



Property
for
Industry
Limited

Notice of
2019
Annual Meeting
of shareholders



ANNUAL MEETING



NOTICE IS GIVEN that the annual meeting of the shareholders of Property for Industry Limited (PFI, the Company) will be held at the Level 4 Lounge, South Stand, Eden Park, Gate P5, Reimers Ave, Mount Eden, Auckland 1024 on Wednesday 8 May 2019 commencing at 11.00am.

AGENDA

01 BOARD AND MANAGEMENT TEAM PRESENTATIONS

02 SHAREHOLDER DISCUSSION

03 FINANCIAL STATEMENTS

To receive the financial statements for the year ended

31 December 2018 together with the report of the auditors.

04 ORDINARY RESOLUTIONS

Resolution 1:

That Susan Peterson, who retires and is eligible for election, be elected as a Director of the Company.

Resolution 2:

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.

Resolution 3:

That the Directors be authorised to fix the remuneration of the Directors of the Company from the close of this meeting as per the table shown in the Explanatory Notes.

05 SPECIAL RESOLUTION

Resolution 4:

That the existing constitution of the Company is revoked and the constitution referred to in the

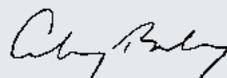
Explanatory Notes is adopted as the constitution of the Company, with effect from the close of this meeting.

The Board recommends that you vote in favour of the special resolution.

06 GENERAL BUSINESS

The Board of PFI invites attendees to join them for light refreshments at the end of the meeting.

By order of the Board of Directors.



Anthony Beverley
Chairman

EXPLANATORY NOTES

ORDINARY RESOLUTIONS

RESOLUTION 01.

RE-ELECTION OF SUSAN PETERSON

The NZX Listing Rules state Directors must not hold office (without re-election) past the third annual meeting following the Director's appointment, or three years, whichever is longer. Accordingly, Susan Peterson is required to retire at this meeting. Susan, being eligible, offers herself for re-election, and the Board unanimously supports her re-election.

Having had regard to the factors described in the NZX Corporate Governance Code that may impact Director independence, the Board considers that Susan Peterson will be an Independent Director.

Susan is an Independent Director of ASB Bank Limited, Trustpower Limited, Vista Group International Limited and Xero Limited. Susan is also a Trustee on the Board of Global Women, 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's management career included a variety of executive roles at ANZ.

Susan chairs PFI's Audit and Risk Committee and is a member of PFI's Nomination and Remuneration Committee.

RESOLUTION 02.

AUDITOR FEES AND EXPENSES

Section 207T of 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 Company wishes PricewaterhouseCoopers to continue as the auditor of the Company, and PricewaterhouseCoopers has indicated its willingness to continue in office.

Section 207S of the Companies Act 1993 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 usual practice, the auditor's fees and expenses be fixed by the Directors.

RESOLUTION 03.

DIRECTOR FEES

The proposed resolution is to change the structure of Director fees from a total Director fee pool cap (currently \$430,000 per annum – as set in 2016) to a per Director rate. This allows full transparency of fees and enables the Board to proactively advance succession planning.

The Board comprises four Independent Directors, as well as an Executive Director who will transition to a Non-Executive Director role on 1 July 2019. Given length of tenure and indicative retirement dates, a further Independent Director(s) may be appointed to ensure appropriate cross over of skills and knowledge.

In setting the proposed rates, the Board commissioned an independent benchmarking review of both the structure of payments and the current level of Directors' fees by Strategic Pay. A summary of Strategic Pay's report, together with their attestation of independence, is available on PFI's website at <https://www.propertyforindustry.co.nz/investor-centre/annual-meeting/>.

PROPOSED STRUCTURE



THE PROPOSED STRUCTURE AND RATES ARE SET OUT IN THE TABLE BELOW:

POSITION	\$ PLUS GST (IF ANY)	
	PROPOSED	CURRENT
Chair	160,000	120,000
Independent Director	82,500	70,000
Non-Executive Director	82,500	70,000
Audit and Risk Committee Chair	15,000	10,000
Nomination and Remuneration Committee Chair	10,000	None
Hourly rates for abnormal and particularly time intensive projects or transactions outside the scope of typical Board work	350 per hour	Previously a pool of \$20,000

Voting Restrictions

In accordance with NZX Listing Rule 2.11.1, the fees payable to Directors must be approved by an ordinary resolution of the shareholders of the Company.

In accordance with NZX Listing Rule 6.3.1, no Director who is intended to receive payment of these fees or their Associated Persons (as defined under the NZX Listing Rules) can vote on such resolutions, unless casting votes under an expressly directed proxy of a person who is not disqualified from voting.

Special Resolution

Resolution 4: That the existing constitution of the Company is revoked and the constitution referred to in the Explanatory Notes is adopted as the constitution of the Company, with effect from the close of this meeting.

This special resolution seeks shareholder approval to revoke PFI's current constitution and adopt an updated constitution (Updated Constitution). The changes in the Updated Constitution from PFI's current constitution are largely due to PFI's transition to the new NZX Listing Rules on 1 May 2019, to incorporate the NZX Listing Rules by reference as opposed to repeating many of the NZX Listing Rules in full, and to remove unnecessary repetition of sections of the Companies Act 1993 that PFI must comply with. In addition to the changes to simplify the form of the constitution, the Updated Constitution reflects the following key changes to the substance of the constitution:

- a) amending the procedure allowing for the sale of share parcels of less than a minimum holding so as to provide for those shares to be sold on

market (including through a broker on behalf of PFI), rather than through NZX or in some other manner approved by NZX;

- b) including an express statement that PFI shall comply with the updated minimum Board composition and rotation requirements of the NZX Listing Rules;
- c) removing the clauses in respect of Managing Directors as these are no longer consistent with the NZX Listing Rules; and
- d) removing all mandatory shareholder meeting requirements included in Schedule 1 of the current constitution to avoid repetition of the NZX Listing Rules and the Companies Act 1993.

If any of the provisions of the Updated Constitution are inconsistent with the NZX Listing Rules, the NZX Listing Rules (as amended by any waiver or ruling granted to PFI) will prevail. A copy of the NZX Listing Rules is available at www.nzx.com.

A copy of the Updated Constitution is available for inspection at PFI's registered office, Shed 24, Prince's Wharf, 147 Quay Street, Auckland 1010, New Zealand, and on PFI's website at <https://www.propertyforindustry.co.nz/investor-centre/annual-meeting/>.

The Updated Constitution does not impose or remove a restriction on the activities of PFI, and accordingly no shareholder buy-out rights arise under section 110 of the Companies Act 1993.

The Board unanimously recommends shareholders vote in favour of revoking PFI's current constitution and adopting the Updated Constitution.

The proposed structure and rates are in line with Strategic Pay's recommendations. The changes result in total Director fees (not including ad hoc fees) for the current Directors of \$515,000 per annum. This represents an overall increase of \$85,000 or 19.8% as compared to the current fee pool, which was approved by shareholders in 2016. A significant portion of the increase is the result of aligning Chair remuneration to the typical market ratio of approximately two times Director fees, to reflect the appropriate premium for the additional responsibilities and workload of the Chair.

If resolution 3 is approved by shareholders then this will abolish the current total Director fee pool cap and the set rates above will apply from the close of this meeting. Going forward the rates would be reviewed every second year by the Board in advance of the Annual Meeting with any adjustment put to shareholders for approval.

PROCEDURAL NOTES



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.

Entitlement to Vote

Every PFI shareholder whose name is registered in the share register as at 5.00pm on Monday 6 May 2019 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 4 and shall have one vote in respect of every fully paid PFI share held by that PFI shareholder at that time.

How you can vote?

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

- in person;
- by appointing a proxy online at www.investorvote.co.nz;
- by appointing a proxy using the enclosed form; or
- by representative (if the shareholder is a body corporate).

Proxies and Corporate Representatives

Any shareholder who is entitled to vote at the annual meeting may appoint a proxy (or in the case of a corporate shareholder,

a representative) to attend and vote in your place. A proxy or representative need not be a shareholder of the Company. You may direct your proxy or representative to vote, or give your proxy or representative a discretion to vote how he/she sees fit. If you wish to give your proxy or representative such discretion you should mark the box accordingly. If you do not mark any box then your direction is to abstain.

A Voting/Proxy Form is attached to this notice of meeting. If you wish to appoint a proxy to vote on your behalf, you must complete the Voting/Proxy Form and produce it to the Company so as to be received (either by post, fax or online) no later than 11.00am on Monday 6 May 2019.

Alternatively, shareholders can appoint a proxy online at www.investorvote.co.nz in accordance with the instructions set out in the enclosed Voting/Proxy Form.

The Chairman of the Company is willing to act as proxy. If you appoint the Chairman as proxy but do not direct him how to vote on any particular matter, then the Chairman intends to vote in favour of each of the resolutions (other than Resolution 3). If, in appointing a proxy, you have inadvertently not named someone to be your proxy but otherwise completed the Voting/Proxy Form in full, or your named proxy does not attend the meeting, the Chairman will be your proxy and will vote in accordance with your express direction.

Required Votes

Resolutions 1 through 3 are ordinary resolutions that each require a simple majority of more than 50% of the valid votes cast at the annual meeting.

Resolution 4 is a special resolution that requires 75% or more of the valid votes cast at the annual meeting.

Shareholder Questions

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 with 'Annual Meeting Question' in the subject line, or post your question to the Chief Finance and Operating Officer, 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 24 April 2019.

Motions will not be allowed from the floor.

Presentations

The presentations from the annual meeting will be released to the NZX and published on the Company website at <https://www.propertyforindustry.co.nz/investor-centre/annual-meeting/> prior to, or during, the meeting. A summary of the meeting and the results of voting will be released to the NZX as soon as practicable following the close of the annual meeting.

+ MORE INFORMATION

If you have any questions, or for more information, please contact PFI's Chief Finance and Operating Officer,

Craig Peirce on +64 9 303 9651 or email peirce@propertyforindustry.co.nz

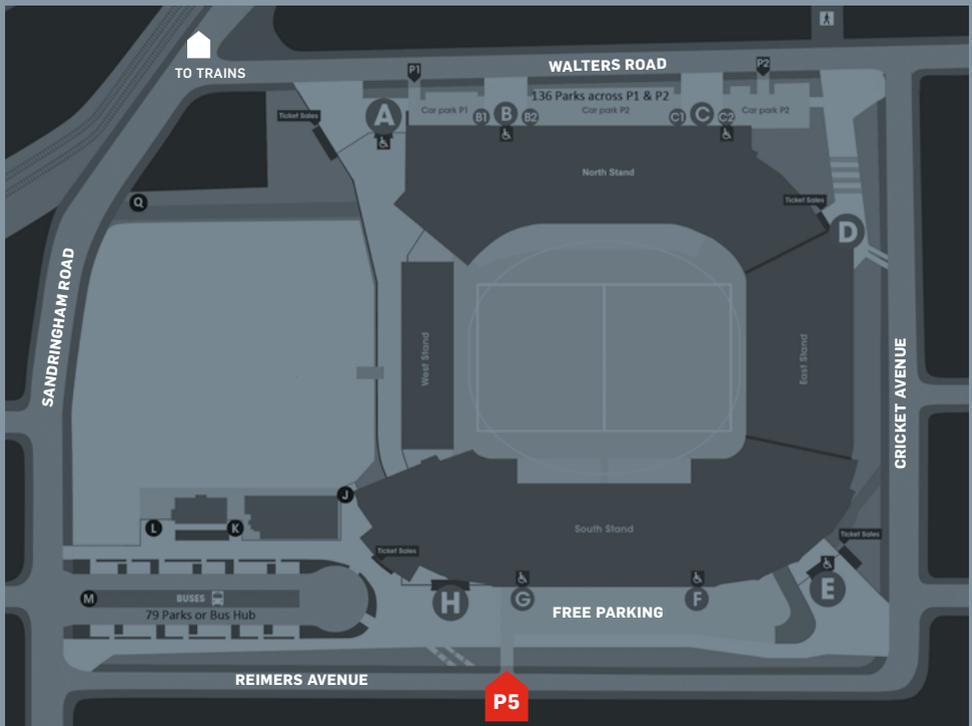
LOCATION

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

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

Wednesday
8 May
2019

11.00am



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