

NOTICE OF MEETING  
ANNUAL MEETING OF SHAREHOLDERS 2018



# NOTICE OF MEETING

**THURS 1** NOV 2018

Date of Meeting

**11:30** AM

Time

## VENUE

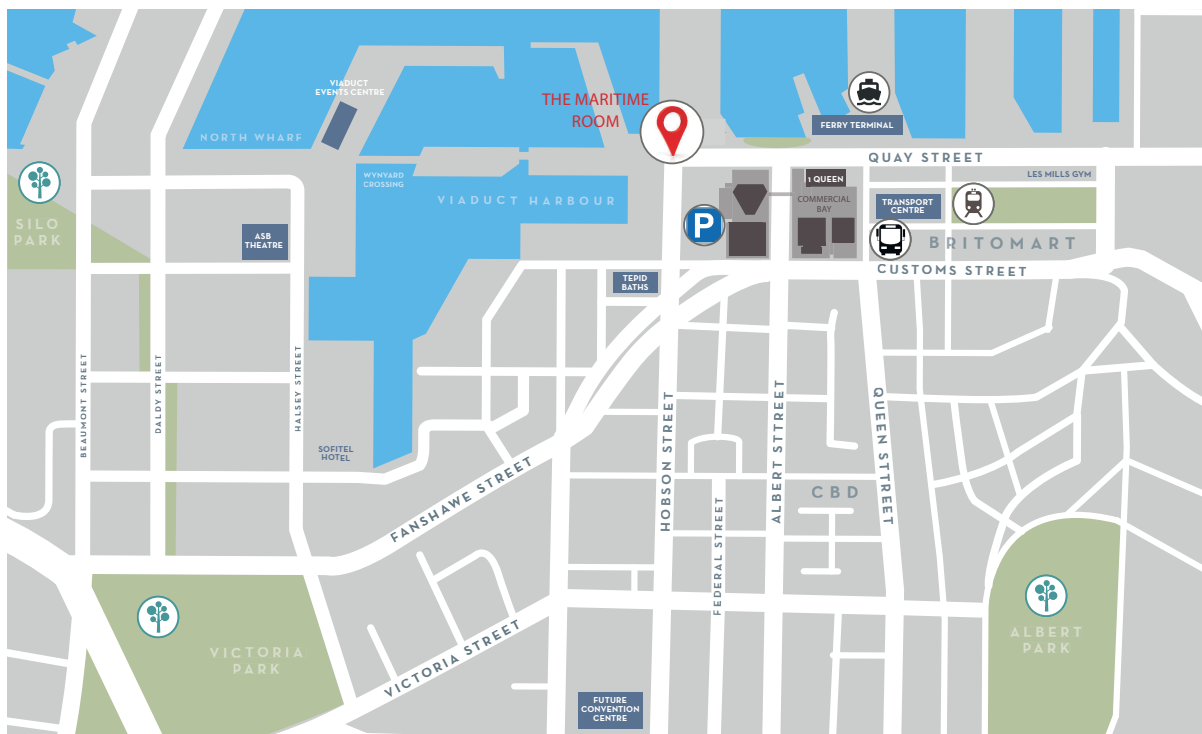
The Maritime Room, Princes Wharf, Corner Quay and Customs Streets, Viaduct Harbour, Auckland 1142

### AGENDA

- Chairman's address to shareholders including welcome and introduction.
- CEO's address to shareholders.
- Shareholder questions and discussion.
- **Resolutions: To consider, and if thought appropriate, pass the following ordinary resolutions:**
  1. That Don Huse be re-elected as a director.
  2. That Graeme Wong be re-elected as a director
  3. That the directors be authorised to fix the remuneration of Ernst & Young as auditor for the ensuing year.
  4. That the directors be authorised to fix the remuneration of the independent directors of the company from 1 November 2018 as per the table shown in note 4 of the explanatory notes.
- Other business: To consider any other matter that may properly be brought before the meeting.

### LOCATION MAP

Public transport options are available via Bus, Train and Ferry to the venue, offering a flexible travel option. For those who are driving, parking is available in the Downtown Carpark, entry at 31 Customs Street West, from where attendees can walk across Customs Street to Princes Wharf. Please refer to the schedule of fees at the car park entry. Mobility parking is available in the Downtown Carpark.



## EXPLANATORY NOTES

### 1. RE-ELECTION OF DON HUSE



#### **Donald Huse BCA , FCA**

Independent director Donald Huse retires by rotation in accordance with the company's constitution and the NZSX Listing Rules and offers himself for re-election. The board considers Donald Huse an independent director and supports the re-election of Donald Huse as a director.

#### **FIRST APPOINTED:**

1 November 2010.

#### **BOARD COMMITTEES:**

Chairman of the Audit and Risk Committee.

#### **BACKGROUND:**

Don Huse is a professional director. He is chair of OTPP New Zealand Forest Investments Limited and deputy chair of the Civil Aviation Authority of New Zealand. His previous roles include chief executive officer of Auckland International Airport Limited, chief financial officer of Sydney Airport Corporation Limited, chief executive officer of Wellington International Airport Limited, chair of Crown Irrigation Investments Limited, deputy chair of Transpower New Zealand Limited and a director of Cavalier Corporation Limited and TransAlta New Zealand Limited. A chartered accountant, Don holds a degree in economics from Victoria University of Wellington, and is also a member of the Institute of Directors in New Zealand and of the Australian Institute of Company Directors.

### 3. FIX THE REMUNERATION OF THE AUDITOR, ERNST & YOUNG

The proposed resolution is to authorise the directors to fix the auditor's remuneration for the following year for the purposes of section 197 of the Companies Act 1993.

Ernst & Young is the auditor of the company and has indicated its willingness to continue in office. Pursuant to section 200(1) of the Companies Act 1993, Ernst & Young is automatically reappointed at the annual meeting as auditor of the company.

### 2. RE-ELECTION OF GRAEME WONG



#### **Graeme Wong BCA (Hons) Bus. Admin. INFINZ (Fellow)**

Independent director Graeme Wong retires by rotation in accordance with the company's constitution and the NZSX Listing Rules and offers himself for re-election. The board considers Graeme Wong an independent director and supports the re-election of Graeme Wong as a director.

#### **FIRST APPOINTED:**

1 November 2010.

#### **BOARD COMMITTEES:**

Chairman of the Remuneration and Nomination Committee.

#### **BACKGROUND:**

Graeme Wong has a background in stock broking, capital markets and investment. He was founder and executive chairman of Southern Capital Limited which listed on the NZX Main Board and evolved into Hirequip New Zealand Limited. The business was sold to private equity interests in 2006. Previous directorships include New Zealand Farming Systems Uruguay Limited, Sealord Group Limited, Tasman Agriculture Limited, Magnum Corporation Limited and At Work Insurance Limited and alternate director of Air New Zealand Limited. Graeme is currently chairman of Harbour Asset Management Limited, director of CMT Industries Limited, Areograph Limited, Tourism Holdings Limited, Southern Capital Partners (NZ) Limited together with a number of other private companies. He is also a member of the Trust Board of Samuel Marsden Collegiate School and member of the Management Board of The Bible Society Development (New Zealand) Incorporated.

### 4. DIRECTORS REMUNERATION

The proposed resolution is to change the structure of director fees from a total director fee pool cap (currently \$580,000 per annum – set in 2015) to an accumulative per director rate. This allows full transparency of fees relative to committee memberships and enables the Board to proactively advance succession planning.

The Board comprises 4 independent directors. Given length of tenure and indicative retirement dates, a further independent director(s) may be appointed to ensure appropriate cross over

## EXPLANATORY NOTES (CONTINUED)

of skills and knowledge. The 3 non-independent directors are not paid by Precinct.

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 Ltd. Strategic Pay compared all relevant market structures and rates from their director fee survey data base and cross-checked such data using their director evaluation methodology, which addresses issues of complexity, risk and stakeholder management. **A full summary of Strategic Pay's report together with their attestation of independence is available in the investor section of [www.precinct.co.nz](http://www.precinct.co.nz).**

Position	\$ plus GST (if any) per annum
Chair	182,340
Independent Director	91,170
Audit and Risk Committee Chair	15,000
Remuneration and Nomination Committee Chair	10,000
Audit and Risk Committee Member	7,500
Remuneration and Nomination Committee Member	5,000
Due Diligence Committee Chair (ad hoc hourly rate)	380/hr
Due Diligence Committee Member (ad hoc hourly rate)	350/hr

The proposed structure and rates above are in line with Strategic Pay's recommendations. The changes result in total director fees (not including ad hoc fees) for the current independent directors of \$505,850 per annum, **which remains below the current total director fee pool cap of \$580,000**. This represents an overall increase of 12.4% (compared to fees paid in FY18). The majority of the increase is the result of aligning chair remuneration in line with the typical market ratio of 2:1 (between chair and director fees to reflect the appropriate premium for the additional responsibilities and workload).

### Current Structure

Independent director fees are reviewed to market every 2 years, with increases relative to CPI in the intervening years. A market review is due on 1 November 2018. The Board notes that it has waived all market reviews since the 2015 director fee pool cap was set (due to the costs of independent benchmarking reports) and only a 1.3% CPI adjustment has been applied to independent director remuneration in the 2015-2018 period. In the event that resolution 4 is not passed then the existing alternating market and CPI adjustments will continue to apply (without shareholder approval) below the total director fee pool cap of \$580,000, which will remain in place.

### New Structure

If resolution 4 is approved by shareholders then this will abolish the current total director fee pool cap and the set rates above will apply from 1 November 2018. Going forward the rates would be reviewed annually by the Board in advance of the AGM with **any** adjustment put to shareholders for approval.

### Voting Restrictions

In accordance with NZX Main Board Listing Rule 3.5.1, the fees payable to non-executive directors must be approved by an ordinary resolution of the shareholders of the Company.

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

## IMPORTANT INFORMATION

### VOTING

Voting entitlements will be determined as at 5.00pm (New Zealand time) on Monday, 29 October 2018. Registered shareholders at that time will be the only persons entitled to vote and only the shares registered in those shareholders' names at that time may be voted at the meeting.

**In accordance with NZX Corporate Governance recommendation 8.4, voting on all resolutions put before the meeting will be conducted by way of a poll only.**

Shareholders can lodge their vote online on the website of Precinct's share registry, [www.investorvote.co.nz](http://www.investorvote.co.nz). **To vote online** you will be required to enter your CSN/Security holder number; postcode/or country of residence if you reside outside New Zealand; and the secure access control number that is located on the front of your proxy voting form or follow the prompts in the email you received. Alternatively, you can scan the QR code on your proxy voting form with your smartphone or tablet and follow the directions provided. To scan the code you need to have already downloaded a free QR code reader. When scanned, the QR code will take you directly to the mobile voting site.

**To vote offline**, complete and lodge the enclosed proxy/voting form by mail or fax to Precinct's share registry as detailed on the proxy/voting form. If, in appointing a proxy, you have inadvertently not named someone to be your proxy (either online or on the enclosed proxy form), the Chair of the meeting will be your proxy and will vote in accordance with your express direction. **All votes must be received by 11:30am Tuesday, 30 October 2018 to be effective.**

Yours faithfully,



Davida Dunphy, Company Secretary  
28 September 2018

### QUESTIONS

If you have any questions, please contact Precinct Investor Relations by telephone 0800 400 599 or by e-mail [hello@precinct.co.nz](mailto:hello@precinct.co.nz).