

**PROPERTY FOR INDUSTRY LIMITED**  
**NOMINATION AND REMUNERATION COMMITTEE CHARTER**

**1. Purpose**

This charter governs the Nomination and Remuneration Committee of PFI.

The purpose of the Nomination and Remuneration Committee is to:

- regularly review, and recommend changes to Directors' remuneration to ensure that it is at an appropriate level, and effectively managed, to best advance the business objectives of PFI and its subsidiaries;
- assist PFI's board of Directors (the *Board*) in the establishment of remuneration policies and practices and set and review the remuneration of PFI's Managing Director/Chief Executive Officer, General Manager, Chief Financial Officer and Directors;
- ensure that the Company has a procedure for the nomination and appointment of Directors to the Board;
- regularly review and, when appropriate, recommend changes to the composition of the Board to ensure that the Company has, and maintains, the right composition of Directors to effectively govern and provide guidance to the business; and
- assist PFI's Board to identify and recommend individuals for nomination to be members of the Board and its committees (taking into account such factors as it deems appropriate, including experience, qualifications, judgement and the ability to work with other Directors).

This charter is intended to assist the Nomination and Remuneration Committee in fulfilling this purpose.

**2. Composition**

The Nomination Committee and Remuneration must have at least two Directors, all of whom must be independent Directors. The members of the Nomination and Remuneration Committee shall elect a chairperson.

**3. Role and Responsibilities**

**Board Nominations**

Where a Board vacancy arises or the Board otherwise determines a need to appoint a new Director, the responsibility of the Nomination and Remuneration Committee is to identify and nominate external candidates to fill Board vacancies as and when they arise.

The following matters should guide the Nomination and Remuneration Committee in making their decision to recommend an individual be nominated as a Director:

- before considering an appointment, an evaluation of the skills, knowledge and experience of the continuing Board members will be undertaken and, based on the evaluation, the skills and capabilities for the new Director will be identified;
- new Directors are to be selected based on a range of factors and qualities including the perceived needs of the Board at the time. These factors include independence, qualifications, experience and an ability to exercise an independent and informed judgment on matters which come before the Board; and

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- assess whether proposed new Directors meet the certification requirements established by the NZX.

Once a candidate has been proposed by the Nomination and Remuneration Committee, the nomination of new Directors to be appointed by the Board is to be considered by all Directors.

Directors are to have the opportunity to meet with potential new Directors prior to their appointment.

### **Remuneration**

The Nomination and Remuneration Committee is responsible for recommending to the Board:

- the remuneration policies and practices of PFI;
- the terms of employment contracts for PFI's Managing Director/Chief Executive Officer, General Manager, Chief Financial Officer and Directors;
- the terms of PFI's short and long term incentive plans including any share and options schemes for employees and/or Directors; and
- the terms of PFI's superannuation and/or pension schemes (if any).

#### **4. Authority**

The Nomination and Remuneration Committee is authorised by the Board to investigate any activity covered by its role and responsibilities. The Nomination and Remuneration Committee shall have the authority of the Board to obtain legal or other independent professional advice, and to secure the attendance at meetings of third parties with the relevant experience and expertise if it considers this necessary.

The Nomination and Remuneration Committee shall have no powers to appoint or nominate any person to be a Director of PFI, or to approve remuneration policies or practices, without the approval of the Board.

#### **5. Company Secretary**

The Company Secretary, in conjunction with the Nomination and Remuneration Committee Chairperson, shall be responsible for the co-ordination of all committee business including meeting scheduling, agendas, distribution of Committee papers, minutes and communication with the Board, management and auditors.

#### **6. Procedural Requirements**

The Nomination and Remuneration Committee will meet at least once a year or more frequently if required in order to carry out its duties.

The chairperson will call a meeting of the Nomination and Remuneration Committee if requested to do so by any committee member. All members of the Board have a standing invitation to attend any meetings of the Nomination and Remuneration Committee.

Management should only attend Nomination and Remuneration Committee meetings at the invitation of the committee.

#### **7. Reporting**

The Company Secretary will keep minutes of all meetings and will circulate those minutes to the Board.

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The chairperson of each meeting of the committee is required to report back to the Board on key points of discussion and present the recommendations of the committee at the next scheduled meeting of the Board.

**8. Review of the Nomination and Remuneration Committee**

The Board shall undertake an annual review of the Nomination and Remuneration Committee's objectives and activities in terms of its responsibilities as set out in this Charter.

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