

PROPERTY FOR INDUSTRY LIMITED REMUNERATION POLICY

Procedures for the approval of remuneration levels for Directors of PFI are set out in the Constitution.

PFI's Board of Directors (*Board*) will review its remuneration annually.

In setting the remuneration of the Independent Directors of PFI the Board should aim to ensure that PFI is able to attract and retain highly skilled Directors.

The Director's remuneration is paid in the form of Director's fees. The pool of fees to be paid is subject to shareholder approval. Additional fees are paid to the Chairperson to reflect the additional responsibilities and workload.

The constitution also allows for reimbursement of travel, accommodation and other expenses incurred in relation to the management of PFI.

A payment may be made upon the retirement of a Director, as set out in the NZX Main Board Listing Rules. However, PFI's constitution sets out that the total amount of the payment is not to exceed the total remuneration of the Director in their capacity as Director in any three years chosen by PFI unless the payment is authorised by the shareholders.

The current Board policy is that no retirement remuneration will be paid to Directors who are appointed after 1 May 2004.

PFI's policy for the remuneration of its executive team, who are Independent Contractors, is to pay their remuneration in accordance with the terms of their contracts, which the Board and Nomination and Remuneration Committee oversee. The remuneration package for executives comprises of a base and performance amount.

Last amended: December 2017

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