

# *Argosy Property Limited*

## Directors' Fees Benchmarking Report Summary

25 July 2019

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## ***Independence declaration***

PwC's Reward Services team has been engaged by Argosy Property Limited's Board of Directors (The Board) to provide independent benchmarking services in relation to Argosy Property Limited's directors' fees (the Services).

As lead engagement Partner for the provision of the Services to the Board, I declare that no influence has been brought to bear upon me or, to the best of my knowledge and belief, any member of the PwC Reward Services team, by any Board member, employee or executive of Argosy Property Limited or any other party regarding the Services or outcomes of the Services.

In my professional opinion, all members of the PwC engagement team are therefore independent for the purposes of the Services as outlined in the commentary to Recommendation 5.2 of the NZX Corporate Governance Code 2017.

Dated: 25 July 2019



Chris Place  
Partner  
PricewaterhouseCoopers

## Summary – Argosy Property directors’ fees market analysis

The Board of Argosy Property Limited (Argosy) engaged PwC to provide market remuneration benchmarking services in relation to non executive directors’ (NEDs’) fees. The NED fee market data has been provided in relation to a comparator group of 15 NZX listed companies, agreed with Argosy. The basis for the comparator group composition was market capitalisation, with the objective to establish a sample largely within 50% to 200% of Argosy’s market capitalisation, evenly weighted between larger and smaller companies than Argosy.

Median market capitalisation across the sample is \$1,013 million, compared to Argosy’s market capitalisation of \$1,079 million. The comparator group is relatively evenly weighted with eight smaller and seven larger companies by market capitalisation. Details of the comparator group are provided in Appendix 1.

The table below shows a comparison of the current Argosy directors’ fees against the 75<sup>th</sup> percentile of the comparator group, in line with Argosy’s stated policy position for NED fees.

Data is current to the date of this report and has been sourced from publicly available information, including annual reports and NZX disclosures.

This report makes no recommendations as where Argosy’s NED fees should be positioned relative to the market data. Where the Argosy Board wishes to pay its Board members relative to the comparator group will depend on the Board’s view of the overall relevance of the comparator group, and specifically Argosy’s perceived relative complexity, relative scale, ranking (by scale) and risk profile as compared with those of the comparator companies.

### Summary Table:

Position	Sample size	Market 75 <sup>th</sup> percentile	Argosy fee policy	Comparison to the 75 <sup>th</sup> percentile
Chairman <sup>1</sup>	15	178,300	179,500*	101%
NED	15	90,600	85,000	94%
Chair of Audit & Risk Committee <sup>2</sup>	15	19,000	20,000	105%
Chair of Remuneration Committee <sup>3</sup>	14	14,300	7,500	52%
Member of Audit & Risk Committee <sup>4</sup>	8	12,100	12,000	99%
Member of Remuneration Comm. <sup>4</sup>	8	6,900	5,000	72%
Total Approved pool fee <sup>5</sup>	14	885,000	746,500	84%
Total Fees Paid	15	711,700	677,000	95%

\*Chairman Base fee of \$160,000 + total of \$19,500 committee role policy fees, paid on top of base fee.

<sup>1</sup> Analysis of all 15 companies in the sample. The majority of Chairman roles receive no committee fees. For the two companies in the sample where additional committee fees are on top of Chairman fees, these are captured in the market fee analysis as aggregated with the ‘base fee’ for the individual.

<sup>2</sup> Analysis of each of the 15 companies that had this role/paid additional remuneration on this role.

<sup>3</sup> Analysis of each of the 14 companies that had this role/paid additional remuneration to this role.

<sup>4</sup> Analysis of each of the 8 companies that had this role/paid additional remuneration to this role.

<sup>5</sup> Analysis of each of the 14 companies that disclosed their total fee pool (all but 1 company).

## Appendix 1 – Peer Group – Market capitalisation

Organisation name	Market Capitalisation (\$ millions)	Company total revenue (\$ millions)	Company total gross assets \$ millions)
Goodman Property Trust	2,233	127	2,721
Trustpower Limited	2,187	948	2,329
Kiwi Property Group Limited	2,163	238	3,086
Precinct Properties New Zealand Limited	2,063	131	2,562
Synlait Milk Limited	1,939	879	794
Freightways Limited	1,330	581	561
Summerset Group Holdings Limited	1,300	137	2,766
Metlifecare Limited	1,013	115	3,291
Property For Industry Limited	982	80	1,359
Heartland Group Holdings Limited	893	196	4,496
The Warehouse Group Limited	739	2,995	1,050
The New Zealand Refining Company Limited	647	362	1,390
Sanford Limited	608	515	809
Arvida	534	132	1,133
SKY Network Television Limited	483	840	1,503
Argosy Property Limited	1,079	101	1,544
Market median	1,013	238	1,503
Market average	1,274	552	1,990

Source: Market capitalisation data [www.nzx.com](http://www.nzx.com) – June 2019. Annual revenue and total assets data from latest annual reports.