

Non-Executive Directors' Fees Review

Summary Report

Property for Industry Limited

1 September 2025



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Independence declaration

Property for Industry Limited (PFI) has engaged Ernst & Young Limited (EY) to prepare a report in relation to their Non-Executive Directors' (NED) fees. We confirm that our report has been prepared independently and is not subject to any influence from the management or any Board member of PFI or any third party.



Una Diver
Partner - Reward
Ernst & Young Limited
1 September 2025

Summary of findings

The findings in this report summarise the market positioning of PFI's Board Chair and NED base fee policies along with Committee Chair and Member fees compared to an agreed comparator group of New Zealand organisations. *Table 3* on the following page outlines the details of the organisations that comprise the comparator group.

The market data pertaining to fee practices within the comparator group has been sourced from EY's Directors' fees database, supplemented with data from the most recent financial year end reports. The information from annual reports is publicly available information.

A summary of PFI's Board Chair, NED, Committee Chair and Committee Member fees and relevant market data is provided in the table below.

Table 1: Current fee positioning and market data				
Role	PFI current fee (\$)	Market data		
		Median (\$)	Comparative ratio (%)	Sample size (n)
Board Chair	175,000	189,170	93%	12
NED	92,000	98,900	93%	12
Audit and Risk Committee Chair	15,000	20,000	75%	12*
Audit and Risk Committee Member	7,500	11,500	65%	9*
People Committee Chair	13,500	18,750	72%	10**
People Committee Member	6,750	10,000	68%	8**

***ARC practice:** All 12 organisations pay a Committee fee to their ARC Chair, and nine pay a Committee fee to their ARC Members.

****People Committee practice:** 11 organisations within the sample operate a People Committee (Vital Healthcare Property Trust does not operate one). Ten of these pay a People Committee Chair fee, and eight pay a Member fee.

Time commitments and Board composition

A summary of PFI's time commitments and Board composition in comparison to the comparator group is summarised below.

Table 2: Reported time commitments and Board composition					
Role	PFI (n)	25 th percentile	Median	75 th percentile	Sample size
Board meetings	10*	6	8	9	12
Audit and Risk Committee meetings	5	4	4	6	11
People Committee meetings	4	2	4	5	9
Number of NEDs	6	6	6	6	12

**Includes Board Health & Safety tour and related meeting.*

Discretionary payments

PFI has an hourly rate of \$350 per hour for abnormal and particularly time intensive projects or transactions outside the scope of typical Board work. The use of this allowance is capped at \$50,000 per annum.

Of the 12 comparator organisations:

- Five organisations have a publicly disclosed a pool to remunerate NEDs for additional or temporary responsibilities. These pools range from \$25,000 to \$150,000.
- One organisation notes that while they do not operate a discretionary pool, they use discretion to remunerate NEDs for additional services provided to the Company (within their aggregate fee pool).
- Two organisations have a publicly disclosed hourly rate:
 - Goodman Property Trust remunerates NEDs for any time spent in relation to ad hoc committees with an hourly rate of \$500 per hour. No fees were paid using this hourly rate in the most recent financial year.
 - Precinct Properties Limited remunerates their Due Diligence Committee Chair an ad hoc hourly rate of \$380 per hour, and their Members \$350 per hour. These fees totalled \$25,740 in the most recent financial year.
- Two further organisations made payments to NEDs for due diligence or change related work, but did not disclose an hourly rate used to determine these fees:
 - Ryman Healthcare Limited distributed \$9,167 to two NEDs.
 - Summerset Group Holdings Limited distributed \$10,000 to two NEDs.
- Three organisations did not disclose any discretionary pools, hourly rates or discretionary payments.

Comparator group

The comparator group outlined in the table below was agreed with PFI on 9 June 2025.

Table 3: Comparator group (n = 12)			
Organisation	Market capitalisation* (\$m)	Revenue (\$m)	Total assets (\$m)
Goodman Property Trust	3,031	244	4,717
Summerset Group Holdings Limited	2,650	319	8,066
Ryman Healthcare Limited	2,265	688	13,084
Precinct Properties Limited	1,881	1785	3,448
Kiwi Property Group Limited	1,456	196	3,235
Vital Healthcare Property Trust	1,310	149	3,305
Argosy Property Limited	925	117	2,069
Channel Infrastructure NZ Limited	861	137	1,348
SkyCity Entertainment Group Limited	791	875	2,781
Stride Property Limited	627	82	1,459
Winton Land Limited	623	161	654
Oceania Healthcare Limited	427	265	2,782
Lower quartile	750	146	1,917
Median	1,118	220	3,009
Upper quartile	1,977	411	3,765
PFI	1,085	114	2,086
	Market capitalisation is aligned to the median, with a comparative ratio against the median of 97%.	Revenue is positioned below the lower quartile, with a comparative against the median of 52%.	Total assets are aligned to the lower quartile, with a comparative ratio against the median of 69%.

*Market capitalisation as of 6 June 2025: the date that market financial metrics were sourced to determine the agreed comparator group.

Considerations:

When interpreting the market data in this report and applying it to any changes to fee policies, PFI may wish to consider the following:

- PFI's market capitalisation is at the median of the sample. However, revenue and total assets are below the median.
- PFI's Chair fee is closer to the lower quartile of the market than it is to the median. When determining whether an increase to the Chair fee is appropriate, PFI may also consider that the number of Board meetings held each year is on the higher end compared to market, i.e., PFI holds 10 Board meetings per year, compared to the market median of 8.
- PFI's Committee fees are below the market. PFI's number of ARC meetings (5 per year) is above the median (4 per year), while the number of People Committee meetings aligns to the median of the sample.
- We understand that PFI has historically reviewed their NED fees every two years, and the last review was at PFI's March 2023 Annual General Meeting. If the next review is not scheduled until two years from now, fee increases may need to take account of the likely moves in the next two-year period.

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