

## Directors' Fees and Executive Remuneration

### Directors' fees

In line with the Constitution of JB Hi-Fi, total remuneration for non-executive directors must not exceed \$250,000 a year or any other annual amount determined by the company in a general meeting. Non-executive directors' individual fees are determined by the Board within the aggregate amount of \$250,000.

The details of remuneration paid to each non-executive director during the financial year is included in the company's annual report.

In determining the level of fees, the Board reviews data on fees paid by comparable companies and where appropriate may receive expert independent advice regarding the level of remuneration required to attract and compensate directors of the appropriate calibre and for the nature of the directors' work and responsibilities.

Non-executive directors do not participate in any incentive schemes; superannuation is paid in line with legislated requirements.

No director is entitled to receive a retirement allowance.

### Executive Remuneration

The Board believes that executive remuneration should be fair and reasonable, structured effectively to motivate and retain valued executives and designed to produce value for shareholders.

At JB Hi-Fi, remunerations of senior executives are evaluated against comparative positions in similar companies and industries and comprise:

- fixed remuneration
- variable remuneration
  - short-term incentives; and
  - long-term incentives.

The short-term incentive comprises an annual bonus based on specified performance targets as agreed with the executive.

The long-term incentive involves executives being granted options under the JB Hi-Fi Executive Share Option Plan.

Details of the key executive's remuneration are included in the company's annual report.

Details of the existence and conditions of all share and option schemes currently in operation, including the details of performance hurdles are summarised and included in the company's annual report and have been lodged with the ASX.