Reward reflects the competitive global market in which we operate;
- Individual reward is based on performance across a range of indicators that apply to delivering results across the Company;
- Rewards to executives are linked to creating value for shareholders;
- Executives are rewarded for both financial and non-financial performance;
- Remuneration arrangements are equitable and facilitate the deployment of senior management across the Company; and
- Senior managers receive a significant component of their reward in equity and are required to retain that holding over time.

Short-term/long-term mix

nearmap's reward structure combines base salary, short-term cash and employee share option incentives with mechanisms to ensure significant ongoing share holding by senior managers. The cost and value of remuneration components are considered as a whole to ensure a balance between fixed and variable performance-related components in the short and longterm.

Superannuation entitlements are provided to employees providing them with increased flexibility and control over their contribution level and superannuation investment choice.

Market Comparisons

Consistent with attracting and retaining talented executives, the remuneration committee endorses the use of incentive and bonus payments.

The committee continues to seek external advice to ensure reasonableness in remuneration scale and structure, and to compare the Company's position with the external market. The impact and high cost of replacing senior employees and the competition for talented executives requires the committee to reward key employees when they deliver consistently high performance.

Board Remuneration

Shareholders approve the maximum aggregate remuneration for non-executive directors.

The remuneration committee determines actual payments to directors and reviews their remuneration annually with regard to market practice, relativities, and the duties and accountabilities of directors.

A review of directors' remuneration is conducted annually to ensure overall remuneration is in accordance with industry practice.

Senior Executive Remuneration

Senior Executive remuneration may comprise any of the following three elements:-

- Fixed annual rewards
- A short term incentive
- An executive share option plan

Fixed Annual Rewards

The fixed annual reward comprises a base salary, from which an employee may salary-sacrifice income for superannuation, motor vehicle and other benefits.

Short Term Incentive

Short-term incentive applies to annual individual and Company performance, evaluated against a set of performance criteria established at the start of each financial year.

Executive/Employee Share Option Plan

The executive/employee share option plan, structured as a long-term incentive, applies to a rolling five years of Company performance taking into account future shareholder wealth and profit performance. Greater emphasis has been given to the current and prior year.

Summary

This remuneration structure ensures that annual Company performance is clearly reflected in senior executive's reward outcomes.

Performance hurdles must be met to trigger any reward under both the short-term incentive and the executive/employee share option plan. Further, reward is made depending on the assessed level of individual and Company performance.

The Managing Director's fixed annual reward should be reviewed annually in conjunction with the annual salary review process. The review should include independent external advice on market relativity for similar-sized roles. Adjustments to the Managing Director's fixed reward should be approved by the Board.