



▶ NOTICE OF ANNUAL MEETING 2013

NOTICE OF MEETING

ARGOSY PROPERTY LIMITED
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NOTICE

Notice is given that the annual meeting of shareholders of Argosy Property Limited will be held in the Nau Mai Room, Ground Floor, Te Puni Kōkiri House, 143 Lambton Quay, Wellington, on Tuesday, 27 August 2013 commencing at 2.00pm.

AGENDA

CHAIRMAN'S INTRODUCTION

CHIEF EXECUTIVE OFFICER'S REVIEW

RESOLUTIONS

To consider, and if thought fit pass, the following resolutions as ordinary resolutions:

Resolution 1

That Michael Smith be re-elected as a Director.

Resolution 2

That Peter Brook be re-elected as a Director.

Resolution 3

That Chris Hunter be elected as a Director.

Resolution 4

That Jeff Morrison be elected as a Director.

Resolution 5

That, for the purposes of NZSX Listing Rule 3.5.1(a), with effect from 1 October 2013, the maximum aggregate amount of remuneration payable by the Company to Directors (in their capacity as Directors) be increased by \$155,000 per annum, from \$500,000 per annum to \$655,000 per annum.

Resolution 6

That the Board be authorised to fix the auditor's fees and expenses.

Further information relating to these resolutions is set out in the Explanatory Memorandum accompanying this Notice of Meeting. Please ensure you read and consider the resolutions together with the Explanatory Memorandum.

By order of the Board of Argosy Property Limited



Michael Smith
Chairman
9 August 2013

IMPORTANT NOTES

ENTITLEMENT TO VOTE

1. The persons who will be entitled to vote at the annual meeting are those persons who are registered on the Company's share register as holding fully paid ordinary shares in the Company on Friday, 23 August 2013 at 5.00pm.

ORDINARY RESOLUTIONS

2. Each of the resolutions to be moved at the annual meeting is an ordinary resolution. In order for an ordinary resolution to be passed, it must be approved by a simple majority of the votes of shareholders who are entitled to vote and vote on the resolution, in person or by proxy.

VOTING RESTRICTIONS

3. In accordance with NZSX Listing Rule 9.3.1, any Director and any person who is an Associated Person (as that term is defined in the NZSX Listing Rules) of a Director may not vote on Resolution 5. If you appoint a Director or Associated Person of a Director as your proxy, that person will only be able to vote on Resolution 5 in accordance with your express instructions, as set out in your proxy form. In addition, a Director who is eligible for election or re-election (under Resolutions 1 to 4) will abstain from voting on any undirected proxies given to him in respect of his election or re-election.

PROXIES AND VOTING

4. A shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of that shareholder. A proxy need not be a shareholder. A proxy form is enclosed. If the Chairman of the meeting is appointed to act as proxy and is not directed how to vote, he will (subject to the restrictions described above) vote in favour of each Resolution. Shareholders are also able to appoint a proxy online.
5. If you wish to appoint a proxy, you should complete either the enclosed proxy form or the online proxy form.

6. If you are completing the enclosed proxy form:
 - All joint holders must sign the proxy form.
 - If the proxy is signed under a power of attorney or other authority, that power of attorney or other authority or a certified copy of such power of attorney or authority, if not previously provided to the Company, must accompany the proxy form, together with a completed certificate of non-revocation.
 - Completed proxy forms must be received by the Company's share registrar, Computershare Investor Services Limited at Private Bag 92119, Auckland 1142, or at corporateactions@computershare.co.nz or facsimile +64 9 488 8787, by no later than 2.00pm on Sunday, 25 August 2013 (being 48 hours before the meeting).
7. If you are using the online proxy form:
 - Go to the Computershare InvestorVote website at www.investorvote.co.nz.
 - Follow the instructions and prompts on the website to complete your online proxy form. Please note that you will need your CSN/ Securityholder Number and post code.
 - The online proxy form must be submitted from the website by no later than 2.00pm on Sunday, 25 August 2013 (being 48 hours before the meeting). Please note that the online proxy form cannot be used to appoint a proxy under a power of attorney or similar authority.
8. A proxy granted by a company must be signed by a duly authorised officer or attorney who is acting under the company's express or implied authority. If a representative of a shareholding company is to attend the meeting they must obtain a Certificate of Appointment of Corporate Representative from Computershare Investor Services Limited, which must be presented prior to admission.
9. If you are attending the meeting and voting in more than one capacity (e.g. also as proxy, attorney or representative for one or more other shareholders) you must fill out separate voting papers in respect of each capacity in which you vote.

EXPLANATORY MEMORANDUM

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DIRECTOR ELECTIONS (RESOLUTIONS 1 TO 4)

Under clause 24.6 of the Company's constitution, one third of the Directors are required to retire from office at the 2013 annual meeting. Those who retire are eligible for re-election at the annual meeting. The Directors required to retire at the annual meeting are those Directors who have been longest in office since their last election or deemed election. Michael Smith and Peter Brook have agreed to rotate and will stand for re-election at the annual meeting. The Board has determined that Michael Smith and Peter Brook, if re-elected, will each be an Independent Director (as defined in the NZSX Listing Rules).

Chris Hunter and Jeff Morrison were appointed by the Board during the year and, being eligible, will offer themselves for election at the annual meeting. The Board has determined that Chris Hunter and Jeff Morrison, if elected, will each be an Independent Director.

Brief profiles for Michael Smith, Peter Brook, Chris Hunter and Jeff Morrison are set out below.

Director Profile: Michael Smith

Mr Smith was employed by Lion Nathan Limited for 29 years. During that time, he held a number of senior executive positions with the Lion Nathan Group and was a Director of the parent company for 16 years. Mr Smith is a Director of a number of public and private companies, including Hauraki Private Equity No. 2 Fund, Maui Capital Indigo Fund Limited and Maui Capital Aqua Fund Limited. Mr Smith is also the Chairman of The Lion Foundation. His previous directorships include Lion Nathan Limited, Fonterra Co-Operative Group Limited, Auckland International Airport Limited, OnePath Holdings (NZ) Limited and Fisher & Paykel Healthcare Corporation Limited.

Director Profile: Peter Brook

Mr Brook has 20 years' experience in the investment banking industry, retiring as Managing Director of Merrill Lynch (New Zealand) Limited in 2000 to pursue his own business and consultancy activities. He is a Trustee of the Melanesian Mission Trust Board, a member of the Institute of Finance Professionals New Zealand Inc., as well as a director of several other private companies. Mr Brook is also Chairman of BurgerFuel Worldwide Limited, Trust Investments Management Limited and Generate Investment Management Limited.

Director Profile: Chris Hunter

Mr Hunter has extensive commercial property experience including over 25 years in New Zealand's construction industry, most recently as the Chief Executive Officer of Hawkins Construction. Over the past 20 years he has been associated with more than \$10 billion of developments across industrial, commercial, retail, residential and infrastructure. Mr Hunter currently has a portfolio of business investments and is active in the property development sector. He is advising a number of public listed companies in their property and construction ventures. He is an Associate Member of the New Zealand Institute of Quantity Surveyors, a fellow of the Royal Institute of Chartered Surveyors and holds an MBA from Massey University.

Director Profile: Jeff Morrison

Jeff Morrison has 35 years of experience as a property lawyer, 29 of them as a commercial property partner at Russell McVeagh. Jeff is a trustee of the Spirit of Adventure and other charitable trusts and holds a number of private company directorships.

The Board (other than Michael Smith, Peter Brook, Chris Hunter and Jeff Morrison each in respect of their own positions) recommends that you vote IN FAVOUR OF Michael Smith and Peter Brook's re-election and Chris Hunter and Jeff Morrison's election as Directors.

REASONS FOR THE BOARD'S RECOMMENDATIONS

The Board wishes to ensure that it possesses the appropriate blend of expertise, skills and experience, having regard to the size of the Company and the nature of its business.

The Board supports the re-election of Michael Smith, Peter Brook and the election of Chris Hunter and Jeff Morrison because the Board considers that these candidates have the expertise to contribute to the overall skill set required by the Board.

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DIRECTORS' REMUNERATION (RESOLUTION 5)

Under NZSX Listing Rule 3.5.1(a) and the Company's constitution, no remuneration may be paid to a Director in his or her capacity as a Director of the Company, or as a director of a subsidiary (other than a listed subsidiary), unless such remuneration has been authorised by an ordinary resolution of shareholders.

CURRENT DIRECTORS' FEES

The Company currently has approval to pay a maximum of \$500,000 in aggregate to Directors for their remuneration as Directors, which is being paid as follows:

- Each Director (other than the Chairman) is paid \$62,500 per annum.
- The Chairman is paid \$120,000 per annum.
- Additional amounts are paid to committee members. The Audit Committee Chairman receives \$10,000 per annum and its members receive \$5,000 per annum. The Remuneration Committee Chairman receives \$5,000 per annum and its members receive \$2,500 per annum.

The maximum aggregate amount of \$500,000 per annum includes a pool of \$100,000 that provides flexibility to remunerate additional Directors joining the Board or existing Directors who assume additional responsibilities (including in relation to one-off project work) from time to time beyond the scope of their usual responsibilities. With the exception of the appointment of Mark Cross to the Audit Committee, no payments were made to any Directors from this pool for the purpose of additional work or responsibilities in the year to 31 March 2013, but the pool is currently being used to fund Directors' fees for the two new appointments to the Board.

The current \$500,000 maximum for Directors' fees has been in place since the internalisation of the Argosy Property Trust in 2011. Since then, the Company's operations have expanded and the Board continues to be active in seeking accretive growth opportunities. It is desirable for the Company to attract and retain high performing Directors whose skills and experience are well-suited to the Company's requirements. To this end, it is important that the Directors are remunerated appropriately.

PROPOSED DIRECTORS' FEES

It is proposed to increase the total amount available for payment of Directors' fees to a maximum of \$655,000 per annum. This represents an increase of \$155,000 from the amount currently authorised, and includes the pool of \$100,000 per annum (which will be retained) for use on the same basis as it is currently being used. Any unused part of the pool in any year will not be carried forward to future years.

The Board may determine the amount payable to each Director within the maximum aggregate amount being approved by shareholders. If Resolution 5 is passed, it is anticipated that the Chairman's remuneration will increase by \$10,000 to \$130,000 per annum and the fees paid to other Directors by \$2,500 to \$65,000 per annum. This (not taking into account fees for the two new appointments) equates to an increase of \$20,000 (or 4%) to the maximum aggregate fees payable to Directors. The balance of the increase, being \$135,000, will be used to fund Directors' fees for the two additional Board members, if they are elected at the annual meeting, and the appointment of Mark Cross to the Audit Committee.

The Board considers the fee increase proposed is fair and reflective of market conditions. Strategic Pay Limited, independent remuneration information specialists, has considered the fee increase proposal and has advised that, in its view, the increase is appropriate.

FIXING OF AUDITOR'S FEES AND EXPENSES (RESOLUTION 6)

Deloitte is automatically re-appointed as the auditor of the Company under section 200 of the Companies Act 1993. Resolution 6 authorises the Board to fix the fees and expenses of Deloitte as the Company's auditor.

