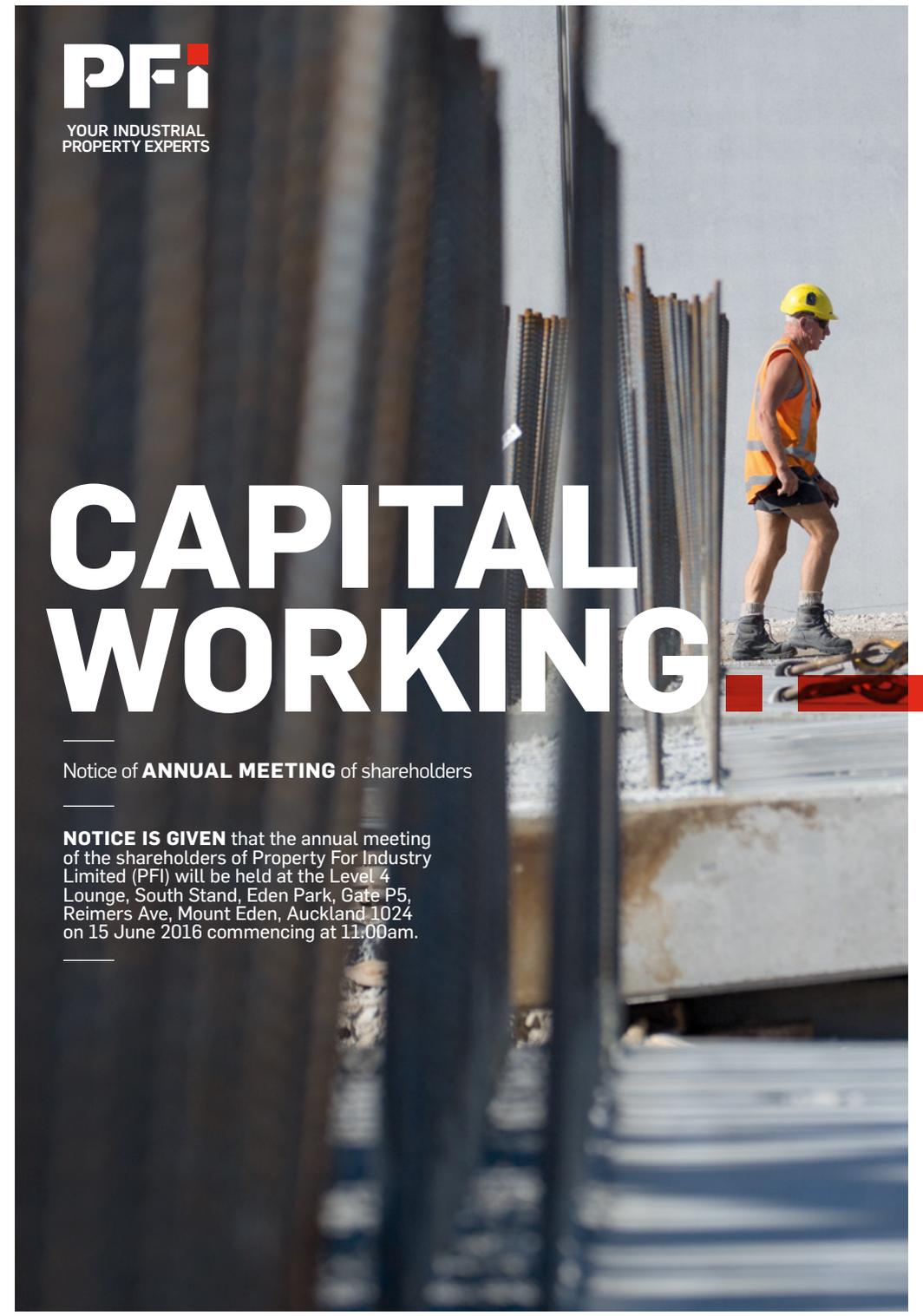




YOUR INDUSTRIAL  
PROPERTY EXPERTS

# CAPITAL WORKING

A photograph of a construction worker in profile, wearing a yellow hard hat, an orange high-visibility vest, and dark shorts. He is standing on a large, rusted steel structure, possibly a bridge or industrial building under construction. In the background, there are stacks of rebar. The scene is brightly lit, suggesting a sunny day. A red horizontal bar is visible at the bottom right of the image, partially overlapping the text 'WORKING'.

---

Notice of **ANNUAL MEETING** of shareholders

---

**NOTICE IS GIVEN** that the annual meeting of the shareholders of Property For Industry Limited (PFI) will be held at the Level 4 Lounge, South Stand, Eden Park, Gate P5, Reimers Ave, Mount Eden, Auckland 1024 on 15 June 2016 commencing at 11.00am.

---

# AGENDA

## 01

Board and management team addresses to shareholders

## 02

Shareholder questions and answers

## 03

Financial statements

To receive the financial statements for the year ended 31 December 2015 together with the report of the auditors.

More information

If you have any questions, or for more information, please contact PFI's Company Secretary,

**Craig Peirce** on +64 9 303 9651 or email [peirce@propertyforindustry.co.nz](mailto:peirce@propertyforindustry.co.nz)

## 04

Ordinary resolutions

**Resolution 1**

That the maximum aggregate remuneration pool available to all directors of the Company be increased from \$327,500 to \$430,000.

**Resolution 2**

That, subject to shareholders passing resolution 1, Susan Peterson (appointed by the board as a director on 24 May 2016), who retires and is eligible for election, be elected as a director of the Company.

**Resolution 3**

That Peter Masfen, who retires and is eligible for re-election, be re-elected as a director of the Company.

**Resolution 4**

That John Waller, who retires and is eligible for re-election, be re-elected as a director of the Company.

**Resolution 5**

That the directors are authorised to fix the fees and expenses of the auditors, PricewaterhouseCoopers Auckland.

The board recommends that you vote in favour of each of the above resolutions.

## 05

General business



**Peter Masfen**  
Chairman

# EXPLANATORY NOTES

## Explanatory Note 1

### Director's Remuneration (Resolution 1)

The current director remuneration fee pool for the Company is \$327,500. Following a thorough review, the board recommends to shareholders that the director remuneration fee pool be increased to \$430,000 to:

- bring director payments into line with the market;
- provide for the appointment of an additional director; and;
- provide flexibility to remunerate directors who assume additional responsibilities.

The current director remuneration fee pool was approved in June 2013. As director's remuneration has remained the same for some time, the board determined it would be prudent to assess if the current level of remuneration remained aligned

to the market. In the board's opinion, ensuring director's remuneration is aligned to market will enable PFI to continue to attract and retain high calibre directors.

The board engaged PricewaterhouseCoopers (PwC) to provide market director remuneration information on listed companies in the same or similar sectors, supplemented with companies in the services sector with a similar market capitalisation to PFI.

In addition, the board has reviewed its current workload and skill mix and determined that it is appropriate to increase the current size of the board from five members to six, (this includes one unpaid director who is a representative of the manager). PFI's constitution allows for a minimum of three directors and a maximum of

eight. As a result, additional capacity is also needed in the pool to allow for an increase in the number of directors.

Following a thorough search for a suitable candidate, the board is pleased to have appointed Susan Peterson to the board in May 2016. Ms. Peterson's appointment is to be confirmed by shareholders at the Annual Meeting and is covered under resolution 2. Please note that the outcome of resolution 2 is conditional on the success of resolution 1 to increase the fee pool.

Having considered the findings of PwC's review, the review of board composition and desire to create sufficient headroom to remunerate directors for additional work, the board proposes that the director remuneration fee pool be increased as outlined in the following table:

	Roles	Currently Available	Proposed Remuneration	Amount of Increase
Peter Masfen	Board Chair Independent Director	90,000	120,000	30,000
Anthony Beverley	Audit & Risk Committee Chair Independent Director	70,000	80,000	10,000
Humphry Rolleston	Independent Director	60,000	70,000	10,000
John Waller	Independent Director	60,000	70,000	10,000
Susan Peterson <sup>(1)</sup>	Independent Director	47,500	70,000	22,500
Gregory Reidy <sup>(2)</sup>	Director Representing the Manager	-	-	-
Amount available for specific payments		-	20,000	20,000
<b>Total</b>		<b>327,500</b>	<b>430,000</b>	<b>102,500</b>

(1) Where the number of PFI's directors increases, Listing Rule 3.5.1 permits PFI (without approval by ordinary resolution to increase the total remuneration) to pay the additional directors remuneration which does not exceed the average amount paid to each of the other non-executive directors (other than the chair). As Gregory Reidy does not receive any remuneration, the average amount paid to non-executive directors (prior to the proposed increases) is \$47,500. Accordingly, on appointment, Ms. Peterson was entitled to remuneration totaling \$47,500. The increase in the pool is therefore in part to allow for Ms. Peterson to be paid the same amount as other independent directors.

(2) As the manager's representative, Gregory Reidy is not paid any director fees.



## Explanatory Note 2

### Election of Susan Peterson (Resolution 2)

The Company's constitution and the NZX Main Board Listing Rules require that any person appointed as a director by the board must retire at the next Annual Meeting of Shareholders, but shall be eligible for election at that meeting. Being eligible to do so, Ms. Peterson is seeking election. The board considers Ms. Peterson will be an Independent Director, if elected.

The board supports the election of Ms. Peterson.

#### **Susan Peterson**

*Independent Director*

Susan is an independent director of NZX listed Trustpower Limited, Vista Group International Limited and Wynyard Group Limited. She is also a director of Compac Holdings Limited and The New Zealand Merino Company Limited. Susan also chairs the Audit and Risk Committees for a number of these companies.

Susan is a Tribunal Member of the NZ Markets Disciplinary Tribunal and a past Ministerial Appointee to The National Advisory Council for the Employment of Women. Susan has been a long serving member of the Board of IHC and is a Trustee on the Fantail Network Trust.

Susan's management career included a variety of executive roles at ANZ.

## Explanatory Note 3

### Re-election of Peter Masfen (Resolution 3)

Peter Masfen retires by rotation in accordance with the Company's constitution and, being eligible, offers himself for re-election. The board considers Mr Masfen will be an Independent Director, if re-elected.

The board supports the re-election of Mr Masfen.

#### **Peter Masfen CNZM**

*Board Chairman  
Independent Director*

Peter joined the PFI board in May 2002 and was appointed Chairman in June 2002. He is chairman of the Masfen Holdings Limited group of companies and is a director of and has interests in a number of private companies in New Zealand including Mount Linton Station Limited and Greymouth Petroleum Limited. He is also a trustee of the Woolf Fisher Trust.

## Explanatory Note 4

### Re-election of John Waller (Resolution 4)

John Waller retires by rotation in accordance with the Company's constitution and, being eligible, offers himself for re-election. The board considers Mr Waller will be an Independent Director, if re-elected.

The board supports the re-election of Mr Waller.

#### **John Waller ONZM**

*Independent Director*

John joined the PFI board in July 2013 as part of the merger with Direct Property Fund. He is on a number of boards, including Fonterra Cooperative Group, SKY Network Television Limited and Haydn & Rollett Limited. Prior to these appointments, John was a partner at PwC for over 20 years.

## Explanatory Note 5

### Auditor's Fees and Expenses (Resolution 5)

PricewaterhouseCoopers is the auditor of the Company and has indicated its willingness to continue in office. The Companies Act 1993 provides that a company's auditor is automatically reappointed unless the shareholders resolve to appoint a replacement auditor or there is some other reason for the auditor not to be reappointed.

The Companies Act provides that the fees and expenses of the auditor are to be fixed in such manner as the Company determines at the annual meeting. The board recommends that, consistent with commercial practice, the auditor's fees be fixed by the directors.

## Explanatory Note 6

### Voting

Voting at the annual meeting shall be decided by a poll of PFI shareholders entitled to vote and voting. Set out below are details on voting matters for the annual meeting.

A Voting/Proxy Form for use at the annual meeting is enclosed with this notice of meeting, which you should bring to the meeting as it also constitutes your voting paper.

#### **Who can vote?**

Every PFI shareholder whose name is registered in the share register as at 5.00pm on 13 June 2016 and who is present at the meeting in person or by proxy or in the case of a body corporate shareholder, by representative, can vote in respect of Resolutions 1 through 5 and shall have one vote in respect of every fully paid PFI share held by that PFI shareholder at that time, subject to the following voting restriction.

In accordance with NZX Main Board Listing Rule 9.3.1, no director or their Associated Persons (as defined under the NZX Main Board Listing Rules) can vote on resolution 1, unless casting votes under an express proxy of a person who is not disqualified from voting.

#### **How you can vote?**

PFI shareholders can vote in any one of the following ways:

- In person
- Online
- By proxy
- By representative (if the shareholder is a body corporate)



#### **Required Votes**

Resolutions 1 through 5 are ordinary resolutions that each require a simple majority of more than 50% of the valid votes cast at the annual meeting.

#### **What is the quorum?**

The quorum for the meeting is three PFI Shareholders.

If within 30 minutes after the time appointed for the meeting a quorum is not present, the meeting shall be adjourned to the same day in the following week at the same time and place (or to such other date, time and place as the board may appoint) and, if at the adjourned meeting a quorum

is not present within 30 minutes after the time appointed for the meeting, the PFI Shareholders or their proxies or their representatives present will constitute a quorum.

#### **Explanatory Note 7**

##### **Shareholder Questions and Answers**

Shareholders present at the meeting will have the opportunity to ask questions during the meeting.

In addition, shareholders have the opportunity to ask questions in advance of the meeting. If you would like to ask a question please either email your question to [info@propertyforindustry.co.nz](mailto:info@propertyforindustry.co.nz)

with 'Annual Meeting Question' in the subject line, or post your question to the Company Secretary, Property For Industry Limited, PO Box 1147, Shortland Street, Auckland 1140. Please include your name and shareholder number. During the meeting, the board intends to answer as many of the most frequently asked questions as is reasonably practicable. All questions should be received by PFI by 5.00pm on 8 June 2016.

##### **Following the Meeting**

Shareholders are invited to join the directors and management for refreshments following the meeting.

## **STATUTORY NOTICE: FMCA EFFECTIVE DATE**

Property for Industry Limited, of Shed 24, Prince's Wharf, 147 Quay Street, Auckland 1010, advises that it has elected to fully transition to the Financial Markets Conduct Act 2013 (FMCA) with effect from 29 June 2016. After that date, all of the requirements of FMCA will apply to the Company.

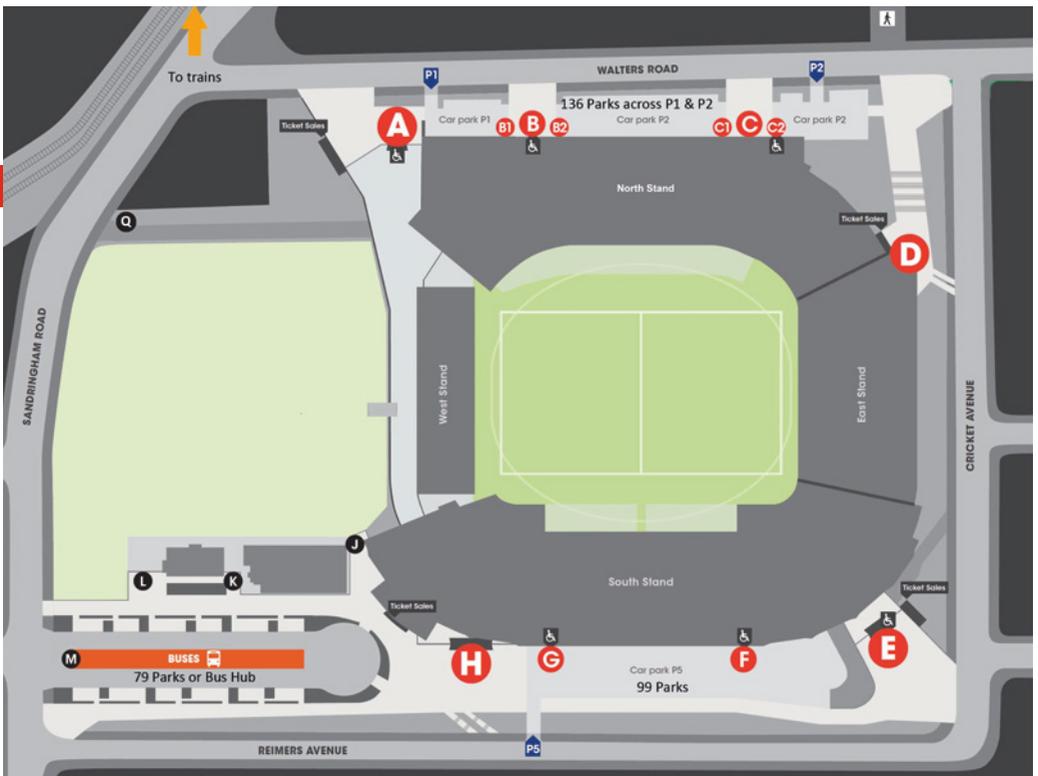
In particular the company's share register will then be governed by Part 4 of the FMCA. The Company is already governed by the FMCA financial reporting and fair dealing requirements, amongst other things.

#### **Property For Industry Limited**

Shed 24, Prince's Wharf  
147 Quay Street  
PO Box 1147  
Shortland Street  
Auckland 1140

Phone: +64 (9) 303 9450  
Facsimile: +64 (9) 303 9657  
[www.propertyforindustry.co.nz](http://www.propertyforindustry.co.nz)

**PFI**  
YOUR INDUSTRIAL  
PROPERTY EXPERTS



# LOCATION

Level 4 Lounge, South Stand,  
Eden Park, Gate P5,  
Reimers Ave, Mount Eden,  
Auckland 1024

**ENTRY AND FREE PARKING**  
through P5 off Reimers Ave