

OTHER DISCLOSURES



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Road Development.

OTHER DISCLOSURES

COMPANY STRUCTURE AND STATUTORY INFORMATION

PRINCIPAL ACTIVITY

Property for Industry Limited (PFI, the Company) is a listed industrial property investment company. PFI and its subsidiaries, P.F.I. Property No. 1 Limited and P.F.I. Cover Limited¹ (collectively, the Group), invest solely in New Zealand. There has not been any change in the nature of the Company's or Group's business in the six-month period to 30 June 2024 (Financial Period 2024, or FP24), nor in the classes of business in which the Company has an interest.

NZX WAIVERS

On 4 June 2024, PFI was granted a waiver from NZX Listing Rules 3.8.1(a), 3.8.1(b) and 3.8.1(d), to the extent that the NZX Listing Rules would otherwise require PFI to prepare full disclosures regarding its compliance with the NZX Code in its FP24 Annual Report. A copy of this waiver is available at <https://www.propertyforindustry.co.nz/investor-centre/company-announcements/>

GOVERNANCE

A copy of PFI's Annual Report for the year ended 31 December 2023 (FY23) is available on the PFI website at <https://www.propertyforindustry.co.nz/investor-centre/reports-and-presentations/> and contains:

- a statement on the extent to which PFI has followed the recommendations of the NZX Corporate Governance Code (the NZX Code) during FY23, as required by NZX Listing Rules 3.8.1(a) and 3.8.1(b). A description of PFI's corporate governance policies, practices, and processes by reference to the NZX Code's eight key principles and supporting recommendations can be found in pages 73-93 of PFI's FY23 Annual Report.
- an evaluation from the Board on PFI's performance with respect to its diversity policy, as required by NZX Listing Rule 3.8.1(d), which can be found on page 79 of PFI's FY23 Annual Report.

During FP24, PFI has continued to apply the same corporate governance practices as those set out in the FY23 Annual Report.

PFI's Board has continued to evaluate the Company's performance against its Diversity and Inclusion Policy and formed the same conclusion as to performance against that policy for FP24 as set out in the FY23 Annual Report.

(1) P.F.I. Cover Limited was incorporated in the Cook Islands during the six-month period to 30 June 2024, for the purpose of establishing a captive insurance programme for the Group.

BOARD COMPOSITION

As at 30 June 2024, there were six Directors of the Company, all of whom are independent. The Directors of the Company who held office during FP24 and their status is as follows:

DIRECTOR	STATUS
Dean Bracewell	Independent Director Board Chair ¹ People Committee Chair ²
Anthony Beverley	Independent Director Board Chair ¹
Angela Bull	Independent Director
Carolyn Steele	Independent Director Audit and Risk Committee Chair
David Thomson	Independent Director People Committee Chair ²
Gregory Reidy ³	Independent Director
Jeremy Simpson ⁴	Independent Director

SUBSIDIARY COMPANIES – DIRECTORS

All current Directors of the Company are also Directors of P.F.I. Property No.1 Limited; Dean Bracewell, Anthony Beverley, Angela Bull, Carolyn Steele, David Thomson, and Jeremy Simpson.

As at 30 June 2024, Simon Woodhams, Craig Peirce, and Fronzuance Tiseli were Directors of P.F.I. Cover Limited. Simon Woodhams and Craig Peirce are also officers of PFI.

(1) Dean Bracewell replaced Anthony Beverley as Chair of the Board effective 3 April 2024. Anthony Beverley remains on the Board as an Independent Director.
(2) David Thomson replaced Dean Bracewell as Chair of the People Committee effective 3 April 2024.
(3) Independent Director Gregory Reidy retired from the Board effective 3 April 2024. Gregory Reidy also retired as a director of P.F.I. Property No.1 Limited on that date.
(4) Jeremy Simpson joined the Board effective 27 February 2024.

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COMPANY STRUCTURE AND STATUTORY INFORMATION

DIRECTOR INDEPENDENCE

Director independence is determined in accordance with the requirements of the NZX Listing Rules. The Board has determined that, as at 30 June 2024, all Directors of the Company were independent: Anthony Beverley, Angela Bull, Carolyn Steele, David Thomson, Dean Bracewell, and Jeremy Simpson. This assessment considered a range of factors, including those described in Table 2.4 of the NZX Code, that may impact director independence.

Anthony Beverley has served on the Board of PFI for 23 years and had been Chair of the Board for five years until stepping down from that role on 3 April 2024. When assessing independence, the Board considered the effect of Anthony Beverley's length of tenure, and has concluded that his length of tenure has not in practice impacted his ability to bring an independent view to decisions in relation to the Company, act in the best interests of the Company, and represent the interests of the Company's financial product holders generally, having regard to, amongst other things, the other factors described in the NZX Code that may impact Director independence.

DIVERSITY AND INCLUSION

The breakdown of the gender composition of PFI's Directors, Officers and Senior Leadership Team as at the end of the previous two financial periods is as follows:

FINANCIAL YEAR	MALE			FEMALE			GENDER DIVERSE		
	DIRECTORS	OFFICERS	SENIOR LEADERS ⁽¹⁾	DIRECTORS	OFFICERS	SENIOR LEADERS	DIRECTORS	OFFICERS	SENIOR LEADERS
FY23	4	3	3	2	0	1	0	0	0
FP24	4	3	3	2	0	1	0	0	0

(1) Includes officers.

DIRECTORS' RELEVANT INTERESTS

Directors had no dealings in the Company's financial products during FP24.

Details of Directors' relevant interests in the Company's financial products as at 30 June 2024 are as follows:

DIRECTOR	NATURE OF RELEVANT INTEREST	NUMBER OF SHARES
Dean Bracewell	Beneficial owner	40,000
Gregory Reidy ¹	Registered holder	155,708
Jeremy Simpson	Beneficial owner	45,000

No Director had a relevant interest in the Company's bonds.

(1) Gregory Reidy, having ceased to be a director of the Company with effect from 3 April 2024, remains subject to the disclosure requirements under section 297 of the Financial Markets Conduct Act 2013 until 3 October 2024 (being the date which is 6 months following the date that he ceased being a director of the Company).

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COMPANY STRUCTURE AND STATUTORY INFORMATION

Directors' Interests Register

During the period, the Board authorised the renewal of the Directors' and Officers' insurance cover as at 30 June 2024 for a period of 12 months and has certified, in terms of section 162 of the Companies Act 1993, that this cover is fair to the Company.

As permitted by the Company's constitution and the Companies Act 1993, the Company has also executed a deed indemnifying its Directors against potential liabilities and costs they may incur for acts or omissions in their capacity as Directors of the Company and its subsidiaries.

Please refer to the Directors' Relevant Interests section above for information regarding the acquisition and disposal of relevant interests in the Company's financial products by its Directors.

No Director has sought authorisation to use Company information.

Section 140(1) of the Companies Act 1993 requires a director of a company to disclose certain interests. Under subsection (2) a director can make disclosure by giving a general notice in writing to the company of a position held by a director in another named company or entity. The following are details of Directors' general disclosures entered in the Interests Register for the Company during FP24. Any entry added by notices given by the Directors during FP24 is denoted with a *. Any entry removed by notices given by the Directors during FP24 is denoted with a ~.

DIRECTOR	POSITION	COMPANY
Angela Bull	Director	Bayley Corporation Limited
	Director	Foodstuffs (N.Z.) Limited
	Director	Foodstuffs South Island Limited
	Director	Foodstuffs (South Island) Properties Limited
	Director	Fulton Hogan Limited
	Director	Fulton Hogan Land Development Limited
	Director	Murdoch Manufacturing Limited
	Director	Northwest Healthcare Properties Management Limited
	Director	Realestate.co.nz Limited
	Trust Board Member	St Cuthbert's College
	Director	Stevenson Aggregates Limited
	Director	Stevenson Concrete Limited
Director	Vital Healthcare Property Trust	
Anthony Beverley	Director; Chair of Board	Arvida Group Limited
	Director and Shareholder	Carbon Systems (NZ) Limited
	Director and Shareholder	DC One H1 Limited
	Director and Shareholder	DC One H2 Limited
	Director and Shareholder	Dryland Carbon Limited
	Director and Shareholder	Dryland Manuka Limited
	Director and Shareholder	Dryland Native Limited
	Director and Shareholder	Glazebrook Capital Limited

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COMPANY STRUCTURE AND STATUTORY INFORMATION

DIRECTOR	POSITION	COMPANY
Carolyn Steele	Director; Chair of Audit and Risk Committee	Green Cross Health Limited
	Director; Chair of the Board	Halberg Foundation
	Director	Infratec New Zealand Limited (subsidiary of WEL Networks Limited)
	Director	Newpower Energy Limited (subsidiary of WEL Networks Limited)
	Director	Newpower Energy Services Limited (subsidiary of WEL Networks Limited)
	Director; Investment Committee Member	Oriens Capital GP 2 Limited
	Director; Chair of Audit and Risk Committee	Vulcan Steel Limited
	Director; Chair of Audit and Risk Committee	WEL Networks Limited
Dean Bracewell	Director	Air New Zealand Limited
	Director and Shareholder	Ara Street Investments Limited
	Director and Shareholder	Dean Bracewell Limited
	Executive Board Member	Halberg Foundation
	Director	Port of Tauranga Limited
	Director	Tainui Group Holdings Limited~
Jeremy Simpson	Trustee	Pinc & Steel Cancer Rehabilitation Foundation NZ*
	Sole Director and Shareholder	Southern Land Enterprises Limited*

Other than noted in this report, there were no other entries recorded in the interest register for the Company or any of its subsidiaries during FP24.

Substantial Product Holders as at 30 June 2024

As at 30 June 2024, the total number of ordinary shares on issue was 502,199,351. The Company's ordinary shares are the only quoted voting products the Company has on issue.

According to the Company's records and notices received by the Company under the Financial Markets Conduct Act 2013 (FMC Act), the persons, who, for the purposes of section 293 of the FMC Act, were substantial product holders as at 30 June 2024 are:

SECURITY HOLDER	NO. OF SHARES WHEN NOTICE WAS FILED	% WHEN NOTICE WAS FILED
ANZ New Zealand Investments Limited, ANZ Bank New Zealand Limited and ANZ Custodial Services New Zealand Limited	41,932,219	8.328%
Accident Compensation Corporation (ACC)	37,489,726	7.425%
FirstCape Group Limited	26,072,628	5.192%

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COMPANY STRUCTURE AND STATUTORY INFORMATION

CLIMATE-RELATED DISCLOSURES

PFI is a climate-reporting entity under the FMC Act. The Group will publish its Climate-related Disclosures for FP24 in compliance with the Aotearoa New Zealand Climate Standards issued by the External Reporting Board (XRB) as is required by the FMC Act. The Group's Climate-related Disclosures for FP24 will be accessible on PFI's website by 31 October 2024 via <https://www.propertyforindustry.co.nz/sustainability/>.¹

DONATIONS

The Company made the following donations during FP24:

- \$5,000 donation to the Sir John Kirwan Foundation
- \$2,000 donation to the Gut Foundation
- \$500 donation to Level Playing Field

The Company is a sponsor of Keystone New Zealand Property Education Trust and paid the Trust \$10,500 by way of sponsorship during the year.

PFI's subsidiaries did not make any donations during FP24.

(1) As per clause 7 of the Financial Markets Conduct (Requirement to Include Climate Statements in Annual Report) Exemption Notice 2023.

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COMPANY STRUCTURE AND STATUTORY INFORMATION

20 LARGEST REGISTERED SHAREHOLDERS AS AT 31 JULY 2024

HOLDER	HOLDING	% HOLDING
Custodial Services Limited	67,113,036	13.36%
Accident Compensation Corporation – NZCSD	38,695,196	7.71%
ANZ Wholesale Trans-Tasman Property Securities Fund – NZCSD	25,586,457	5.09%
BNP Paribas Nominees (NZ) Limited – NZCSD	24,325,555	4.84%
FNZ Custodians Limited	22,997,337	4.58%
New Zealand Depository Nominee Limited	15,953,783	3.18%
Forsyth Barr Custodians Limited	14,790,776	2.95%
Tea Custodians Limited, Client Property Trust Account – NZCSD	12,932,199	2.58%
HSBC Nominees (New Zealand) Limited – NZCSD	12,301,540	2.45%
Citibank Nominees (New Zealand) Limited – NZCSD	9,642,999	1.92%
Investment Custodial Services Limited	7,642,568	1.52%
Wildermoth Investment	6,948,605	1.38%
Admins Custodial Nominees Limited	6,086,980	1.21%
MFL Mutual Fund Limited – NZCSD	5,949,885	1.18%
PT (Booster Investments) Nominees Limited	5,852,384	1.17%
Mr. Mckee and Ms. Mckee	5,566,373	1.11%
ANZ Wholesale Property Securities – NZCSD	5,501,973	1.10%
Generate Kiwisaver Public Trust Nominees Limited	5,463,316	1.09%
Simplicity Nominees Limited	4,924,772	0.98%
Masfen Securities Limited	4,767,744	0.95%
Shares held by top 20 shareholders	303,043,478	60.34%
Balance of shares	199,155,873	39.66%
Total of issued shares	502,199,351	100.00%

SHAREHOLDER STATISTICS

Shareholder spread AS AT 31 JULY 2024

ORDINARY SHARES	NUMBER OF HOLDERS	HOLDING	% HOLDING
Up to 4,999	1,213	3,017,530	0.60%
5,000 - 9,999	975	6,942,575	1.38%
10,000 - 49,999	1,869	39,220,882	7.81%
50,000 - 99,999	288	19,379,915	3.86%
100,000 - 499,999	246	49,352,394	9.83%
500,000 and above	82	384,286,055	76.52%
	4,673	502,199,351	100.00%

Geographical spread AS AT 31 JULY 2024

ORDINARY SHARES	HOLDING	% HOLDING
Auckland & Northern Region	173,676,916	34.57%
Hamilton & Surrounding Districts	112,269,759	22.36%
Wellington & Central Districts	143,103,739	28.50%
Dunedin & Southland	24,115,603	4.80%
Nelson, Marlborough & Christchurch	12,496,603	2.49%
Overseas	36,536,731	7.28%
Total	502,199,351	100.00%

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COMPANY STRUCTURE AND STATUTORY INFORMATION

20 LARGEST REGISTERED BONDHOLDERS AS AT 31 JULY 2024

HOLDER	PFI 010 HOLDING	PFI010 % HOLDING	PFI 020 HOLDING	PFI020 % HOLDING
Custodial Services Limited	24,013,000	24.01%	34,923,000	34.92%
Forsyth Barr Custodians Limited	19,800,000	19.80%	15,905,000	15.91%
FNZ Custodians Limited	8,290,000	8.29%	10,608,000	10.61%
Citibank Nominees (New Zealand) Limited - NZCSD	–	0.00%	11,592,000	11.59%
Tea Custodians Limited Client Property Trust Account - NZCSD	6,776,000	6.78%	2,810,000	2.81%
NZPT Custodians (Grosvenor) Limited - NZCSD	8,467,000	8.47%	780,000	0.78%
HSBC Nominees (New Zealand) Limited - NZCSD	4,075,000	4.08%	3,920,000	3.92%
Generate Kiwisaver Public Trust Nominees Limited	2,000,000	2.00%	5,813,000	5.81%
Investment Custodial Services Limited	2,145,000	2.15%	1,328,000	1.33%
Public Trust - NZCSD	2,599,000	2.60%	–	0.00%
Forsyth Barr Custodians Limited	1,286,000	1.29%	1,056,000	1.06%
Forsyth Barr Custodians Limited	1,197,000	1.20%	513,000	0.51%
FNZ Custodians Limited	930,000	0.93%	567,000	0.57%
NZX WT Nominees Limited	420,000	0.42%	372,000	0.37%
JBWere (Nz) Nominees Limited	730,000	0.73%	–	0.00%
FNZ Custodians Limited	405,000	0.41%	244,000	0.24%
ANZ Bank New Zealand Limited	–	0.00%	622,000	0.62%
JML Capital Limited	–	0.00%	600,000	0.60%
Sandore Limited	500,000	0.50%	–	0.00%
Forsyth Barr Custodians Limited	442,000	0.44%	–	0.00%
Custodial Services Limited	185,000	0.19%	238,000	0.24%
Craig Paul Werner and Lea Lynn Werner	418,000	0.42%	–	0.00%
Bank of New Zealand - Treasury Support	357,000	0.36%	–	0.00%
Kiwigold.co.nz Limited	–	0.00%	300,000	0.30%
Dunedin Diocesan Trust Board	–	0.00%	250,000	0.25%
Forsyth Barr Custodians Limited	–	0.00%	246,000	0.25%
Bonds held by top 20 Bondholders	85,035,000	85.04%	92,687,000	92.69%
Total Remaining Holders Balance	14,965,000	14.97%	7,313,000	7.31%
Total of issued Bonds	100,000,000	100.00%	100,000,000	100.00%

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COMPANY STRUCTURE AND STATUTORY INFORMATION

BONDHOLDER STATISTICS

Bondholder spread: PFI010 AS AT 31 JULY 2024

BONDS	NO. OF HOLDERS	HOLDING	% HOLDING
5,000 - 9,999	66	363,000	0.36%
10,000 - 49,999	395	7,379,000	7.38%
50,000 - 99,999	46	2,773,000	2.77%
100,000 - 499,999	39	6,677,000	6.68%
500,000 - 999,999	3	2,160,000	2.16%
1,000,000 and above	11	80,648,000	80.65%
Total	560	100,000,000	100.00%

Bondholder spread: PFI020 AS AT 31 JULY 2024

BONDS	NO. OF HOLDERS	HOLDING	% HOLDING
5,000 - 9,999	40	231,000	0.23%
10,000 - 49,999	190	3,952,000	3.95%
50,000 - 99,999	27	1,530,000	1.53%
100,000 - 499,999	20	3,250,000	3.25%
500,000 - 999,999	5	3,082,000	3.08%
1,000,000 and above	9	87,955,000	87.96%
Total	291	100,000,000	100.00%

REMUNERATION REPORT

PFI is pleased to present its remuneration report for the six-month period ended 30 June 2024 (FP24). This report addresses the remuneration of PFI's Directors and Senior Leadership Team, with a particular focus on the remuneration outcomes for PFI's Chief Executive Officer in respect of FP24.

The members of PFI's Senior Leadership Team are Simon Woodhams (Chief Executive Officer), Craig Peirce (Chief Finance and Operating Officer), Ewan Cameron (Portfolio Manager) and Sarah Beale (Head of Sustainability and Operations).

The Directors of the Company who held office during FP24 and their status can be found on page 63.

REMUNERATION GOVERNANCE

Remuneration governance framework

PFI's remuneration governance framework is overseen by the People Committee on behalf of the Board. The purpose of the People Committee is to assist the Board to oversee Director and Senior Leadership Team appointment and remuneration policies and practices, Senior Leadership Team performance and development, and succession planning.

Throughout the later stages of 2023 and early 2024, a review of the Group's employee remuneration framework was undertaken to ensure it remains appropriate and supports the delivery of our strategy, whilst rewarding employees fairly and in line with investor expectations. A revised framework was put in place during the financial period and the People Committee is of the view that the revised framework supports the strategic priorities of the business and creation of sustained long-term value for shareholders.

PFI last reviewed its remuneration policy in November 2023, a copy of which is available on the Company's website, together with the People Committee's Charter, at: <https://www.propertyforindustry.co.nz/about-pfi/governance/>.

PFI's People Committee

The People Committee's role is set out in the People Committee's Charter. With regards to PFI's remuneration governance, the People Committee is responsible for establishing remuneration policies and practices, reviewing and recommending to the Board the remuneration of PFI's Senior Leadership Team and Directors and providing oversight of the remuneration of PFI's wider team of employees.

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REMUNERATION REPORT

The People Committee must comprise at least two members, all of whom must be Independent Directors. At 30 June 2024, the members of the People Committee were David Thomson (Chair of the People Committee), Angela Bull and Dean Bracewell. David Thomson, Angela Bull and Dean Bracewell were members of the People Committee at all times during FP24 having joined the People Committee in March 2020, December 2022, and May 2023 respectively. Effective from 3 April 2024, Dean Bracewell retired from his role as People Committee Chair to take up the role of Board Chair. David Thomson became People Committee Chair from 3 April 2024. All members of the People Committee during FP24 were Independent Directors.

EXECUTIVE REMUNERATION POLICY

Remuneration principles

The People Committee and Board support a remuneration strategy that is aligned to our investors' interests and encourages the achievement of our strategic objectives and demonstration of our purpose. The remuneration of the Senior Leadership Team is designed to attract and retain the most talented and effective individuals whilst ensuring appropriate alignment with employee and shareholder interests.

Packages include fixed remuneration, together with a short-term incentive (STI) and a long-term incentive (LTI) (together, Total Target Remuneration). Both the STI and LTI are at risk remuneration because the outcome is determined by performance against a combination of pre-determined financial and non-financial objectives.

Fixed remuneration

Fixed remuneration consists of a package of base salary and standard employment-associated benefits. This is benchmarked annually against a group of companies that are comparable to PFI in terms of activity, portfolio size, market capitalisation and other relevant entity characteristics. This enables us to track actual market remuneration levels for entities that offer a similar risk profile and investment portfolio performance opportunities.

Short Term Incentive (STI)

STI awards are set as a fixed amount which reflects between 14% and 24% of Total Target Remuneration. The STI earned may be between 0% and 100% of the amount awarded based on the People Committee's assessment of performance and subject to the Board's approval. Any STI earned is paid in cash.

For the STI, participants' performance against an agreed set of financial and non-financial metrics is monitored on an ongoing basis throughout the financial year by the People Committee.

Long Term Incentive (LTI)

LTIs are at-risk payments designed to align the reward of members of the Senior Leadership Team with changes in shareholder value over a multi-year period.

The current LTI plan commenced in the year ended 31 December 2019, and is a dividend protected Performance Share Rights (PSR) plan (LTI Plan). Under the LTI Plan, PSRs are issued to members of the Senior Leadership Team which gives them the right to receive ordinary shares in the Company after a 1-3 year period, subject to achieving certain performance hurdles. The performance hurdles that are currently used for the LTI Plan are a relative TSR hurdle and a rolling three year Funds From Operations (FFO) hurdle.

A detailed description of the performance hurdles applied under the LTI Plan can be found on pages 74 and 75. The value of PSRs awarded to participants in the LTI Plan is set at a fixed amount which reflects between 12% and 21% of Total Target Remuneration. The number of PSRs issued under each grant is then determined based on the market value of PFI's shares using a volume weighted average price over the 20 trading days up to and including the commencement date of the grant.

As at the date of this report, all members of the Senior Leadership Team are participants in the LTI Plan, and these are the only individuals participating in the LTI Plan.

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REMUNERATION REPORT

FP24 REMUNERATION OUTCOMES

Senior Leadership Team

The People Committee recommended, and the Board approved, the Senior Leadership Team's FP24 remuneration.

Following the preparation of the results for FP24, the People Committee reviewed the Senior Leadership Team's performance for the year against the STI and LTI Plans' terms and conditions. Disclosure of the STI and LTI targets set for the Chief Executive Officer, as well as the actual performance against them, is included in this remuneration report.

Payment of the STI earned in FY23 was made on 26 February 2024. STI payments for FP24 will be made in August 2024 after the release of the FP24 annual results.

While the STI and LTI Plans offer the People Committee discretion with regard to outcomes, the People Committee considered that remuneration outcomes were appropriate and as such determined that no discretion would be applied.

Team members excluding the Senior Leadership Team

The Senior Leadership Team set team members' (excluding the Senior Leadership Team) FP24 remuneration, and this was approved by the People Committee and Board via the annual budgeting process.

External advice

PFI engages external consultants to provide market data and benchmarks in regard to employment packages and pay practices. In respect of FP24 remuneration, the following external consultants were engaged:

- PricewaterhouseCoopers provided market remuneration data relating to executive levels in 2023 that was taken into account when setting FP24 remuneration for the Senior Leadership Team.
- KPMG were engaged to provide consulting advice on the LTI Plan; and
- Strategic Pay were engaged to provide benchmarking on remuneration for team members (excluding the Senior Leadership Team).

KEY PERFORMANCE SUMMARY

PFI's key performance indicators relevant to the Senior Leadership Team's STI and LTI Plans over the past five financial periods are as follows:

	FP24	FY23	FY22	FY21	FY20
Occupancy	98.6%	100.0%	100.0%	100.0%	99.4%
Weighted Average Lease Term	5.07 years	5.06 years	5.08 years	5.40 years	5.28 years
FFO ¹	5.03 cps	10.03 cps	10.21 cps	11.07 cps	9.67 cps
One year TSR ² (%)	N/A ³	-2%	-17%	4%	27%
Two year TSR ² (%)	N/A ³	-19%	-14%	30%	78%
Three year TSR ² (%)	N/A ³	-15%	7%	83%	N/A

CEO REMUNERATION ARRANGEMENTS & OUTCOMES

CEO Remuneration Arrangements

Alignment between the interests of shareholders, delivery on PFI's strategy, and performance is at the heart of the Company's remuneration framework for the Chief Executive Officer. The Chief Executive Officer's Total Target Remuneration includes 45% at risk remuneration comprising STI and LTI awards. The STI awards take account of performance against annual targets and the LTI against performance-based metrics across multiple years.

- (1) Funds From Operations (FFO) is non-GAAP financial information and is a common property investor metric, which has been calculated in accordance with the guidelines issued by the Property Council of Australia. Please refer to the relevant period's annual results announcement, released to the NZX, for more detail as to how this measure was calculated. Please note that FFO for FP24 is for a six-month period ended 30 June 2024.
- (2) Total Shareholder Return (TSR) is calculated as the total return received by investors from the change in the market value of a PFI share (using a volume weighted average price over the 20 trading days prior to the beginning and end of the financial year) and the receipt of cash dividends and other distributions paid in respect of a PFI share over the financial year or the two or three financial year period as applicable. TSR is only shown for those periods where the LTI Plan was in operation, where it was not in operation, N/A has been entered.
- (3) Whilst the LTI Plan was in operation during FP24, no portion of the LTI Plan was due to vest. Accordingly, N/A has been entered for the one, two and three year TSR in FP24. The next vesting of the LTI Plan is in relation to the year ended 31 December 2024.

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REMUNERATION REPORT

The Chief Executive Officer's remuneration is benchmarked and reviewed annually by the People Committee and approved by the Board. In summary, the components of the Chief Executive Officer's remuneration are as follows:

CASH		EQUITY
Fixed remuneration	Short Term Incentive	Long Term Incentive
Reviewed annually	Set annually	Grants made annually covering 1, 2 and 3 years period

Fixed Remuneration

The fixed remuneration paid to the Chief Executive Officer (including any standard employment-associated benefits) during the six-month period to 30 June 2024 was \$368,372.

There is no commitment to making a severance payment in the Chief Executive Officer's contract.

Short Term Incentive (STI)

The Chief Executive Officer's STI award is set as a fixed amount which reflects approximately 24% of Total Target Remuneration. The STI earned may be between 0% and 100% of the amount awarded based on the People Committee's assessment of performance and subject to the Board's approval.

For the STI, the Chief Executive Officer's performance against an agreed set of financial and non-financial metrics is monitored on an ongoing basis throughout the financial year by the People Committee. The Chief Executive Officer's STI is assessed against achievement of these annual targets which are aligned to the delivery of PFI's key strategic and operational objectives.

The STI payments are at risk payments and subject to assessment of performance. STI payments are reviewed by the People Committee and recommended for approval by the Board. In FP24 and FY23, the People Committee recommended, and the Board approved, the payment of 100% of the potential STI payable to the Chief Executive Officer. The STI awarded for FP24 was adjusted to reflect the six-month period from 1 January 2024 to 30 June 2024, with the value of the STI awarded in FP24 of \$152,080 being approximately half of the value of the STI awarded in FY23. The Chief Executive Officer's FP24 STI was assessed as earned in FP24 but will be paid after release of the FP24 annual results.

The Chief Executive Officer's key performance indicators for the FP24 STI award are outlined below:

MEASURE	WEIGHTING	DESCRIPTION
Leadership	10%	Health and safety related targets.
Strategy	15%	Strategy implementation and divestment related targets.
Portfolio & Operations	15%	Maintenance of key portfolio statistics, including Occupancy and Weighted Averaged Lease Term, and adherence to delivery targets for key projects.
Sustainability	10%	Sustainability-related targets.
Earnings	40%	Achievement of budgeted earnings outcome.
Financial	10%	Liquidity and debtor days related targets.

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Long Term Incentive (LTI)

The value of the PSRs awarded to the Chief Executive Officer under each LTI Plan grant is set at a fixed amount which since inception has represented between 18% and 21% of the Chief Executive Officer's Total Target Remuneration.

Grants of PSRs under PFI's LTI Plan with vesting dates on or after 30 June 2024 were made on 21 February 2022 (FY22 Grant), on 22 August 2023 (FY23 Grant) and on 6 March 2024 (FY24 Grant)⁽¹⁾.

The key terms and conditions related to the PSRs under the LTI Plan are as follows:

- The PSRs are granted for nil consideration and have a nil exercise price.
- The participant must remain an employee of the Group as at the relevant vesting date for each tranche of PSRs.
- The FY22 Grant has three tranches with two separate performance hurdles applying to each tranche. The three tranches enable a third of the PSRs to vest after one year, two years and three years from the commencement date for those grants of 1 January 2022. For each tranche:
 - 50% of the PSRs are subject to a performance hurdle of the Company's rolling three year FFO growth equalling or exceeding the three year CPI growth to September immediately prior to the vesting date; and
 - 50% of the PSRs are subject to a performance hurdle of the Company's TSR outperforming the TSR of a property peer group (comprising other listed property issuers) over the period from the commencement date to the vesting date for the relevant tranche.

- For the FY23 Grant and FY24 Grant, there are three tranches with one performance hurdle applying to each tranche. The three tranches enable a third of the PSRs to vest after one year, two years and three years from the commencement dates of those grants of 1 January 2023 and 1 January 2024. 100% of the PSRs are subject to a performance hurdle of the Company's TSR outperforming the TSR of a property peer group (comprising other listed property issuers) over the period from the commencement date to the vesting date for the relevant tranche.
- Note that in respect of the FY22, FY23 and FY24 Grants, PFI does not intend to change the vesting dates for these grants despite the change in balance date from 31 December to 30 June.
- TSR is measured as the change in the value of an ordinary share from the commencement date to the vesting date for the relevant tranche of a grant (using a volume weighted average price over the 20 trading days prior to the commencement date and the vesting date) together with dividends or other distributions paid during the relevant measurement period.
- The TSR performance hurdle requires that PFI's TSR for the vesting period must rank equal or greater to 6th place against a property peer group. The members of the property peer group are Asset Plus Limited, Argosy Property Limited, Goodman Property Trust, Investore Property Limited, Kiwi Property Group Limited, Precinct Properties New Zealand Limited & Precinct Properties Investments Limited (stapled), Property for Industry Limited, Stride Property Limited & Stride Investment Management Limited (stapled) and Vital Healthcare Property Trust.
- The LTI Plan uses a progressive vesting scale for determining the percentage of PSRs that become eligible for vesting:

(1) Please note that the FY24 Grant is for the period 1 January 2024 to 31 December 2024. This is different to FP24, which covers the period 1 January 2024 to 30 June 2024.

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– The percentage of PSRs under the FY22 Grant that become eligible for vesting is determined as follows:

% OF PSRS UNDER THE GRANT ELIGIBLE FOR VESTING	THREE YEAR ROLLING FFO GROWTH EQUALS OR EXCEEDS	PFI'S TSR PLACING EQUALS OR EXCEEDS THE TSR IN THE PROPERTY PEER GROUP PLACED
12.5%	–	6th
25%	Three year rolling CPI growth	5th
37.5%	Three year rolling CPI growth by 12.5 basis points	4th
50%	Three year rolling CPI growth by 25 basis points	3rd

– The percentage of PSRs under the FY23 Grant and FY24 Grant that become eligible for vesting is determined as follows:

% OF PSRS UNDER THE GRANT ELIGIBLE FOR VESTING	PFI'S TSR PLACING EQUALS OR EXCEEDS THE TSR IN THE PROPERTY PEER GROUP PLACED
25%	6th
50%	5th
75%	4th
100%	3rd

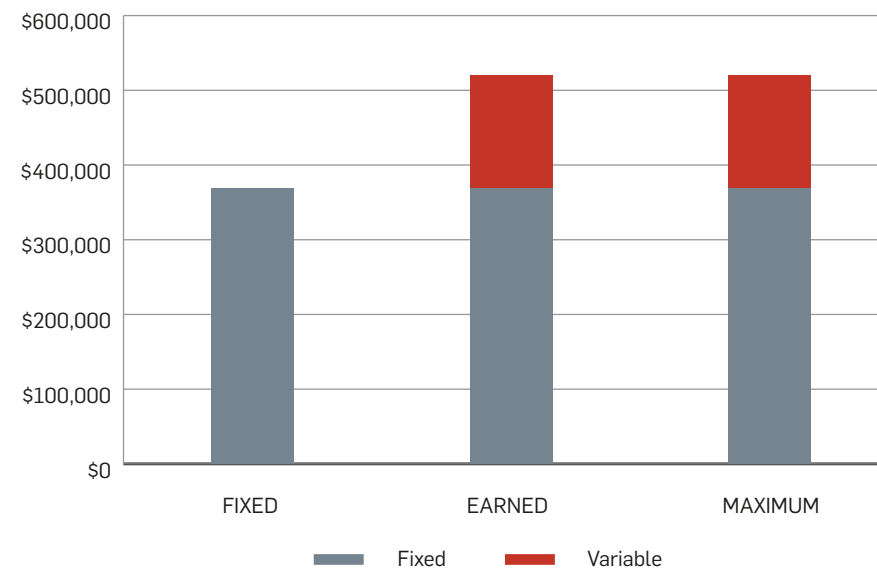
- On the vesting date, subject to achieving performance hurdles, each PSR entitles the Chief Executive Officer to one ordinary share. The LTI Plan is a dividend protected LTI Plan and the Chief Executive Officer will receive additional shares representing the value of dividends paid over the vesting period. The Chief Executive Officer is liable for tax on the shares received at this point but may elect to receive a net number of shares on exercise of the PSRs to account for the tax which is then paid by PFI on the Chief Executive Officer's behalf.

CEO REMUNERATION OUTCOMES

The following section sets out how the components of the Chief Executive Officer's remuneration applied in FP24.

Remuneration mix

The chart below illustrates the elements of the Chief Executive Officer's remuneration design for FP24:



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REMUNERATION REPORT

Total FP24 CEO remuneration

The Chief Executive Officer's total remuneration for the six-month period ended 30 June 2024, along with the Chief Executive Officer's historical total remuneration, is as follows:

YEAR ENDING	FIXED REMUNERATION			PAY FOR PERFORMANCE				TOTAL REMUNERATION	
	SALARY	BENEFITS ¹	SUBTOTAL	STI		LTI ²			SUBTOTAL
				EARNED	AMOUNT EARNED AS A % OF MAXIMUM AWARD	EARNED	AMOUNT EARNED AS A % OF MAXIMUM AWARD		
FY19	\$450,000	\$31,711	\$481,711	\$200,000	100%	\$71,810	100%	\$271,810	\$753,521
FY20	\$500,000	\$30,824	\$530,824	\$225,000	100%	\$162,391	100%	\$387,391	\$918,215
FY21	\$550,000	\$40,199	\$590,199	\$250,000	100%	\$238,164	100%	\$488,164	\$1,078,363
FY22	\$576,640	\$44,939	\$621,579	\$263,250	100%	\$134,208	67%	\$397,458	\$1,019,037
FY23	\$628,538	\$50,529	\$679,067	\$286,943	100%	\$115,137	57%	\$402,079	\$1,081,146
FP24	\$333,125	\$35,247	\$368,372	\$152,080	100%	\$0	N/A	\$152,080	\$520,452

Note: the FP24 reporting period reflects a six-month period from 1 January 2024 to 30 June 2024 as a result of PFI changing its balance date to 30 June with effect in FP24.

FP24 STI Outcomes (Earned)

A breakdown of the amount earned by the Chief Executive Officer for achievement of the FP24 STI key performance indicators is as follows:

	STI AWARDED	EARNED	% EARNED OF AWARDED
Leadership	10%	\$15,208	100%
Strategy	15%	\$22,812	100%
Portfolio & Operations	15%	\$22,812	100%
Sustainability	10%	\$15,208	100%
Earnings	40%	\$60,832	100%
Financial	10%	\$15,208	100%

Note: The quantum of the STI awarded for FP24 was adjusted to reflect the six-month period from 1 January 2024 to 30 June 2024.

FP24 LTI Outcomes (Vested)

Due to the change in the Company's balance date to 30 June, there were no shares eligible for vesting in the six-month period to 30 June 2024. Accordingly, the tables that track the Company's performance against the FFO and TSR performance hurdles in FP24 and show the percentage and number of shares vested have not been included in this report.

- (1) Benefits include KiwiSaver and insurance.
- (2) The LTI amounts earned are based on the market value of the vested awards, being the number of PSRs vested multiplied by the closing PFI share price at the end of year.

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PSRs granted to the CEO as at 30 June 2024

A summary of the outstanding PSRs granted to the Chief Executive Officer under the FY22 Grant, FY23 Grant and FY24 Grant as at 30 June 2024 is as follows:

PSR AWARD DATE	VESTING DATE	BALANCE OF PSRS AT 31 DECEMBER 2023	AWARDED DURING THE REPORTING PERIOD		PSRS VESTED/LAPSED IN RELATION TO THE REPORTING PERIOD		SHARES ISSUED/TRANSFERRED IN RELATION TO THE REPORTING PERIOD			BALANCE OF PSRS AT 31 DECEMBER 2023
			PSRS AWARDED	MARKET PRICE AT AWARD	PSRS LAPSED	PSRS VESTED	SHARES TO BE ISSUED / TRANSFERRED BASED ON VESTING OUTCOMES	MARKET PRICE AT THE VESTING DATE	ISSUE / TRANSFER DATE	
21 Feb 2022	31 Dec 2024	26,624	0	N/A	0	0	0	N/A	N/A	26,624
22 Aug 2023	31 Dec 2024 & 2025	72,358	0	N/A	0	0	0	N/A	N/A	72,358
6 March 2024	31 Dec 2024, 2025 & 2026	0	121,719	\$270,364	0	0	0	N/A	N/A	121,719

PFI intends to make a new grant of 62,364 PSRs to the CEO on or about the date of this remuneration report (the FY25 Grant). The number of PSRs to be awarded under the FY25 Grant has been adjusted to reflect that the FY24 Grant was made earlier during 2024, with the value of the PSRs to be issued under the FY25 Grant being approximately half of the value of the PSRs issued under the FY24 Grant.

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EMPLOYEE REMUNERATION BANDS

The following table notes the number of employees or former employees of the Company, not being directors of the Company, who, during the six-month period of FP24, received remuneration and any other benefits in their capacity as employees, the value of which was or exceeded \$100,000 per annum, in brackets of \$10,000:

REMUNERATION RANGE	FP24
\$100,001 - \$110,000	2
\$120,001 - \$130,000	1
\$170,001 - \$180,000	1
\$230,001 - \$240,000	1
\$420,001 - \$430,000	1
\$520,001 - \$530,000	1

Note: Due to the change in the Company's balance date to 30 June, there were no shares eligible for vesting in the six-month period to 30 June 2024, therefore the above figures do not include any LTI awards vested.

There are no employees of the Company's subsidiaries.

DIRECTOR REMUNERATION

Director remuneration arrangements

Director remuneration was approved by shareholders at the 2023 annual meeting on a role basis, and prior to that, Director fees were last adjusted by PFI at the 2021 annual meeting. Director fees are reviewed every second year by the Board in advance of the annual meeting with any adjustment put to shareholders for approval. No further increase was sought at the 2024 annual meeting.

In setting the proposed Director remuneration put to shareholders at the 2023 annual meeting the Board considered the performance of the Company and the need to attract and retain directors of a strong calibre and commissioned an independent benchmarking review of the then current Directors' fees by Ernst & Young (EY). A summary of EY's report was made available prior to the 2023 annual meeting at which shareholders were asked to approve the current Director remuneration.

The table below sets out the Director remuneration that was approved by shareholders at the 2023 annual meeting:

ROLE	PLUS GST (IF ANY)
Board Chair	\$175,000
Independent Director / Non-Executive Director	\$92,500
Audit and Risk Committee Chair	\$15,000
Audit and Risk Committee Member	\$7,500
People Committee Chair	\$13,500
People Committee Member	\$6,750
Hourly rates for abnormal and particularly time intensive projects or transactions outside the scope of typical Board work (note: use of this allowance will be capped at \$50,000 per annum.)	\$350 per hour

Simon Woodhams and Craig Peirce do not receive any director fees in respect of their directorships of the Company's subsidiary, P.F.I. Cover Limited.

Other than as noted in this report, neither the Company nor its subsidiaries have provided additional remuneration or benefits to a director in respect of their directorships or in any other capacity during FP24. Neither the Company nor its subsidiaries have made loans to a Director or guaranteed any debts incurred by a Director. Directors do not qualify for any performance-based compensation. All Director remuneration is paid in cash and no PFI securities are issued to Directors as part of their remuneration.

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Director remuneration outcomes

A breakdown of Board and Committee fees paid during the six-month period of FP24 are set out in the table below (exclusive of GST, if any). Please note that the fees paid reflect changes to Board composition during the financial period.

DIRECTOR	BASE FEE	FEE FOR AUDIT & RISK COMMITTEE	FEE FOR PEOPLE COMMITTEE	TOTAL REMUNERATION RECEIVED
Anthony Beverley ¹	\$67,442	\$1,813		\$69,254
Angela Bull	\$46,000		\$3,375	\$49,375
Carolyn Steele ²	\$46,000	\$7,500		\$53,500
David Thomson ³	\$46,000	\$3,750	\$5,006	\$54,756
Dean Bracewell ⁴	\$66,058		\$3,488	\$69,546
Gregory Reidy ⁵	\$23,767			\$23,767
Jeremy Simpson ⁶	\$31,775			\$31,775
Total	\$327,042	\$13,063	\$11,869	\$351,973

(1) Anthony Beverley stepped down from his role as Chair of the Board with effect 3 April 2024.

(2) Carolyn Steele served as Chair of the Audit and Risk Committee for the duration of FP24.

(3) David Thomson was appointed Chair of the People Committee with effect 3 April 2024.

(4) Dean Bracewell stepped down from his role as Chair of the People Committee and was appointed as Chair of the Board effective from 3 April 2024.

(5) Gregory Reidy ceased to be a Director on 3 April 2024.

(6) Jeremy Simpson was appointed to the Board with effect 27 February 2024.