

Argosy Property Limited

Non-executive directors' fees benchmarking Summary

26 May 2021



Independence declaration

PwC's Reward Services team has been engaged by Argosy's Board of Directors (the Board) to provide independent remuneration benchmarking services in relation to Argosy'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: 26 May 2021



Chris Place
Partner
PricewaterhouseCoopers

Summary

The table below summarises market remuneration data for directors' fees from a comparator group of 15 New Zealand companies (primarily NZX-listeds) agreed with the Argosy Board for the purposes of this benchmarking exercise. The basis for the comparator group composition was comparable market capitalisation, together with inclusion of relevant industry comparators. Median market capitalisation across the sample is \$1,342 million, compared to Argosy's market capitalisation of \$1,213 million. Details of the comparator group are provided overleaf. On the request of Argosy, the table below compares Argosy's *proposed* directors' fees (if approved by shareholders) against the 75th percentile of the comparator group.

Data is current to 1 May 2021 and has been sourced from publicly available information, including annual reports and NZX disclosures. Where the Board chooses to position its fees against this market data will depend on the Board's view of the overall relevance of the comparator group and specifically Argosy's perceived relative complexity of operations, relative scale, ranking (by scale) and risk profile as compared with those of the comparator companies. PwC has made no recommendations with respect to Argosy's interpretation and application of the market data.

Summary table:

Position	Sample size	Market 75 th percentile	Argosy <u>proposed</u> fee	Comparison to the 75 th percentile
Chairman ¹	15	180,000	184,500*	103%
NED ²	15	93,500	92,500	99%
Chair of Audit & Risk Committee ³	15	20,000	20,000	100%
Chair of Remuneration Committee ⁴	14	15,000	12,500	83%
Member of Audit & Risk Committee ⁵	7	11,800	12,000	102%
Member of Remuneration Committee ⁶	7	6,800	6,000	88%
Chair of Other Committee ⁷ (Pertaining to Argosy's ESG Committee Chair)	8	15,300	15,000	98%
Member of Other Committee (Pertaining to Argosy's ESG Committee Member)	-	Insufficient sample size to report	10,000	N/A
Total approved pool fee ⁸	12	900,000	828,000	92%

*Chairman base fee of \$160,000 + total of \$24,500 committee role policy fees, paid on top of base fee.

¹ Analysis of all 15 companies in the sample. The majority of Chair roles receive no committee fees, with the base fee recompensing all Board contribution/roles held.

For the four companies in the sample where committee fees were paid on top of base Chair fees, these are captured in the market fee analysis for this position.

² Analysis of base NED fees for all 15 roles in the comparator group.

³ Analysis of each of the 15 companies' committee fee portion only for this role.

⁴ Analysis of each of the 14 companies that had this role/paid additional remuneration to this role. Some companies combined this committee portfolio e.g. People & Remuneration Committee, Remuneration & Nomination Committee etc. Analysis of committee fee portion only.

⁵ Analysis of each of the 7 companies that had this role/paid additional remuneration to this role. Analysis of committee fee portion only.

⁶ Analysis of each of the 7 companies that had this role/paid additional remuneration to this role. Analysis of committee fee portion only.

⁷ Analysis of each of the 8 companies that had another Committee role for which the Chair of Committee attracted an additional fee to base NED remuneration. Includes Health & Safety Committee, Nominations Committee, Sustainability Committee, Risk Committee etc. (Argosy fee represented is for the Chair of the ESG Committee).

NB – Argosy's member fee for this committee at \$10,000. There was insufficient market data available to publish 75th percentile data for 'Member of Other Committee'.

⁸ Analysis of each of the 12 companies where a pool fee is set/disclosed.

Comparator group

Organisation name	Market Capitalisation (\$ millions)	Company total revenue (\$ millions)	Company total gross assets \$ millions)
Goodman Property Trust	3,123	172	3,168
Summerset Group Holdings Limited	2,709	172	3,893
Trustpower Limited	2,594	990	2,111
Precinct Properties New Zealand Limited	2,141	152	3,185
Kiwi Property Group Limited	1,930	244	3,156
Freightways Limited	1,849	631	1,050
Property For Industry Limited	1,412	176	1,687
The Warehouse Group Limited	1,272	3,173	1,854
Heartland Group Holdings Limited	1,019	216	5,318
Arvida	895	164	1,907
Synlait Milk Limited	778	1,302	1,492
Sanford Limited	434	469	932
SKY Network Television Limited	314	748	838
The New Zealand Refining Company Limited	147	246	1,168
Metlifecare Limited (Delisted from NZX)		134	3,571
Argosy Property Limited	1,213	100	1,930
Market median	1,342	244	1,907
Market 75th percentile	2,088	689	3,177

Source: Market capitalisation data: www.nzx.com April 2021, revenue and total assets data was taken from the latest annual reports