



NOTICE OF
2017 ANNUAL MEETING
OF SHAREHOLDERS

10.30am || Friday 7 July 2017

Notice is given that the Annual Meeting of Shareholders
of Arvida Group Limited (Arvida) will be held on:

Friday 7 July 2017,
at 10.30am at The Piano,
156 Armagh Street, Christchurch.

II BUSINESS

1. CHAIRPERSON'S INTRODUCTION
2. CHIEF EXECUTIVE OFFICER'S REVIEW
3. RESOLUTIONS

3.1 Re-election of Director

That Michael Ambrose, who retires by election, and being eligible, offers himself for re-election as a director of Arvida. *(See explanatory note 1)*

3.2 Re-election of Director

That Paul Ridley-Smith, who retires by election, and being eligible, offers himself for re-election as a director of Arvida. *(See explanatory note 2)*

3.3 Director Fees

That the director fees previously approved by shareholders at up to \$500,000 per annum (plus GST, if any) at the 2016 Annual Meeting be allocated among directors as provided in explanatory note 3.

3.4 Ratify shares issued pursuant to the acquisition of Copper Crest Village Estate Limited in Tauranga and Lauriston Park in Cambridge operated by Neil RV Cambridge Limited.

That the 15,817,374 shares issued on 3 October 2016 at \$1.1696 each to the vendors of Copper Crest Village Estate and Neil RV Cambridge under respective sale and purchase agreements are ratified, confirmed and approved for the purposes of NZX Main Board Listing Rule 7.3.5(c).
(See explanatory note 4)

3.5 Auditor's Remuneration

That the directors be authorised to fix the fees and expenses of Ernst & Young as the auditor of Arvida. *(See explanatory note 5)*

4. GENERAL BUSINESS

II PROCEDURAL NOTES

- a. The persons who will be entitled to vote on the resolutions at the Annual Shareholders' Meeting are those persons who will be the shareholders of Arvida at 5:00pm on 5 July 2017.
- b. All resolutions must be passed by an ordinary resolution of shareholders, i.e., by a simple majority of the votes of those shareholders entitled to vote and voting on the resolution in person, by proxy or by postal vote.

PROXY

- c. A shareholder may vote at the Annual Shareholders' Meeting either in person or by proxy. A body corporate which is a shareholder may appoint a representative to attend the Annual Shareholders' Meeting on its behalf in the same manner as that in which it could appoint a proxy.
- d. A proxy need not be a shareholder of Arvida. A shareholder who wishes to do so may appoint the Chairperson of the Meeting to act as proxy.
- e. A proxy will vote as directed in the proxy form or, if voting is left to the proxy's discretion, then the proxy will decide how to vote on the resolutions (or on any motions from the floor moved at the meeting). If a proxy is given discretion to vote on a resolution, but the proxy is restricted from voting on that resolution, the proxy must not exercise his

or her proxy discretion on such resolution. If the Chairperson is appointed as proxy and the voting is left to his discretion, the Chairperson intends to vote in favour of all Resolutions.

- f. A proxy form is enclosed and, if used, must be lodged with the share registrar, Computershare Investor Services Limited, in accordance with the instructions set out on the form not less than 48 hours before the time of the holding of the meeting.

POSTAL VOTES AND ELECTRONIC VOTING

- g. Instead of voting in person or by proxy a shareholder may cast a postal vote on all or any of the matters to be voted on at the meeting. The Board has authorised Jeremy Nicoll to receive and count postal votes at the meeting.
- h. A postal voting form is enclosed with this notice (combined with the proxy form). If you wish to cast a postal vote you must, not less than 48 hours before the start of the meeting, either:
 - a) vote online via www.investorvote.co.nz following the instructions in the Proxy/ Voting Form; or
 - b) complete the form and send it to Computershare Investor Services Limited, in accordance with the instructions set out on the form.

II EXPLANATORY NOTES

NOTE 1.

Under rule 3.3.11 of the NZX Main Board Listing Rules (the Listing Rules), and in accordance with clause 26 of the constitution of Arvida, one third of the Directors of Arvida must retire by rotation at the Annual Shareholders' Meeting. If the Directors are eligible, they may offer themselves for re-election by shareholders at the meeting. In this case, Michael Ambrose retires by rotation and, being eligible, offers himself for re-election by shareholders at the Annual Shareholders' Meeting.

A brief biography outlining Mr Ambrose's history and experience is set out below.

At the Annual Shareholders' Meeting a resolution to re-elect Mr Ambrose will be put to shareholders. The Board unanimously recommends that shareholders vote in favour of the re-election of Mr Ambrose. Mr Ambrose abstained from any consideration by the Board on his re-election and will abstain from voting his shares, and any incidental proxies he holds, on Resolution 1. As at the date of this notice, the Board considers Mr Ambrose a Non-Independent Director for the purposes of the Listing Rules.

Michael Ambrose

Term of Office:

Appointed Director on 17 January 2014, re-appointed Director on 21 August 2015

Board Committees: Audit and Risk Committee

Michael is a director of Rodgers & Co, a chartered accountancy firm based in Christchurch, and heads the firm's aged care division. Michael has 19 years' experience in the aged care sector, advising on the operation, expansion and development of his clients' retirement villages.

He led the aggregation of the foundation villages and was a promoter of the Arvida initial public offering.

Michael is currently the sole Independent Director & Chairman of Manchester Unity Friendly Society, Director of Fiordland Lobster Company Limited, Horncastle Homes Group of Companies, Director & Chairman of Garra International Limited & Chateau Marlborough Hotel Limited as well as being advisor to the Boards of several other private companies in a variety of industries.

Michael holds a BCom from Canterbury University and is a member of the NZ Institute of Chartered Accountants, the NZ Institute of Management and the Institute of Directors.

NOTE 2.

Under rule 3.3.11 of the NZX Main Board Listing Rules (the Listing Rules), and in accordance with clause 26 of the constitution of Arvida, one third of the Directors of Arvida must retire by rotation at the Annual Shareholders' Meeting. If the Directors are eligible, they may offer themselves for re-election by

shareholders at the meeting. In this case, Paul Ridley-Smith retires by rotation and, being eligible, offers himself for re-election by shareholders at the Annual Shareholders' Meeting.

A brief biography outlining Mr Ridley-Smith's history and experience is set out below.

At the Annual Shareholders' Meeting a resolution to re-elect Mr Ridley-Smith will be put to shareholders. The Board unanimously recommends that shareholders vote in favour of the re-election of Mr Ridley-Smith. Mr Ridley-Smith abstained from any consideration by the Board on his re-election and will abstain from voting his shares, and any incidental proxies he holds, on Resolution 2. As at the date of this notice, the Board considers Mr Ridley-Smith is an Independent Director for the purposes of the Listing Rules.

Paul Ridley-Smith

Term of Office:

Appointed Director on 7 May 2015, re-appointed Director on 21 August 2015

Board Committees: Audit and Risk Committee, Remuneration Committee

Paul is a senior executive at Morrison & Co and Infratil where he is involved in the acquisition, disposal and management of Infratil assets. From 1998 to 2011 he was responsible for the group's legal affairs. From 2011 to 2014 Paul was General Counsel at Contact Energy where he led the legal, regulatory and government relations functions.

Paul is currently chairman of Trustpower Limited, a director of King Country Energy Limited and a trustee of New Zealand Festival and Wallace Arts Trust. His previous directorships include Wellington International Airport Limited, Liquigas Limited, iSite Media Limited and Wallace Corporation Limited. Paul was also a member of the NZ Markets Disciplinary Tribunal.

Paul holds an LLB from Victoria University and an MBA from Columbia University.

NOTE 3. DIRECTOR FEES

The pool available for payment of director fees and annual fees payable to each Director were set at \$400,000 at the time Arvida listed on the NZX Main Board in December 2014. The pool available was increased to \$500,000 at the 2016 Annual Meeting of Shareholders. At the time of this approval, Arvida advised it would obtain independent advice on the appropriate level of fees to be paid within this limit, and seek shareholder approval before effecting any material changes to the amounts paid to directors.

This benchmarking and advice has now been received from The Institute of Directors in NZ Inc. (IoD). The IoD is the professional body for directors in New Zealand and represents more than 8,000 individuals, across a spectrum of New Zealand

enterprises. One of its business competencies is the collection and collation of director fees currently paid and advice as to appropriate levels of fees.

Having taken this advice, the Board has resolved, subject to shareholder approval, to increase the amounts paid to directors to (all per annum):

- Chair - \$150,000 (currently \$102,500);
- Base directors - \$82,000 (currently \$66,625);
- Chair of Audit Committee - \$12,000 (currently \$12,300);
- Chair of Remuneration Committee - \$8,000 (currently \$8,200).

The fees recommended are at the lower end of the range recommended by the IoD, which are for base director fees of between \$80,000 and \$90,000, with a loading of between 1.8x to 1.9x for the Board chair and 1.1x to 1.2x for the Committee chairs. The Board has accepted the IoD's advice that base directors fees should be inclusive of committee membership fees and that only the chair of a committee should receive extra remuneration. Accordingly, the proposed base director fees above are inclusive of fees paid to committee members.

Applying these amounts will make the aggregate fees payable \$498,000 per annum, which is within the previously approved limit of \$500,000.

The Directors and any of their associated persons will abstain from voting any of their shares, and any incidental proxies they hold, on Resolution 3.

NOTE 4.

Under rule 7.3.5(a) of the Listing Rules, Arvida is limited to issuing up to 20% of the total number of Equity Securities of the same class as already quoted on the NZX Main Board on issue for 12 months, unless the shareholders ratify the shares by ordinary resolution under Listing Rule 7.3.5(c).

On 20 September 2016 Arvida announced to NZX the acquisition of three retirement villages including Copper Crest Village Estate Limited in Tauranga and Lauriston Park in Cambridge operated by Neil RV Cambridge Limited. Further information about these villages and the acquisition is available at www.arvida.co.nz.

To part fund the acquisition, Arvida issued 15,817,374 shares in aggregate to the vendors of Copper Crest Village Estate and Neil RV Cambridge on 3 October 2016 at \$1.1696 each (the Shares Issued), which have the same rights and rank equally with all existing Arvida shares. This represents 4.732% of Arvida's total shares on issue at the date of this notice. No directors participated in the issue of shares to the either Copper Crest Village Estate or Neil RV Cambridge vendors.

The Board approved the issue of shares for the acquisition of Copper Crest Village Estate and Neil RV Cambridge, as it considered that the transaction as a whole was in the best interests of shareholders.

At the Annual Shareholders' Meeting a resolution to ratify the Shares Issued will be put to the shareholders to allow Arvida to issue more shares of the same class as already quoted on the NZX Main Board. The Board unanimously recommends that shareholders vote in favour of the ratification of the Shares issued.

Arvida's stated strategy is to acquire further facilities, and potentially to fund those by share issues. The Board supports the resolution to ratify the Shares issued as it provides Arvida flexibility over the balance of the twelve-month period.

At the date of this notice, Arvida has 334,260,879 shares on issue. It could issue a further 47,871,237 shares under the "20% rule" without shareholder approval (being 20% of the shares currently on issue less the shares already issued). Approval of the resolution would restore the permitted share issue to 66,852,176 shares. If the resolution is not passed Arvida's ability to issue shares would be limited to the 47.9 million 'headroom' it currently has or other means of raising capital - for example, with shareholder approval or as a 'rights issue'.

If Arvida does issue further shares, then existing shareholders' holdings could be diluted if they do not take up any entitlements offered to them. The vendors issued shares in the Copper Crest Village Estate and Neil RV Cambridge acquisitions, and any of their associated persons, may not vote on Resolution 4.

NOTE 5.

Ernst & Young is automatically reappointed as the auditor of Arvida under Section 207T of the Companies Act 1993. Pursuant to Section 207S of the Companies Act 1993, this resolution authorises the Board to fix the fees and expenses of the Auditor.

By Order of the Board of Directors



Peter Wilson
Chair
16 June 2017