

meeting

notice of annual meeting

Notice is hereby given that the annual meeting of Kiwi Property Group Limited shareholders will be held in the Function Lounge, Hagley Oval Pavilion, South Hagley Park, Christchurch commencing at **10.00am on Friday 28 July 2017.**

agenda

procedural notes

addresses

Our Chair, Mark Ford, and our Chief Executive, Chris Gudgeon will provide an overview of the Company's performance for the year ended 31 March 2017. There will also be an opportunity for shareholders to ask questions.

resolutions

To consider and, if thought appropriate, pass the following resolutions:

1. That Mark Ford be re-elected as a director of the Company.
2. That Richard Didsbury be re-elected as a director of the Company.
3. That the directors be authorised to fix the auditor's remuneration.
4. That the directors' fee pool for the Company be increased from \$720,000 to \$737,500 per annum plus GST (if any) for the purpose of NZX Main Board Listing Rule 3.5.1, such sum to be divided among the directors as the directors from time to time deem appropriate.

All resolutions are ordinary resolutions and are required to be passed by a simple majority of the votes of those shareholders who are entitled to vote and voting on the resolution, in person or by proxy. Further information is provided under the headings 'procedural notes' and 'explanatory notes'.

The Board recommends unanimously that you **vote in favour** of all four resolutions.

general business

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

On behalf of the Board of Kiwi Property Group Limited.



MARK FORD
CHAIR
3 JULY 2017

attendance

All shareholders registered on the Company's share register at the date of the meeting are entitled to attend and vote at the meeting.

voting and proxies

- A shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on their behalf.
 - A proxy need not be a shareholder.
 - The chair of the meeting may be appointed to act as proxy. If the chair of the meeting is appointed to act as proxy and is not directed how to vote, the chair will vote in favour of all the resolutions except resolutions 1 and 4 where he will abstain.
- A shareholder wishing to appoint a proxy can do so either:
 - online at investorcentre.linkmarketservices.co.nz/voting/KPG,
 - or by completing the attached proxy form.
- The completed proxy form, or online proxy appointment, must be received by the Registrar, Link Market Services, by any of the methods specified on the proxy form, no later than **10.00am on Wednesday 26 July 2017** (being 48 hours prior to the meeting).

explanatory notes

resolutions 1 and 2 – re-election of directors

In accordance with clause 28.9 of the Constitution of the Company and NZX Listing Rule 3.3.11, one third of directors (or the number nearest to one third) must retire at each annual meeting, but shall be eligible for re-election at that meeting. The directors required to retire at the annual meeting are those directors who have been longest in office since their last election or deemed election.

In accordance with these provisions, Mark Ford and Richard Didsbury will retire at the annual meeting, and each offer themselves for re-election.

The Board has determined that both Mark Ford and Richard Didsbury will be independent directors for the purposes of the NZX Listing Rules if re-elected.

The Board is committed to ensuring that it possesses the appropriate mix of skills, knowledge, experience and diversity to discharge its role and responsibilities. The Board supports the re-election of Mark Ford and Richard Didsbury as it considers that these candidates have the expertise to contribute to the overall skill set required by the Board.

Brief profiles for each director are as follows:

Mark Ford

Mark is a professional director based in Australia with extensive property industry experience. Mark holds the roles of non-executive chairman for Cbus Property Pty Limited, non-executive director of the Dexus Property Group and non-executive director for the manager for China Commercial Trust and Prime Property Fund Asia GP Pte. He also sits on the investment committee of Cbus Superannuation Fund. Mark's previous directorships include Comrealty Limited, South East Asia Property Company (chair), Property Council of Australia, Deutsche Asset Management Australia and Trafalgar Corporate Group Limited.

Richard Didsbury

Richard was a joint founder of the business in 1992. His career evolved with Lend Lease and other New Zealand-based property companies. He is now enjoying the opportunity to contribute to a variety of public initiatives. Richard is also on the boards of Auckland International Airport and SkyCity Entertainment Group. He was previously chairman of the Committee for Auckland and Hobsonville Land Company.

resolution 3 – auditor's remuneration

PricewaterhouseCoopers is automatically appointed auditor of the Company at the annual meeting pursuant to section 207(T) of the Companies Act 1993. The resolution sought is to authorise the directors to fix the remuneration of the auditor pursuant to Section 207(S) of the Companies Act 1993.



MARK FORD

CHAIR OF THE BOARD

MEMBER OF THE AUDIT AND RISK COMMITTEE AND THE REMUNERATION AND NOMINATIONS COMMITTEE

DATE APPOINTED: MAY 2011

ACA, FACD (DIP), NSWIT DIP (COMM)



RICHARD DIDSBURY

MEMBER OF THE REMUNERATION AND NOMINATIONS COMMITTEE

DATE APPOINTED: JULY 1992

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resolution 4 – directors' fee pool

The directors' fee pool was last reviewed in July 2016, at which time a fee pool of \$720,000 plus GST (if any) per annum was approved.

The Board considers alignment of directors' fees to market is important in order for the Company to be able to continue to attract and retain high performing directors whose skills and experience are well suited to the Company's requirements.

The Company's practice is to review directors' fees annually by benchmarking them against the market median of New Zealand listed companies with a market capitalisation of over \$1 billion.

The Company engaged PwC to provide the relevant New Zealand listed company benchmark data for the roles of Chair, committee chairs, committee members and non-executive directors.

The Board reviewed this benchmark data and, based on a comparison of the fees currently paid to the Company's directors to the market data, consider the increases to directors' fees set out in the table below are required to more competitively align

directors' remuneration to the market median. The market data shows that following the proposed increases, the remuneration relating to the Chair of the Board and the Chair and members of the Remuneration and Nominations Committee will still be below the market median. The Board proposes that this under-market position will be addressed by progressively increasing these fees over a two-year period.

The proposed increases shown in the table below will require a \$17,500 (2.4%) increase in the directors' fee pool. If resolution 4 is passed, the increase to directors' remuneration will take effect on and from 28 July 2017.

The proposed directors' fee pool of \$737,500 will include a discretionary pool of \$40,000 that provides flexibility to remunerate directors who assume additional responsibilities including, for example, in connection with one-off projects, specific transactions and other duties not normally expected from non-executive directors and beyond the scope of their usual responsibilities.

No payments have been made to any directors from the discretionary pool in the last three years. Any unused part of the discretionary pool in any year is not carried forward to future years.

The Board considers the fee increases proposed are fair, appropriate and reflect market conditions.

Consequently, as provided for in resolution 4, the Board seeks authorisation from shareholders to increase the directors' fee pool to \$737,500 per annum plus GST (if any) for the purpose of NZX Main Board Listing Rule 3.5.1, such sum to be divided among the directors as the directors from time to time deem appropriate.

If the resolution is passed the Board intends to allocate the fee pool initially as set out in the table below. Such amounts are per annum and plus GST (if any).

The Company will disregard any votes cast in respect of this resolution by any director of the Company or any associate or associated person of any director. However, the Company will not disregard any votes cast in respect of this resolution if it is cast by a director of the Company or another disqualified person who is acting as a proxy for a person who is entitled to vote, in accordance with the directions on how to cast that vote. If no direction is provided then any director, who is appointed to act as a proxy, will abstain from voting in respect of this resolution.

office	number of persons holding office	current remuneration	proposed remuneration	amount of increase
Chair	1	\$155,000	\$165,000	\$10,000
Director (excluding the Chair)	5	\$90,000	\$92,000	\$2,000
Chair of Audit and Risk Committee	1	\$20,000	\$20,000	\$0
Audit and Risk Committee member (excluding the Chair and the committee chair)	2	\$10,000	\$10,000	\$0
Chair of the Remuneration and Nominations Committee	1	\$12,500	\$16,250	\$3,750
Remuneration and Nominations Committee member (excluding the Chair and the committee chair)	2	\$6,250	\$8,125	\$1,875
Discretionary pool	N/A	\$50,000	\$40,000	-\$10,000
Total director remuneration pool		\$720,000	\$737,500	\$17,500

annual meeting location

Function Lounge, Hagley Oval Pavilion, South Hagley Park, Christchurch

