

NOTICE OF
2016 ANNUAL
MEETING OF
SHAREHOLDERS

10:30am
Friday 19 August 2016

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

Friday 19 August 2016 at 10:30am
at The Stamford Plaza,
22-26 Albert Street, Auckland.

Business

- 1. Chairperson's Introduction**
- 2. Chief Executive Officer's Review**
- 3. Resolutions**

3.1 Re-election of Director

That Peter Wilson, 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 Anthony Beverley, 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 pool available for payment of director fees is increased from \$400,000 to \$500,000, an increase of \$100,000, with such amount to be divided amongst the directors in such proportion and such manner as the directors from time to time determine.

(See explanatory note 3)

3.4 Ratify shares issued pursuant to the acquisition of Lansdowne Park Village Limited and Lansdowne Developments Limited

That the 5,393,724 shares issued on 30 June 2016 at \$1.11 each to the vendors of Lansdowne Park Village Limited and Lansdowne Developments Limited under the sale and purchase agreement 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

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 Wednesday, 17 August 2016.
 - 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.

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, Peter Wilson retires by rotation and, being eligible, offers himself for re-election by shareholders at the Annual Shareholders' Meeting. If Peter Wilson is re-elected as a Director, the Board intends that he will continue as Chairperson.

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

At the Annual Shareholders' Meeting a resolution to re-elect Mr Wilson will be put to shareholders. The Board unanimously recommends that shareholders vote in favour of the re-election of Mr Wilson. Mr Wilson 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 Wilson is an Independent Director for the purposes of the Listing Rules.

Peter Wilson

Peter is an experienced director with wide ranging governance experience in the public and private sectors and with Crown-owned entities. He has extensive experience in banking, business establishment, problem resolution, asset sales and management of change functions.

Peter has been the Independent Chairperson of Arvida since its listing in December 2014. Prior to the listing, Peter was involved in the due diligence process to form Arvida.

Peter is currently Chairman of PF Olsen Limited, Deputy Chairman of Meridian Energy Limited and a Director of Farmlands Co-operative Society Limited. Peter was formerly a partner of Ernst & Young and Chairman of Westpac New Zealand Limited and Augusta Capital Limited.

Peter is a qualified Chartered Accountant.

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, Anthony Beverley retires by rotation and, being eligible, offers himself for re-election by shareholders at the Annual Shareholders' Meeting. A brief biography outlining Mr Beverley's history and experience is set out below.

At the Annual Shareholders' Meeting a resolution to re-elect Mr Beverley will be put to shareholders. The Board unanimously recommends that shareholders vote in favour of the re-election of Mr Beverley. Mr Beverley 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 Beverley is an Independent Director for the purposes of the Listing Rules.

Anthony Beverley

Anthony is a professional director and business consultant with in excess of 30 years' experience in the property, investment and capital market arenas. He has a specialist property valuation and investment background having worked with AMP Capital Investors for 20 years, NZ's largest investment fund manager, eight of these as Head of Property.

Anthony has been an Independent Director of Arvida since its listing in December 2014. Prior to the listing, Anthony was involved in the due diligence process to form Arvida.

Anthony has broad governance and directorship experience in both the public and private markets with involvement in a wide range of property, infrastructure and investment entities. His current directorships include Property for Industry Limited, Ngai Tahu Property Limited, Harbour Quays A1 Limited, Harbour Quays D4 Limited, and Harbour Quays F1F2 Limited. Past directorships include Marlborough Lines Limited, Summerset Holdings Limited, Precinct Properties Limited, and AMP Capital Investors (NZ) Limited.

Anthony is a Chartered Fellow of the New Zealand Institute of Directors, a Fellow of the New Zealand Institute of Valuers, a Fellow and Life Member of the Property Institute of New Zealand, and a Fellow of the Financial Services Institute of Australasia.

Note 3. Director Fees

The pool available for payment of director fees was set at \$400,000 at the time Arvida listed on the NZX Main Board in December 2014. That pool

is currently allocated as follows (all per annum): Chairman - \$100,000, each director - \$65,000, chair of the Audit & Risk Committee - \$12,000, member of the Audit & Risk Committee - \$6,000, chair of the Remuneration Committee - \$8,000 and member of the Remuneration Committee - \$4,000. These payments fully allocate the \$400,000. It is proposed that the pool available be increased by \$100,000 to \$500,000 and that the fees paid noted above be increased by 2.5% effective 1 September 2016. This leaves a substantial portion of the \$100,000 increase unallocated. It is intended that this unallocated portion be available for extra one off fees (for example for due diligence committee services) on a case by case basis and for subsequent director fee increases. Arvida's intention is that the level of director fees be increased annually by broadly CPI and that the overall levels be benchmarked against market every three years and changes made, if appropriate. The first benchmarking will occur in 2017 and changes would have effect from 1 September 2017.

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 25 May 2016 Arvida announced to NZX the acquisition of Lansdowne Park for approximately \$21 million. Lansdowne Park is a premium retirement village and aged care facility situated in Masterton. Further information about this acquisition is available at www.arvida.co.nz.

To part fund this acquisition, Arvida issued 5,393,724 shares to the vendors of Lansdowne Park on 30 June 2016 at \$1.11 each (the Shares Issued), which have the same rights and rank equally with all existing Arvida shares. This represents 1.936% of Arvida's total shares on issue at the date of this notice. No directors participated in the issue of shares to the Lansdowne Park vendors.

The Board approved the issue of shares for the acquisition of Lansdowne Park, 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 IPO investment statement described Arvida's strategy 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 278,639,124 shares on issue. It could issue a further 50,334,100 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 55,727,824 shares. If the resolution is not passed Arvida's ability to issue shares would be limited to the 50.3 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 Lansdowne Park acquisition, 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
Chairperson

4 August 2016