



**Property for Industry Limited
People Committee Charter**

November 2023

Last reviewed: November 2023

Property for Industry Limited

People Committee Charter

1. Purpose

This Charter governs the People Committee of PFI (previously known as the Nomination and Remuneration Committee).

The purpose of the People 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 Chief Executive Officer, Chief Finance and Operating Officer and Directors;
- assist the Board to review its performance and structure including the necessity for, and composition of, Board Committees;
- assist the Board to assess the independence of Directors;
- ensure that PFI has a procedure for the nomination and appointment of Directors to the Board;
- regularly review the composition and succession plans of the Board;
- when appropriate, recommend changes to the composition of the Board to ensure that PFI has, and maintains, the right composition of Directors to effectively govern and provide guidance to the business; and
- assist the 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, diversity, judgement and the ability to work with other Directors).

This Charter is intended to assist the People Committee in fulfilling this purpose.

2. Composition

The People Committee must have at least two Directors, all of whom must be independent Directors. The members of the People Committee shall elect a Chairperson.

Members of management and executive Directors may only attend meetings at the invitation of the People Committee.

3. Role and Responsibilities

Board Nominations and Recommendations

Where a Board vacancy arises or the Board otherwise determines a need to appoint a new Director, the responsibility of the People Committee is to identify and nominate external candidates to fill Board vacancies as and when they arise. Where a person has been nominated to be a Director by a shareholder, the People Committee will consider the suitability of the candidate and recommend to the Board whether or not the Board should support the nomination.

The following matters should guide the People Committee in making their decision to recommend an individual be nominated or recommended as a Director by the Board:

- 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; and
- 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, diversity, experience and an ability to exercise an independent and informed judgment on matters which come before the Board.

Once a candidate has been proposed by the People 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 People Committee is responsible for recommending to the Board:

- the remuneration policies and practices of PFI;
- the terms of employment contracts for PFI's Chief Executive Officer and Chief Finance and Operating Officer, and letters of appointment with 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).

The People Committee is also responsible for preparing director remuneration proposals for consideration by shareholders.

Remuneration Policy

The Board will review its remuneration every two years on the recommendation of the People Committee. In recommending the remuneration of the Independent Directors of PFI the Board will complete a benchmarking exercise and should aim to ensure that PFI is able to attract and retain highly skilled Directors.

The Committee may seek external advice on remuneration matters as it deems appropriate and will make recommendations to the Board in regard to the CEO's contractual arrangements, including remuneration, as set out in this Charter.

The Director's remuneration is paid in the form of Director's fees. The approval of shareholders to any change in Director's fees will be sought in accordance with the NZX Listing Rules.

PFI's policy for the remuneration of its executive team is to pay their remuneration in accordance with the terms of their contracts. The remuneration package for executives comprises of a base salary, a short term incentive, and a long term incentive. Executive remuneration is benchmarked and reviewed annually by the People Committee, and approved by the Board.

The remuneration of the CEO and other employees is designed to attract and retain the most talented and effective individuals.

Director and CEO remuneration is disclosed annually in PFI's Annual Report.

Specific duties in relation to the Chief Executive Officer

In relation to the Chief Executive Officer, the Committee is responsible for:

- setting key performance objectives for the Chief Executive Officer;
- reviewing and evaluating the Chief Executive Officer's performance against key financial and non-financial performance objectives;
- reviewing and considering proposed changes to the Chief Executive Officer's remuneration;
- considering variations to the Chief Executive Officer's employment contract; and
- reviewing any proposed disciplinary action against or removal of the Chief Executive Officer,

and making recommendations to the Board on the above matters.

4. Authority

The People Committee is authorised by the Board to investigate any activity covered by its role and responsibilities. The People 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 People 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.

The Committee's role does not remove from the full Board any of its responsibilities and legal obligations. Rather, it is a working group established to assist the Board in the conduct of its responsibilities and hence will report back to the full Board on all material matters and issues requiring decisions in principal and formal sign-offs unless a prior delegation by the Board has been made.

5. Chief Finance and Operating Officer

The Chief Finance and Operating Officer, in conjunction with the People Committee Chairperson, shall be responsible for the co-ordination of all People Committee business including meeting scheduling, agendas, distribution of People Committee papers, minutes and communication with the Board, management and auditors.

6. Procedural Requirements

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

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The Chairperson will call a meeting of the People Committee if requested to do so by any People Committee member. All members of the Board have a standing invitation to attend any meetings of the People Committee.

Management should only attend People Committee meetings at the invitation of the People Committee.

7. Reporting

The Chief Finance and Operating Officer will keep minutes of all meetings and will circulate those minutes to the Board.

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

8. Conflicts of Interest

A member of the Committee who has an interest in any matter being determined by the Committee shall excuse themselves from the relevant discussions and shall not vote on that matter. No employee will be directly involved in deciding their own remuneration.

9. Review of the People Committee

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