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MEDIA RELEASE RE WRIGHTSON CEO PAYMENT

The NZ Shareholders Association said today that ex gratia payment of \$3m to Tim Miles by PGG Wrightson continues the company's pattern of overpaying a select few at the expense of many.

Chairman John Hawkins said the first mistake was the contract written for Mr Miles under which he was paid over \$1.6m, while the next man down was paid only \$680,000. Hawkins said the NZSA believes the salary of the CEO should always be related to the salary structure of the rest of the organisation. Good results are turned in by a team, not just a good CEO he said.

In this year's annual report, Tim Miles salary was \$615,410 plus a \$703,125 short term incentive. Hawkins said that given the company's recent performance, it was hard to see how such a large short term incentive could be justified. Mr Miles was also previously granted 2.5m shares paid for by an interest free loan from the company and vesting over several years as part of a long term incentive scheme. When Mr Miles resigned, the company acquired and cancelled the long term incentive shares.

Hawkins said that the \$3m was described as an ex gratia payment, something that would normally be considered a voluntary payment rather than a contractual obligation. Hawkins speculated that PGW was probably forced into a buyout of Mr Miles contract because the company had changed - without the Uruguay farms, the finance company, and with the new majority shareholder Agria. He said with major operating divisions dispersed, Mr Miles may have been deemed redundant, adding that the very large ex gratia payment hardly seems fair to shareholders since Mr Miles was part of the management team that created the problems faced by PGG Wrightson. With the share price languishing around 40c, Hawkins said the market was demonstrating little confidence that the company had turned the corner.

The Shareholders Association hoped that the current Managing Director George Gould, who sold his related party shares to Agria, and who has a long experience in the farming sector, will accept a salary more closely related to those of his management team. He needs to correct not only the salary excesses, but also the problem of high debt and unrealistic investments that have dogged the company in order to restore it as the backbone of rural trading in New Zealand said Hawkins.

John Hawkins
Chairman
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