

ARGOSY PROPERTY TRUST

Addendum to Notice of Meeting for Annual Meeting on [] 2011

1. There is attached a notice received from DNZ Property Fund Limited (“**DNZ**”) and other unitholders requiring that two further resolutions be put to the annual meeting. This notice was received after the notice of meeting had been effectively finalised for printing, and accordingly has been included with the notice of meeting as a separate document. The resolutions set out in the notice will be considered at the annual meeting, as will the other 12 resolutions set out in the notice of meeting. Your board notes that DNZ has now requested that eight separate resolutions (being Resolutions 5 to 10 in the notice of meeting, and the two attached) be put to the annual meeting. The view of the board in respect of the resolutions set out in the attached notice is recorded below in paragraphs 3 and 4.
2. DNZ has indicated that DNZ and the other unitholders who requested that Resolutions 5 to 10 be included in the notice of meeting may withdraw that request. However that had not occurred at the date this document went to print. If all of the unitholders who requested Resolutions 5 to 10 withdraw that request, those resolutions will not be put to the meeting.
3. The first of the further resolutions (numbered 13), if passed, would request the Manager to do certain things. The Manager has however effectively already done those things. It has obtained the very full report to unitholders from Grant Samuel as an independent adviser enclosed with the notice of meeting. It has already taken all reasonable steps to investigate and evaluate DNZ’s proposal. Accordingly the resolution is, in the Manager’s view, entirely pointless.
4. The second resolution (numbered 14) is effectively the same as Resolution 8 in the notice of meeting. The Independent Directors have expressed their view in respect of that resolution in paragraph 2 in Part 3 of the explanatory memorandum. The Trustee has provided its views in the Trustee’s Letter.

The Independent Directors regard both of these resolutions as without merit and recommend that unitholders vote against them.

If the Chairman of the meeting is appointed to act as proxy and is not directed how to vote, he/she will vote against both of the resolutions.

**NOTICE PROPOSING RESOLUTION TO BE PUT TO UNIT HOLDERS AT MEETING OF ARGOSY
PROPERTY TRUST**

TO: Argosy Property Management Limited
Level 27, ASB Bank Centre
135 Albert Street
Auckland

PURSUANT TO paragraph 14 of the Schedule of the Trust Deed in respect of Argosy Property Trust ("Argosy"), the undersigned Unit Holders in Argosy give notice that they propose the following resolution to be considered and voted on at the next meeting of Unit Holders of Argosy (currently expected to be the 2011 annual general meeting of Unit Holders of Argosy to be held on or about 30 August 2011).

The undersigned Unit Holders note the obligation of the Manager pursuant to paragraph 14.1 to give notice of the text of the proposed resolution to all Unit Holders entitled to receive notice of the meeting and requests that the resolution is included in the notice of meeting.

Resolution 1 – To Investigate the DNZ Merger Proposal and Appoint an Independent Adviser to report on all Alternatives Proposals

To consider and if thought fit pass the following resolution as an Ordinary Resolution:

"That the Unit Holders:

- (a) request the Manager to:
 - (i) take all reasonable steps to fully investigate, evaluate and (if appropriate) develop the DNZ merger proposal;
 - (ii) appoint an Independent Adviser to prepare a written report to the Unit Holders on the merits of all Alternative Proposals, (including, for the avoidance of doubt, whether it is in the interests of Unit Holders that the Manager should cease to hold office and whether the Trustee should so certify under clause 24.1 (b) of the Trust Deed); and
 - (iii) present as soon as reasonably possible the Independent Adviser's report to Unit Holders for consideration; and
- (b) record their view that an important element of the DNZ merger proposal will be that the Manager ceases to hold office as Manager of the Trust and that the total fee payable to remove the Manager and terminate the management rights is limited to the maximum extent legally possible (for example, either no payment to the Manager, if the Manager is removed by the Trustee, or the estimated payment of approximately \$12 million to the Manager, if the Unit Holders terminate).

Resolution 2 – Directions to the Trustee

A. To consider and if thought fit pass the following resolution as a Special Resolution:

"That the Unit Holders (to the extent lawful) direct, and otherwise request, the Trustee to immediately select and appoint an independent adviser (being a suitably qualified person who is not currently and who (for the avoidance of doubt) has not at any time been engaged in relation to the Argosy Internalisation Proposal) to determine and prepare a report to the Trustee advising (a) whether it is in the interests of Unit Holders that the manager should cease to hold office as Manager of the Trust and (b) whether the Trustee should certify pursuant to section 19(2) of the Act that is in the interests of Unit Holders that the Manager should cease to hold office as Manager of the Trust."

B. Or, if not passed as a Special Resolution, to consider and if thought fit pass the above resolution as an Ordinary Resolution



DEFINITIONS- The following definitions form part of the Resolutions:

For the above purposes:

"Alternative Proposals" means other reasonably possible alternatives to the Argosy Internalisation Proposal, that have been presented to the Manager or the Trustee at the date of the Resolutions or that are subsequently presented to the Manager or the Trustee, including the DNZ merger proposal and termination pursuant to clauses 24.1(b) and (c) of the Trust Deed;

"Argosy" means Argosy Property Trust;

"Argosy Internalisation Proposal" means the internalisation proposal currently being progressed by the Manager;

"DNZ" means DNZ Property Fund Limited;

"Independent Adviser" means a suitably qualified person who is not currently and who (for the avoidance of doubt) has not at any time been engaged in relation to the Argosy Internalisation Proposal;

"Manager" means the manager of Argosy, Argosy Property Management Limited;

"Ordinary Resolution" means a resolution that is approved by a simple majority of the votes of those Unit Holders which are entitled to vote and do vote on the question;

"Special Resolution" means a resolution of Unit Holders pursuant to section 18 of the Unit Trusts Act 1960;

"Trustee" means the trustee of Argosy, the New Zealand Guardian Trust Company Limited;

"Trust Deed" means the trust deed in respect of Argosy; and

"Unit Holders" means holders of units in Argosy.

EXPLANATORY NOTES

On 17 May 2011, in a NZX announcement and media release, Argosy acknowledged receipt of a written proposal from DNZ and stated that "the Independent Directors [of the Manager] are focused on achieving the best value enhancing options to Argosy Unit Holders. First NZ Capital and Harnos Horton Lusk continue to assist in the process of evaluating the internalisation proposal, the DNZ approach and any other proposals...The Independent Directors wish to carefully evaluate the potential of any merger and, in particular, how the properties owned by DNZ could be integrated into a combined portfolio, tax, gearing, distribution and other relevant matters."

Notwithstanding this statement, the Manager (through the Independent Directors) remains focused on continuing to pursue the Argosy Internalisation Proposal and has not been prepared to constructively engage with DNZ to properly consider and evaluate its merger proposal.

Resolution 1 is not asking Unit Holders to vote on a merger with DNZ today. The purpose of the Resolution is simply to request the Manager to take all reasonable steps to fully investigate, evaluate and (if appropriate) develop the DNZ merger proposal, to appoint an Independent Adviser to prepare a written report on the merits of all Alternative Proposals, and to present to Unit Holders the report to be considered and voted on at a future meeting of Unit Holders.

If Resolution 1 is passed, it will record the Unit Holders' view that an important element of the DNZ merger proposal will be that the Manager ceases to hold office as Manager of the Trust and that the total fee payable to remove the Manager and terminate the management rights is limited to the maximum extent legally possible. In this regard:

- (i) *if the Manager ceases to hold office pursuant to clause 24.1(b) of the Trust Deed, there shall be no payment to the Manager under the Trust Deed and any other payment shall be limited to any amount which Argosy is legally obliged to pay; or*



- (ii) If the Manager ceases to hold office pursuant to clause 24.1(c) of the Trust Deed, the payment to the Manager under the Trust Deed shall be not more than the amount provided for by clause 24.4 (estimated at approximately \$12 million) and any other payment shall be limited to any amount which Argosy is legally obliged to pay.

The purpose of Resolution 2 is to (to the extent lawful) direct, and otherwise request, the Trustee to appoint an independent adviser to report back to the Trustee and Unit Holders on (a) whether it is in the interests of the Unit Holders that the Manager should cease to hold office as Manager of the Trust; and (b) whether the Trustee should certify pursuant to section 19(2) of the Act that it is in the interests of Unit Holders that the Manager should cease to hold office as Manager of the Trust. The Trustee appears to have a different opinion from major Unit Holders as to whether it is in the interests of Unit Holders that the Manager should cease to hold office. This resolution seeks to resolve this conflict by requesting the Trustee to seek advice from an independent party with appropriate investment experience.

MB