

Notice of 2021 Annual Meeting of Shareholders

10.30 am, Friday 2 July 2021
Christchurch.

Dear Shareholder,

We invite you to join us for the Annual Meeting of Shareholders of Arvida Group Limited (“Arvida”, NZX: “ARV”), to be held:

Where: Park Lane Living Well Centre, 47 Whiteleigh Avenue, Christchurch

When: Friday, 2 July 2021 commencing at 10.30 am

Please bring your proxy form/admission card to the meeting to assist with your registration. If you cannot attend, I encourage you to have your vote counted by completing and lodging the proxy form in accordance with the instructions on the back of this Notice of Meeting so that it reaches Computershare Investor Services Limited by 10.30 am on Wednesday 30 June 2021.

ITEMS OF BUSINESS

1 CHAIR’S INTRODUCTION

2 CHIEF EXECUTIVE OFFICER’S REVIEW

3 RESOLUTIONS

To consider, and if thought fit, to pass the following ordinary resolutions:

Election/re election of Directors:

1. That Susan Paterson be re-elected as a Director.
2. That Susan Peterson be elected as a Director.

See explanatory note 1.

Directors’ Remuneration:

3. That the maximum aggregate remuneration payable to all Directors (in their capacity as Directors) be increased by \$140,000, from \$500,000 to \$640,000 per annum.

See explanatory note 2.

Auditor’s Remuneration:

4. That the Board is authorised to fix the auditor’s remuneration.

See explanatory note 3.

4 GENERAL BUSINESS

To consider any other business that may properly be brought before the meeting.

Further information relating to these resolutions is set out in the Explanatory Notes accompanying this Notice of Meeting. Please read and consider the resolutions together with the notes.

By Order of the Board of Directors,



Peter Wilson, Chair
25 May 2021

Explanatory Notes

EXPLANATORY NOTE 1

Election/re-election of Directors

Under rule 2.7.1 of the NZX Main Board Listing Rules (the **Listing Rules**), a director must not hold office past the third annual meeting following appointment or three years, whichever is longer, without being re-elected by shareholders.

Accordingly, Susan Paterson who was last elected at the 2018 Annual Meeting is retiring from office at this year's Annual Meeting and, being eligible, offers herself for re-election.

In addition, under rule 2.7.1 of the Listing Rules, a Director appointed by the Board must not hold office (without election) past the next Annual Meeting following the Director's appointment.

Susan Peterson was appointed as a Director by the Board effective from 1 November 2020. Accordingly, Susan Peterson retires from office at this year's Annual Meeting and, being eligible, offers herself for election.

Both Directors are standing with the Board's unanimous support and both are considered by the Board to be Independent Directors for the purposes of the Listing Rules.

A brief biography of each Director's history and experience is set out below.

Both Directors intend to abstain from voting any discretionary proxies or shares they hold, on their respective election/re-election.

Profile of Susan Paterson



Term of Office:

Appointed Director
7 May 2015, re-elected by
shareholder resolution
21 August 2015 and
6 July 2018.

Susan has over 25 years of experience as a professional director/chair having served on a number of private and public boards. She was appointed an Officer of the New Zealand Order of Merit in 2015 for her services to corporate governance. Susan has a Bachelor of Pharmacy and practiced as a pharmacist before moving into management roles in New Zealand and the United Kingdom. Susan has a deep understanding of the health sector with many years spent as a clinician as well as a practice owner.

Susan chairs Steel and Tube Limited and Theta System Limited. Other board roles include the Reserve Bank of New Zealand, Les Mills Holdings Limited, EROAD Limited and the Electricity Authority. Past directorships include Airways NZ (Chair), Goodman Property Trust, Transpower NZ Limited, Abano Healthcare Group Limited, St Cuthbert's College, Ports of Auckland and Sky Network Television Limited.

Susan completed an MBA at London Business School. Susan is a member of the Remuneration Committee.

Profile of Susan Peterson



Term of Office:

Appointed Director
1 November 2020.

Susan is an experienced business leader with a particular interest in helping companies to drive growth through technology, innovation and organisational culture.

Susan is currently Chair of Vista Group and an independent director of Xero, Property for Industry and Trustpower. To ensure that she has the capacity to successfully fulfil the demands of the Arvida role, Susan has retired from the board of ASB Bank and will not seek re-election to the Board of Trustpower at the ASM later this year.

Susan is a member of the New Zealand Markets Disciplinary Tribunal and is a board member of non profit Global Women.

EXPLANATORY NOTE 2

Directors' Fees

Director fees were last set at the 2016 Annual Meeting and took effect, when further ratified at the 2017 Annual Meeting following receipt of independent advice from the Institute of Directors (IoD). The pool available for payment of the then five directors was set at \$500,000. At the time of this 2017 approval, Arvida advised the intention to regularly benchmark overall levels against market and make changes, if appropriate.

The landscape in which the Company operates has continued to change, resulting in increased demand on directors' time and broadening their scope of responsibilities in monitoring and assessing business compliance and performance. The size and scope of operations has also increased markedly. In 2016, when the fees were last set (and ratified in 2017), Arvida's market capitalisation was \$334 million and it was the owner of 21 retirement communities. As at 30 April 2021, its market capitalisation was \$977 million and it was the owner of 33 retirement communities.

Accordingly, the Board has again engaged the IoD to conduct a benchmarking review of director fees. This has involved reviewing fees for New Zealand listed companies for the roles of Chairman, committee chairs, committee members and base non-executive directors. 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. A summary of this advice is available from www.arvida.co.nz/investors.

The Board reviewed this benchmark data and has proposed to increase director fees to the levels noted in the table below. The Board considers the increase to Director remuneration to be appropriate and aligned to market. Notwithstanding the increase in size and complexity of the Arvida business noted above, the proposed increases are mostly reflective of inflation.

Arvida has determined to set the director fees to include fees for Board Committee members, which diverges from the IoD approach but is consistent with a substantial number of other NZX listed companies. Arvida also intends to hold the fees paid

to the Board committee chairs constant and below the levels suggested by the IoD meaning the overall remuneration cost is only modestly different.

Approval is also sought to allow additional payments should significant additional Board work be required over and above usual duties. The Board notes this also is consistent with the approach taken by a substantial number of other NZX listed companies. Arvida expects that additional fees would only be paid in exceptional circumstances and notes that it hasn't made any such additional payments to date. If additional payments are appropriate, then they would be paid at the rate of \$350 per hour and capped at \$83,000 in any financial year making the maximum amount payable in any financial year \$640,000 based on a five person board.

While there are no current plans to add a sixth director, if one is added then as permitted by the NZX Listing Rules a proportionate increase in the director fee pool can occur.

If Resolution 3 is passed, the director fees will be paid at the new rates from 1 July 2021. 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.

EXPLANATORY NOTE 3

Auditor's Remuneration

Ernst & Young is automatically reappointed as the auditor of Arvida under Section 207T of the Companies Act 1993. Under section 207S of the Companies Act auditor's fees and expenses must be fixed in the manner determined at the Annual Meeting. Shareholder approval is therefore sought for the Board to fix Ernst & Young's remuneration for the following year.

| Office | Current Remuneration (\$) | Proposed Remuneration (\$) | Amount of Increase (\$) |
|---|---------------------------|------------------------------|------------------------------|
| Chair | 150,000 | 165,000 | 15,000 |
| Director | 82,000 | 90,000 | 8,000 |
| Chair of Audit & Risk Committee | 12,000 | 12,000 | Nil |
| Chair of Remuneration Committee | 8,000 | 8,000 | Nil |
| Members of the Audit & Risk and Remuneration Committees | Nil | 3,000 | 3,000 |
| Subtotal of Committed Fees | 498,000 | 557,000 | 59,000 |
| Ad hoc fees for abnormal and particularly time intensive projects or transactions outside the scope of typical Board work | Up to 2,000 | Up to 83,000 at 350 per hour | Up to 81,000 at 350 per hour |
| Maximum Fee Pool | 500,000 | 640,000 | 140,000 |

Procedural Notes

1. The persons who will be entitled to vote on the resolutions at the Annual Meeting are those persons who will be the shareholders of Arvida at 5:00pm on 30 June 2021.
2. All resolutions being put to the meeting are ordinary resolutions, and must be passed 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.
6. If the Chairperson (or any other Director) is appointed as proxy and the voting is left to his discretion, the Chairperson (or any other Director) intends to vote in favour of all Resolutions.
7. 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 being 10.30 am on Wednesday 30 June 2021.

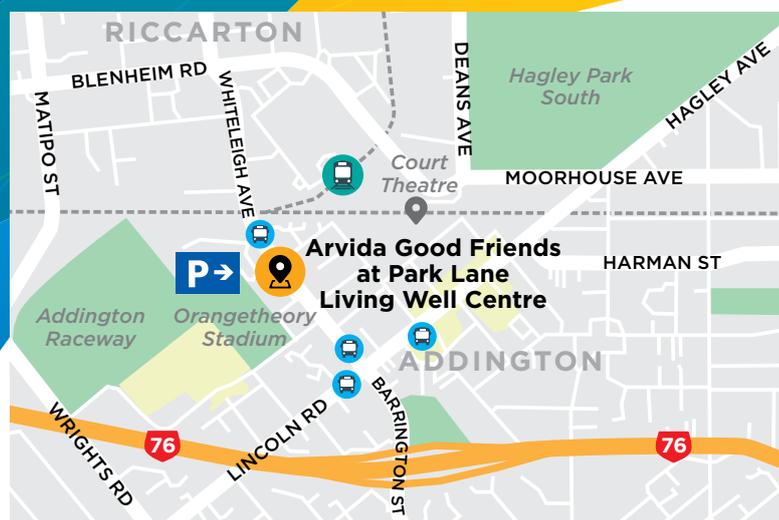
PROXY APPOINTMENT & FORM

3. A shareholder may vote at the Annual Meeting either in person, by proxy or by postal vote. A body corporate which is a shareholder may appoint a representative to attend the Annual Meeting on its behalf in the same manner as that in which it could appoint a proxy.
4. 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.
5. A proxy will vote the shares for which they are proxy as directed in the proxy form or, if voting is left to the proxy's discretion, 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 proxy discretion on such resolution.

POSTAL VOTES AND ELECTRONIC VOTING

8. 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.
9. 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 being 10.30 am on Wednesday 30 June 2021, either:
 - vote online via www.investorvote.co.nz following the instructions in the Proxy/Voting Form; or
 - complete the form and send it to Computershare Investor Services Limited, in accordance with the instructions set out on the form.

Directions



Time of Meeting

10.30 am, Friday, 2 July 2021

Venue

Kererū Room, Level 1, Arvida Good Friends at Park Lane Living Well Centre, 47 Whiteleigh Avenue, Addington.

Limited parking is available onsite and also at Show Place – through a connecting gate. Parking is also available in surrounding streets, including in Orangetheory Stadium which is a 3-4 minute walk from the Centre.