

Notice of Annual Meeting 2019



New date

**Thursday
8th August 2019**



New venue

**Stamford Plaza Hotel
22-26 Albert Street
Auckland**

Location

(changed from Royal New Zealand Yacht Squadron)

Stamford Plaza Hotel

22-26 Albert Street

Auckland

Thursday, 8 August 2019

Commencing at 2pm

Notice

Notice is given that the annual meeting of shareholders of Argosy Property Limited will be held at the Stamford Plaza Hotel, 22-26 Albert Street, Auckland on Thursday, 8 August 2019 commencing at 2.00pm.

Agenda

CHAIRMAN'S INTRODUCTION

CHIEF EXECUTIVE OFFICER'S REVIEW

RESOLUTIONS

To consider, and if thought fit, pass the following resolutions. With the exception of resolution 7, each of the resolutions is an ordinary resolution. Resolution 7 is a special resolution.

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 Stuart McLauchlan be elected as a Director.

Resolution 4

That Chris Gudgeon be elected as a Director.

Resolution 5

That Mike Pohio be elected as a Director.

Resolution 6

That, for the purposes of NZX Listing Rule 2.11.1, the maximum aggregate amount of remuneration payable by the Company to Directors (in their capacity as Directors) be increased by \$32,000 per annum, from \$746,500 per annum to \$778,500 per annum, with effect on and from 8 August 2019.

Resolution 7

As a special resolution:

That the existing constitution of the Company is revoked, and the constitution tabled at the meeting, and referred to in the explanatory memorandum under the heading "Change to Constitution", is adopted as the constitution of the Company.

Resolution 8

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.

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 Tuesday, 6 August 2019 at 5.00pm.

ORDINARY RESOLUTIONS

2. With the exception of resolution 7 (which is a special resolution), each of the resolutions to be moved at the annual meeting is an ordinary resolution. 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.

SPECIAL RESOLUTIONS

3. Resolution 7 which is to be moved at the annual meeting is a special resolution. For a special resolution to be passed, it must be approved by a majority of 75% of the votes of shareholders who are entitled to vote and vote on the resolution, in person or by proxy.

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 vote in favour of each Resolution (other than Resolution 6). Shareholders are also able to appoint a proxy online.
5. In accordance with NZX Listing Rule 6.3.1, any Director and any person who is an Associated Person (as that term is defined in the NZX Listing Rules) of a Director may not vote on Resolution 6. If you appoint a Director or Associated Person of a Director as your proxy, that person will only be able to vote on Resolution 6 in accordance with your express instructions, as set out in your proxy form.

Subject to the restrictions described above, the Chairman and the directors will vote all discretionary proxies, for which they have authority to vote, in favour of each Resolution.

6. If you wish to appoint a proxy, you should complete either the enclosed proxy form or the online proxy form.

7. If you are completing the enclosed proxy form:
 - All proxy forms must be signed by at least one shareholder.
 - In the case of joint shareholders, if the shareholders appoint different voting proxies, the vote of the proxy appointed by the first named joint shareholder will be counted. Seniority shall be determined by the order in which the joint shareholders' names stand in Argosy Property Limited's share register.
 - 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 Tuesday, 6 August 2019 (being 48 hours before the meeting).
8. 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 Tuesday, 6 August 2019 (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.
9. 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 provide a Certificate of Appointment of Corporate Representative to Computershare Investor Services Limited, by no later than 2.00pm on Tuesday, 6 August 2019 (being 48 hours before the meeting), in the same manner as for appointment of a proxy.
10. 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

DIRECTOR ELECTIONS (RESOLUTIONS 1–5)

In accordance with the Class Waivers and Rulings for NZX Main Board and Debt Market Transition (dated 19 November 2018), and Listing Rule 2.7.1, Directors must not hold office past the third annual meeting following the Director's appointment or 3 years, whichever is the longer. Those who retire are eligible for re-election at the annual meeting.

Michael Smith and Peter Brook are to retire at the 2019 annual meeting, and offer themselves for re-election. The Board has determined that Michael Smith and Peter Brook, if re-elected, will each be an Independent Director (as defined in the NZX Listing Rules). The Board is going through a process of refreshment and, to facilitate this, Michael Smith and Peter Brook have indicated that, if re-elected, they will resign prior to the expiry of the three-year term under the NZX Listing Rules.

Stuart McLauchlan, Chris Gudgeon and Mike Pohio 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 Stuart McLauchlan, Chris Gudgeon and Mike Pohio, if elected, will each be an Independent Director.

Brief profiles for Michael Smith, Peter Brook, Stuart McLauchlan, Chris Gudgeon and Mike Pohio 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 companies, including Greymouth Petroleum Limited, Maui Capital Indigo Fund Limited and Maui Capital Aqua Fund Limited. His previous directorships/trusteeships include Lion Nathan Limited, The Lion Foundation, Fonterra Co-operative Group Limited, Auckland International Airport Limited, OnePath Holdings (NZ) Limited and Fisher & Paykel Healthcare Corporation Limited.

Mr Smith holds a Master of Commerce degree from The University of Auckland and is a Graduate of the Programme for Management Development, at Harvard Business School. He is also a member of the Institute of Directors in New Zealand.



DIRECTOR PROFILE:

Peter Brook

Mr Brook has 21 years experience in the investment banking industry, retiring in 2000 to pursue his own business and consultancy activities. He is presently Chairman of Burger Fuel Group Limited, Trust Investments Management Limited and Generate Investment Management Limited. Mr Brook is also a trustee of the Melanesian Mission Trust Board, a member of the Institute of Finance Professionals New Zealand Inc. and a director of several private companies.

Mr Brook holds a Bachelor of Commerce degree from The University of Auckland and is a member of Chartered Accountants Australia and New Zealand.



DIRECTOR PROFILE:

Stuart McLauchlan

Mr McLauchlan is a Senior Partner of GS McLauchlan & Co Business Advisors and Accountants, a prominent businessman and company director. He is a Director of Scenic Hotels Limited, Dunedin Casinos Limited, Ngai Tahu Tourism Limited, UDC Finance Limited and several other companies. He has been appointed to the EBOS Group Limited board effective 1 July 2019. Mr McLauchlan is also Chairman of the NZ Sports Hall of Fame, Chairman of AD Instruments Pty Limited and Chairman of Scott Technology Limited. He is also a past President of the New Zealand Institute of Directors.

Mr McLauchlan is a qualified accountant with a Bachelor of Commerce degree from the University of Otago, an FCA from Chartered Accountants Australia and New Zealand and is a Chartered Fellow of the New Zealand Institute of Directors.



DIRECTOR PROFILE:

Chris Gudgeon

Mr Gudgeon has been involved in property investment, development, and construction in New Zealand for more than 25 years. He was previously Chief Executive of Kiwi Property Group and Capital Properties NZ Limited. Mr Gudgeon holds an MBA from the Wharton School, University of Pennsylvania and a Bachelor of Engineering degree from The University of Canterbury. He is a Fellow of the Royal Institute of Chartered Surveyors and is a past President of Property Council New Zealand.



DIRECTOR PROFILE:

Mike Pohio

Mr Pohio has 25 years of senior executive experience across a range of industries including property, investment, port/logistics and dairy. He currently holds directorships on the boards of NIWA, OSPRI, Panuku Development Auckland, Te Atiawa Iwi Holdings and The Rees Management Limited. He is also Chairman of BNZ Partners, Waikato Region.

Mr Pohio holds an MBA from IMD, Lausanne, an FCA from Chartered Accountants Australia and New Zealand and is a Chartered Member of the New Zealand Institute of Directors.

The Board recommends that you vote IN FAVOUR OF Michael Smith and Peter Brook's re-election and Stuart McLauchlan, Chris Gudgeon and Mike Pohio'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 and Peter Brook and the election of Stuart McLauchlan, Chris Gudgeon and Mike Pohio because the Board considers they have the expertise to contribute to the overall skill set required by the Board.

DIRECTORS' REMUNERATION (RESOLUTION 6)

Under NZX Listing Rule 2.11.1 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.

The Company currently has approval to pay a maximum of \$746,500 in aggregate to Directors for their remuneration as Directors, which is being paid as set out in the table below. The Board last reviewed Directors' remuneration in 2017. Since then, the regulatory landscape in which the Company operates has continued to change, with increased regulatory risk and obligations resulting in increased demand on Directors' time and broadening their scope of responsibilities in monitoring and assessing legal and regulatory compliance. The Company considers it desirable to attract and retain high performing Directors whose skills and experience are well suited to the Company's requirements, and has adopted policy to align Directors' remuneration in the upper quartile on the basis of benchmark data. The Company

engaged PwC to provide New Zealand listed company benchmark data for the roles of Chairman, committee chairs, committee members and base non-executive directors. The Board reviewed this benchmark data and, based on a comparison of the Company's Directors' fees to the market data, consider the increases to the Directors' remuneration set out in the table below are appropriate and aligned to Argosy's policy.

The increases in remuneration shown in the table above will require a \$32,000 increase in the approved maximum aggregate amount of Director remuneration (or a 2.1% per annum increase). The Board may determine the amount payable to each Director within the maximum aggregate amount shareholders are being asked to approve. If Resolution 6 is passed, the increase to the aggregate amount of Directors' remuneration will take effect on and from 8 August 2019.

The new maximum aggregate amount of \$778,500 per annum will continue to include a pool of \$100,000 that provides flexibility to remunerate Directors who assume additional responsibilities (including one-off project work) from time to time beyond the scope of their usual responsibilities. No payments have been made to any Directors from this pool for additional work or responsibilities in the last five years to 31 March 2019. Any unused part of the pool in any year is not carried forward to future years.

The Board considers that alignment of Directors' fees to market is important in order for the Company to be able to continue to attract and retain high performing Directors whose skills and experience are well-suited to the Company's requirements. The Board considers the fee increases proposed are fair and reflective of market conditions.

Office	Current Remuneration	Proposed Remuneration	Amount of Increase	Number of Persons Holding Office
Chair	\$160,000	\$160,000	\$0	1
Non-Executive Director	\$85,000	\$90,000	\$5,000	5
Chair of Audit & Risk Committee	\$20,000	\$20,000	\$0	1
Audit & Risk Committee Member	\$12,000	\$12,000	\$0	2
Chair of Remuneration Committee	\$7,500	\$12,500	\$5,000	1
Remuneration Committee Member	\$5,000	\$6,000	\$1,000	2
Amount available for one-off projects	\$100,000	\$100,000	\$0	
Aggregate Directors' remuneration (including amount for one-off projects)	\$746,500	\$778,500	\$32,000	

CHANGE TO CONSTITUTION (RESOLUTION 7)

On 1 January 2019, NZX introduced new NZX Listing Rules (the “New Rules”). Each listed company was entitled to select a time between 1 January and 1 July 2019 at which it will transition to be governed by the New Rules, rather than by the rules previously in force (the “Previous Rules”). Argosy elected to transition to the New Rules as at 1 January 2019.

To comply with the New Rules, Argosy needs to amend its constitution. An amended constitution has been prepared. A copy, marked to show the changes from the existing constitution, is available on www.argosy.co.nz or may be obtained by contacting Computershare on (09) 488 8777.

A summary of the significant changes to the constitution is set out below.

- **Directors:** The rules requiring regular retirement and re-election of directors have been changed as follows:
 - Under the Previous Rules, one third of the directors, or the number nearest one third, must retire at the annual meeting in each year, and are eligible for re-election. The directors to retire are those who have been longest in office.
 - Under the New Rules, a director may not hold office, without being re-elected, past the third annual meeting after his or her appointment or re-election, or for three years, whichever is the longer.
- The Previous Rules provided that executive directors were not required to retire by rotation. That exception has been removed. The requirement that the term of appointment of an executive director not exceed five years has also been removed. Argosy currently has no executive directors.

The constitution has been amended to reflect these changes made by the New Rules (clauses 24 and 26).
- **Voting at Meetings:** The New Rules require that all voting at shareholders’ meetings must be conducted by way of a poll. A provision has been added to the constitution that the chairperson of a shareholders’ meeting will always require a poll to be conducted (clause 20.2). The New Rules also require that any resolution for the election of a director must relate to one director only. The constitution has been changed to provide this (clause 24.9).
- **Directors’ resolutions in writing:** The present constitution provides that a resolution of directors in writing (as opposed to a resolution passed at a board meeting) must be signed by all directors. This has been changed to allow such a resolution to be signed by a majority of the directors. This is not a change required by the New Rules, but the board considers it desirable to allow for the more efficient administration of Argosy.

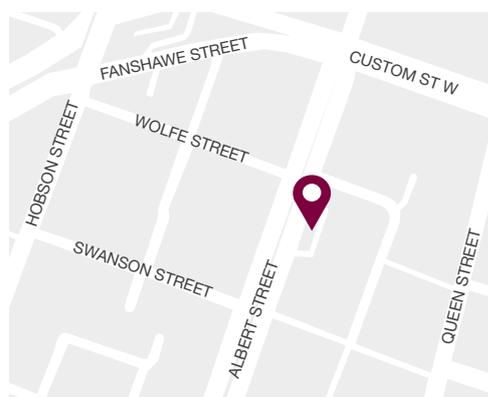
- **Other Changes:** Changes to the definitions in the constitution, and various other less significant wording changes, have been made to reflect the provisions of the New Rules. References to legislation no longer in force have been deleted, and provisions which are no longer relevant have been removed.

As the amendments to the constitution do not impose or remove a restriction on the activities of the Company or affect the rights attaching to shares, the shareholder minority buy-out rights under the Companies Act 1993 do not apply.

Fixing of Auditor’s Fees and Expenses (Resolution 8)

Deloitte is automatically re-appointed as the auditor of the Company under section 207T of the Companies Act 1993. Resolution 8 authorises the Board to fix the fees and expenses of Deloitte as the Company’s auditor.

MEETING LOCATION:



Stamford Plaza Hotel

22-26 Albert Street

Auckland

Thursday, 8 August 2019

Commencing at 2pm