Kiwi Property Group Limited
Level 14, DLA Piper Tower, 205 Queen Street
PO Box 2071, Auckland 1140, New Zealand
office +64 9 359 4000 kp.co.nz
Licensed under the Real Estate Agents Act 2008

NZX RELEASE

28 July 2017

Annual meeting presentation and addresses

Address from the Chair

Introduction

Good morning ladies and gentlemen. Welcome to the 2017 annual meeting of Kiwi Property. It is pleasing to see so many of you here today and we thank you for your attendance. We are also pleased to be holding this meeting in Christchurch, which gives us the opportunity to meet some of our South Island investors.

My name is Mark Ford and I am an independent director, chair of the board of Kiwi Property and chair of today's meeting. I am pleased to advise there is a quorum present and I declare the annual meeting of shareholders open.

I would like to take this opportunity to introduce my colleagues on the board.

> **Mary Jane Daly** – Mary Jane was appointed to our board in September 2014. She is an Auckland-based professional director with a strong background in banking and finance.
> **Richard Didsbury** – Richard is one of the founders of the business. His current directorships include Auckland International Airport and Sky City Entertainment Group. Richard is up for re-election today and will provide more details on himself later in the meeting.
> **Jane Freeman** – Jane was appointed to our board in August 2014. She is an Auckland-based professional director who has extensive retail experience and expertise in the field of customer-driven technology. Jane also serves as Chair of our Remuneration and Nominations Committee.
> **Joanna Perry** – Joanna joined our board in October 2006. She is an Auckland-based professional director with a strong business background. Joanna also serves as Chair of our Audit and Risk Committee.
> **Mike Steur** – Mike joined the board in January 2010. He is an experienced company director with over 30 years' experience in the property sector.

In accordance with NZX Listing Rule 3.3.3, the board has determined that all directors are independent.

Also joining us as at the table is our Chief Executive, Chris Gudgeon and our Chief Financial Officer, Stuart Tabuteau. I also acknowledge attendance of other members of our leadership team and you will have the opportunity to meet them following the conclusion of the meeting. I also extend a welcome to Marcelle Ashcroft and the team from our Registrar, Link Market Services. You will have met them at the arrivals desk this morning. They will also help conduct the voting on the formal business later in the meeting. I also welcome Sam Shuttleworth from our auditor, PwC, who will act as scrutineer for the voting.

Agenda (slide 2)

I would now like to take a moment to explain today's agenda. Proceedings will commence with a brief address from me, including an overview of our strategy. I will then invite Chris to provide an update on the Company's results and achievements for the year to 31 March 2017. At the conclusion of these presentations, we will provide you with an opportunity to ask any questions you may have about the Company.

We will then move to the formal business of the day, being resolutions:

> to re-elect me and Richard Didsbury to the board
> to authorise the board to fix the auditor's remuneration, and
> to increase the directors' fee pool.

Turning now to my address.

We are guided by our vision, objective, goals and investment statement (slide 3)

I'm going to start today by talking about our vision, objectives, goals and strategy because these things provide the context and the setting in which to describe our result.

Headlining our strategy is our vision - which is all about offering our customers and tenants the best retail and office workplace experiences in New Zealand.

We are proud owners of some of New Zealand's most outstanding retail and office assets, such as:

> Sylvia Park, a true retail landmark in Auckland, and
> The Base, in joint venture with Tainui

in our retail portfolio, and

> the Vero Centre and ASB North Wharf in the office portfolio.

Our objective as a listed property company is to provide our investors with superior, risk-adjusted returns over time through the ownership and active management of a diversified high quality portfolio.

We are guided by our vision, objective, goals and investment statement (continued) (slide 4)

We measure our performance by what we achieve for you, our shareholders.

We target long-term total returns of greater than 9% per annum, underpinned by pre-tax funds from operations per share growth of greater than 2% per annum.

In the 2017 financial year, Kiwi Property produced a very strong result such that we comfortably exceeded our return targets for shareholders. Our long-term total return, since Kiwi Property first listed on the stock exchange back in 1993, is running at 9.7% per annum – exceeding our 9% target. Pre-tax funds from operations per share growth for the most recent financial year was 12.5% – again exceeding our target of 2% per annum.

Shareholders received a full-year dividend of 6.75 cents per share, which was up from 6.60 cents per share in the prior year and in line with guidance.

Looking now at our investment strategy – which is how we invest to deliver on our vision and objectives.

Kiwi Property is deliberately diversified. We target both retail and office assets that we believe will outperform through the ups and downs of the economic cycle by consistently attracting high levels of tenant demand.

We are guided by our vision, objective, goals and investment statement (continued) (slide 5)

We have a very definite bias towards exposures we think will outperform.

> Geographically, we prefer Auckland because of its superior growth prospects.
> We also have a bias towards retail because in retail we can secure a competitive advantage by:
  - owning strong regional shopping centres that dominate their catchments and are difficult to replicate, and
  - having specialist in-house retail capability and nationwide relationships with retailers.

Our investment strategy is built on a core portfolio.

In retail that means:

> dominant regional shopping centres and large format retail, with a 'golden triangle' bias, and
> outside of Auckland, regional shopping centres that dominate their catchments.

When we refer to the 'golden triangle' we mean the area that includes Auckland, the Waikato and the Bay of Plenty. We like it because of its superior growth prospects. By 2043, 55% of New Zealand's population will live within the 'golden triangle', up from the current proportion which sits at 49%.

In office, we continue that Auckland bias and target prime grade-office. With office in Wellington, we favour buildings that attract long-term government leases.

And lastly on strategy, we look to develop relationships with co-investors as a means of securing our desired property exposures while leveraging returns by generating additional management fees.

So with the benefit of this summary of our vision, objectives and strategy I'll now invite Chris to provide you with a detailed update on the Company's activities and result for the year ended March 2017.

Chief Executive's address

Chief Executive's title slide (slide 6)

Thanks Mark and good morning everyone.

I'll start by looking at the highlights of the year, and how it is shaping our business, through the strategic lens that Mark has just outlined. We will then review our achievements and financial result for the year to 31 March 2017.

We're growing with Auckland (slide 7)

Firstly, we're growing with Auckland. Over the past seven years, our Auckland investments have doubled in value to $1.8 billion, and now comprise 61% of our total portfolio value.

We have deliberately positioned ourselves in prime CBD locations and in Metropolitan Centres destined for further intensification including Sylvia Park, New Lynn and Westgate.

Auckland's population is projected to grow by 800,000 to 2.3 million people by 2043, and to accommodate that population growth, the Auckland Unitary Plan encourages intensification at key transport nodes.

We have purposefully aligned our portfolio to these nodes.

Kiwi Property has a great track record of creating exceptional retail, dining, entertainment and workplace experiences – which puts us in a great position to meet market demand for intensive mixed use developments in Auckland's increasingly urban environment.

We're growing with Auckland – Drury land holdings (slide 8)

Which is why we are very pleased to have assembled a 51 hectare landholding for a future town centre development at Drury.

Our landholdings are outlined within the orange line on this photo.

We're growing with Auckland – Drury land holdings (continued) (slide 9)

So, why Drury?

Drury is uniquely placed in South Auckland at the junction of the Southern Motorway, Great South Road and the main trunk railway line.

The site will be even better placed going forward with the electrification of rail through to Pukekohe only a matter of time and with the development of the Mill Road alternative southern arterial route.

All of these connections make Drury a classic transport node – which is why Auckland City has zoned it 'Future Urban'.

Our vision is to develop a town centre to complement the existing Drury town centre, which will be staged over the next 20 years to coincide with demand for housing in South Auckland.

To that end we are working with Auckland Council and infrastructure providers to secure a town centre zoning that could provide for commercial and retail uses integrated with housing – all within walking distance of an integrated public transport node.

We were obviously pleased to see the Government's announcement earlier this week that it will co-invest up to $600 million alongside local councils and private investors in network infrastructure for big new housing developments in Auckland – which will include Drury in the south of the city.

We're increasing our exposure to dominant regional shopping centres (slide 10)

In May last year we settled our strategic purchase of a 50% interest in The Base Shopping Centre in Hamilton, which we own in joint venture with Tainui Group Holdings.

This photo shows the scale of the centre. The asset includes both an enclosed shopping centre and large format retail centre and it absolutely dominates its catchment in the Waikato region.

We're increasing our exposure to dominant regional shopping centres (continued) (slide 11)

This is a significant and positive acquisition for Kiwi Property.

The Base is New Zealand's largest single-site retail complex. It dominates its catchment, with over 30% market share in retail sales, and combines both an enclosed mall and large format retail offer.

We manage the asset on behalf of the joint venture and we are already adding value, by:

- improving the retail mix
- driving rental growth, and
- securing new income streams from digital advertising

We are also investigating expansion opportunities available to us on the six hectares of undeveloped land on the site – with options including the introduction of a supermarket.

Sylvia Park (slide 12)

Sylvia Park continues to shine as the star in our portfolio. It's remarkable when you reflect that the country's largest, busiest and most successful retail mall was a collection of ex-army warehouses just over ten years ago.

Sylvia Park has been a standout investment since we completed the original development in 2007. There is good reason for that.

- It is superbly located within a 30 minute drive for 91% of Auckland's population.
- The centre now attracts almost 13 million customers per year and generates annual retail sales in excess of $500 million. In the last three years alone, annual sales have grown by over $100 million.
- It has the benefit of its own train station, great bus links and close to 4,000 carparks, which we are progressively transforming into smart parking through digital wayfinding.
- And, from a planning perspective, it has been identified by Auckland Council as one of 10 designated metropolitan centres – with supportive zoning and investment in infrastructure.

Shareholders have benefitted from $256 million of property valuation gains since opening.

Our vision for Sylvia Park has always been much more than simply creating a world-class retail destination. With its superb accessibility and location, Sylvia Park is destined to become a world-class town centre within Auckland.

Over the next few slides we will share with you how we are bringing our exciting vision to life.

Sylvia Park (continued) (slide 13)

Let's start by looking at the plan of Sylvia Park, which has been marked up to show where the various projects we are undertaking are located. This will give you some context as we talk to each of these projects in more detail over the next few slides.

On the ground floor, last year we added international fashion giants H&M and Zara to our retail mix. We are currently completing a new dining lane and pavilion, a new carparking building and an office building.

We are making good progress on plans for a second level galleria and south carpark building, which as you can see spans the distance of the current south end of the mall.

Looking at each of the projects in more detail.

Sylvia Park – H&M and Zara (slide 14)

Last year we introduced New Zealand's first stores for the fashion giants H&M and Zara, both of which have been a resounding success.

Retail sales are up 19% across the entire centre since these stores opened in October last year.

Sylvia Park – 'The Grove' dining lane and pavilion (slide 15)

And, as part of our town centre vision for the site, we have started works on a $9 million expansion and refresh of our outdoor dining lane, to be known as 'The Grove'.

'The Grove' will provide a contemporary alfresco dining experience including new restaurants, a town square, landscaping and a signature dining pavilion.

We're excited to be working alongside some of Auckland's top restaurant operators to offer high-quality, modern cuisine.

The design of 'The Grove' will reflect the original country pedigree of the location, with open spaces, striking planting and an iconic, light, airy pavilion that will deliver an exciting new-look entrance for the centre. There will also be a retractable canopy over the dining lane, so diners will be able to enjoy the space all-year round.

The dining lane upgrade reflects current consumer trends, with customers increasingly wanting inclusive and immersive dining experiences that not only entertain but also provide social meeting places.

We look forward to opening these exciting new offers before Christmas this year.

Sylvia Park – 'The Grove' progress at 30 June 2017 (slide 16)

You can see from this photo that construction is progressing well. This photo shows the structure which will ultimately form The Pavilion, which will provide a large-scale contemporary food offer.

Sylvia Park – Office building (slide 17)

Works are well underway on our $80 million office tower. The concept design on this slide shows how striking the building will look on completion.

Nine-levels of office accommodation will be situated over the new ground floor dining experience we just talked about.

Our office solution will offer businesses a truly unique and high-quality working environment in an easily accessible location with excellent rail and bus transport links, with staff being able to take advantage of the extensive range of amenities and services at the centre.

Overall the project is 50% leased by revenue. The ground level food and beverage tenancies and four of the nine office floors have now been leased.

Anchor tenant IAG has taken three floors, with national co-working space provider, BizDojo, a full floor. We are seeing strong levels of enquiry for the remaining space.

Construction of the building will conclude in April 2018.

Sylvia Park – Office building progress at 30 June 2017 (slide 18)

You can see from this photo that great construction progress is being made. At the time this photo was taken, four office floor levels had been poured. The final level, the roof slab over level nine, will be poured in November this year.

Sylvia Park – Central carpark (slide 19)

Finally, we have also commenced construction of a new $36 million carpark providing ~600 new spaces.

We have commenced this project:

- firstly, in response to the 13 million customers, and climbing, that are now visiting the centre every year, and
- secondly, as a tactical move ahead of our planned galleria expansion, which will require us to close car parks at various stages during the construction period.

Sylvia Park – Galleria and south carpark (slide 20)

We are also making good progress on our expansion plans to provide up to 20,000 sqm of additional retail space in a second level galleria which will likely feature:

> a department store offer
> new international brands and concept stores
> a new concept café court, and
> additional multi-deck carparks, with digital wayfinding.

This artist's impression shows the outside view of the café court which will extend across the ground and first floor levels of the centre.

At this stage, we estimate the project will cost around $200 million, with a potential start date in 2018. We are currently in the pre-leasing stage as we look to de-risk the project by securing key retail tenants.

Across all of our Sylvia Park development proposals, both retail and office, we are targeting an initial yield in excess of 6% and an internal rate of return of approximately 8%.

We're evolving our retail mix (slide 21)

Retail is constantly evolving and, in response, our expert and passionate retail management team continually curates our retail mix to provide the best performing stores, and the services and experiences that our customers demand.

We identified many years ago the threat that online retailing presents, which is why we focus on the experiential nature of shopping centres. We create great experiences that can't be replicated in an online environment – such as contemporary urban dining and entertainment, simple things like personal services – and by focussing on retailers who create super in-store experiences and who offer great value products and services.

The simple analysis on this slide shows that by:

> progressively reducing the amount of floorspace allocated to specialty fashion, and
> by increasing floorspace allocated to more experiential categories such as dining and services, and also by
> focussing on the best operators across all categories

we have secured a significant increase in sales productivity across the board.

We're providing better customer experiences (slide 22)

We're also improving our customer experience through the use of technology.

At Sylvia Park, LynnMall and The Base, we get great customer feedback on our carpark management systems which make it easier for our customers to find available spaces.

We provide free electric car charging stations at most of our shopping malls, and we're rolling out better wifi across our centres to give our customers free and fast access, while at the same time allowing us to build direct lines of communications with our customers and to better understand their individual shopper journeys.

Knowing that our customers often make their retail decisions before they arrive at our centres, we're making that journey easier by improving our centre websites which now attract over two million visitors per year.

And we are also reaching out more regularly to our customers through dedicated social media content.

Our centres are responding with improved sales (slide 23)

The result of all these efforts is the very pleasing growth in retail sales at our shopping centres.

New Zealanders retain a keen eye for value but are shopping with confidence. We have seen strong performances from retailers who offer value and great shopping experiences for their customers.

In the 2017 year, we recorded total sales of $1.7 billion across our nine retail assets - an increase of 5.8%, or 8.1% if we exclude supermarket sales.

On a like-for-like basis, retail sales grew by 2.3% – 4% if we exclude supermarkets.

Our centres are responding with improved sales (continued) (slide 24)

The retail categories with the strongest positive performances, growing on a like-for-like basis at between 3.7% and 6.5%, were:

- pharmacy and wellbeing
- commercial services
- food, and
- fashion.

Value-oriented mini-majors, now with larger stores, are delivering strongly, with like-for-like growth of 7%.

This shows that our strategy is working. We can positively drive sales performance by focusing on dining, entertainment, personal services and overall by securing the very best retailers including retailers new to our market.

Government office precinct, Wellington (slide 25)

Looking now to our office portfolio. This photo shows our redevelopment at The Aurora Centre and 44 The Terrace in Wellington.

In Wellington, we have accomplished what we set out to achieve. We have created a 35,000 sqm core government office precinct and secured rental revenue streams for our investors.

At balance date, these buildings combined were 92% leased to government departments on a weighted average lease term of 15 years. Since balance date, all remaining vacant office space in 44 The Terrace has been leased to government, so the building is now 100% leased.

Northlands (slide 26)

And, of course, we own other exceptional assets, such as Northlands here in Christchurch, which I am sure everyone here is familiar with.

Northlands is one of New Zealand's oldest shopping centres, having originally been developed in 1967. It today generates sales of close to $300 million dollars and now ranks in the top echelon of shopping centres in New Zealand in terms of centre performance scale and market position.

On a total sales turnover basis, Northlands is the fourth-ranked centre in New Zealand, and the third highest on a sales productivity basis in the Kiwi Property portfolio.

The inclusion of two supermarkets at Northlands provides a strong anchoring platform for the centre, and we believe the strong underlying demand in Christchurch for quality retail, along with the region's anticipated population growth, could support an expansion of this centre in the medium term – an opportunity which we will assess more closely in due course.

Over recent years, we have made a significant investment into the seismic strengthening of the centre, and as always we continue to enhance your experience by continually changing the tenant mix and we've also added a carpark management system to one of the carparks.

We're growing external assets under management (slide 27)

Another plank of our investment strategy is to develop multiple and diverse sources of revenue.

Since 2014, we have grown external assets under management to approximately $400 million, which now includes two management contracts we secured this year for The Base and Centre Place – South.

Our strategy is delivering robust financial results (slide 28)

Onto the financial result.

We are pleased that our strategy is leading to positive financial results. In the 2017 financial year we delivered a record operating result, with funds from operations rising 12.8% to $102.8 million. This was driven by increased rental income from recent development and acquisition activity, and our structured rent reviews.

Rental income growth was driven by the acquisition of Westgate Lifestyle and The Base, combined with completed developments at The Aurora Centre, 44 The Terrace, The Majestic Centre and LynnMall Shopping Centre.

Our profit after tax was $143.0 million. This was less than last year's result but only because last year we had a record $176 million uplift in property values which we did not repeat this year.

Importantly, we have delivered on our guidance to provide our shareholders with a cash dividend of 6.75 cents per share, which was an increase of 2.3% on the prior year.

We've maintained a strong balance sheet (slide 29)

Our balance sheet remains in a strong position. At $3.0 billion, our portfolio has recorded its highest ever value. Our gearing ratio remains conservative at 34.5%.

And shareholder funds have grown. Net asset backing per share has increased by five cents to $1.39 per share and we now have over $500 million in retained earnings.

Our active capital management approach continues to add value (slide 30)

Over the past year, we have further diversified our sources of debt with a successful bond issue. We successfully issued our second seven-year retail bond for $125 million at a very competitive coupon rate of 4% per annum.

We took advantage of favourable market conditions to secure a lower cost of debt which at balance date stood at 4.61%.

Post-balance date entitlement offer (slide 31)

During June and July this year, we undertook an entitlement offer. We raised $158 million (net of costs).

These proceeds have initially been used to pay down bank debt and reduce gearing.

The funds will ultimately be used to fund potential future development and investment opportunities. These include potential expansion and improvement projects at Sylvia Park – which we talked about earlier – Northlands, The Base, and in the longer term at Drury.

We've created a stronger portfolio (slide 32)

The execution of our strategy has resulted in a stronger portfolio of investment grade assets.

We delivered total rental growth of 17% for the year with like-for-like rental growth of 2.7%, supported, as usual, by a high percentage of structured rent reviews.

At 98.8%, our portfolio occupancy is above the long-term average and, post balance date, has improved further.

At 5.6 years, our weighted average lease term is the longest in 14 years. And, at 10.1 years, the office portfolio WALT is the longest in the company's history.

We have a clear focus for 2018 and will continue to deliver on our strategy (slide 33)

We are always looking for opportunities to add investment value. In the 2017 financial year we completed a $270 million programme of development works, and currently have a further $126 million of projects underway.

Our focus in the year ahead will be to progress our town centre vision at Sylvia Park, and continue our planning for medium-term potential redevelopment at Northlands and The Base, and in the longer term at Drury.

From a customer perspective, we will focus as always on creating better experiences for our customers at our shopping centres. In our office portfolio, we'll be investigating digital portals as a means of creating connected tenant communities.

And finally, we will continue to look for opportunities to grow our management fee revenue streams.

Ladies and gentlemen, thank you very much - that concludes my review of the Company's results and activities. It has been a busy and exciting year, a theme which has continued into this financial year. I will now hand you back to Mark to provide some concluding comments and to conduct the formal business of the meeting.

Chairman's concluding address

We're forecast an increase dividend (slide 34)

Thank you Chris.

We are pleased that our investment strategy is working and that the outcomes are evident in this year's result. We are well positioned with a strong core portfolio and a robust balance sheet.

The focus for us at Kiwi Property will be on completing our development projects and the intensive management of our assets – all with the intention of further enhancing rental income streams for investors. We'll be looking to create further value either organically through developments or through further acquisitions and we will continue to recycle capital out of non-core assets.

I am pleased to advise that our guidance for FY18 is for an increase in the cash dividend to 6.85 cents per share – which as you see from the chart continues a recent positive trajectory established for shareholder dividends and is a clear demonstration that our strategy is working.

Questions (slide 35)

Ladies and gentlemen, that concludes the overview of the Company's activities for the year ended 31 March 2017.

Before we move to the formal business of the day, we would be happy to answer any questions on the Company's activities. We ask that you limit your questions at this time to the Company's activities. You will have an opportunity to ask questions in relation to the formal business shortly.

As this is a shareholders meeting, only shareholders or appointed proxies can ask a question. If you wish to speak, please wait to be handed a microphone by the staff. Please introduce yourself, including whether you are shareholder or a proxy holder, and state your name.

Formal business

Formal business title slide (slide 36)

Thank you. We will now move to consider the formal resolutions of the meeting.

The resolutions for consideration today may only be voted on by shareholders (either in person or by proxy).

Voting on each resolution will be by poll. On a poll, each person voting at the meeting and each shareholder who has cast a vote directed by proxy has one vote for each share held.

I will put each resolution to the meeting and provide an opportunity for you to ask questions in relation to that resolution. I ask that you keep the questions strictly to the resolution.

Again, as this is a shareholders meeting, only shareholders or appointed proxies can ask a question. If you wish to speak, please wait to be handed a microphone by the staff. Please introduce yourself, including whether you are a shareholder or a proxy holder, and state your name.

Before being asked to vote on each resolution, the result of the voting completed by directed proxy will be provided.

In respect of proxies received, if the chairman of the meeting has been appointed to act as proxy and was not directed how to vote in respect of a resolution, the vote will be cast in favour of the resolution, except for resolutions 1 and 4, in which case the chair will abstain from voting.

When you are required to cast your vote, you should tick either the FOR or AGAINST box on the voting card you were handed when you registered at arrival. If you do not tick any box, that vote will not be counted.

If you do not have a voting card, please let one of the Link Market Services representatives know immediately or if you do not have a pen, please indicate to one of the staff in the room, and they will hand you one.

On completion of voting representatives of Link Market Services will come around with ballot boxes to collect the voting cards from you.

As resolution one involves me, I am going to hand over to Joanna Perry to chair this part of the meeting.

Resolutions 1 and 2 – Re-election of directors: Explanatory information (slide 37)

Thank you Mark and good morning.

In accordance with the Company's constitution and the NZX Listing Rules, Mark Ford and Richard Didsbury retire at this meeting but both offer themselves for re-election.

The board has determined that, if re-elected, Mark Ford and Richard Didsbury will each be an independent director for the purposes of the NZX Listing Rules.

I will now ask Mark and Richard to each provide a brief bio and comments supporting their re-election.

Resolutions 1 and 2 – Re-election of directors: Explanatory information (continued) (slide 38)

Mark Ford

Thank you Joanna.

I am a professional director based in Australia with extensive property industry experience. I am a 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. I also sit on the investment committee of Cbus Superannuation Fund.

In addition to chairing Kiwi Property's board, I am a member of Kiwi Property's Audit and Risk Committee and Remuneration and Nominations Committee.

I will now pass you over to Richard.

Resolutions 1 and 2 – Re-election of directors: Explanatory information (continued) (slide 39)

Richard Didsbury

Thank you Mark and good morning.

I was a joint founder of the business in 1992. I currently sit on the boards of Auckland International Airport and SkyCity Entertainment Group. I am also enjoying the opportunity to contribute to a variety of public initiatives.

I will now pass you back to Joanna.

Resolutions 1 and 2 – Re-election of directors: Recommendation and rationale (slide 40)

Thank you Mark and Richard.

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 and Richard as it considers that these candidates have the expertise to contribute to the overall skill set required by the board.

The board, other than Mark and Richard each in respect of their own positions, recommends that you vote in favour of the resolutions.

Resolution 1 (slide 41)

I will now read the resolution.

That Mark Ford be re-elected as a director of the Company.

Are there any comments or questions from shareholders on this resolution?

<<Q&A time>>

Thank you.

Resolution 1 – Proxy votes (slide 42)

Before putting the motion I advise that proxies representing 763,674,431 shares were lodged in respect of this resolution with the following voting instructions:

- For – 756,970,916 shares, representing 99.12% of the votes cast.
- Against – 3,195,450 shares, representing 0.42% of the votes cast.
- Discretionary votes – 3,508,065 shares, representing 0.46% of the votes cast.

In order for the resolution to be passed, it must be approved by a simple majority of votes of those shareholders entitled to vote and voting on the resolution, in person or by proxy.

I will now put the motion. Can you please tick either the FOR or AGAINST box on your voting card to indicate the way you wish to vote on this resolution.

Resolution 2 (slide 43)

Moving to resolution two. I will now read the resolution.

That Richard Didsbury be re-elected as a director of the Company.

Are there any comments or questions from shareholders on this resolution?

<<Q&A time>>

Thank you.

Resolution 2 – Proxy votes (slide 44)

Before putting the motion I advise that proxies, representing 747,719,762 shares, were lodged in respect of this resolution with the following voting instructions:

- For – 720,292,209 shares, representing 96.33% of the votes cast.
- Against – 23,929,101 shares, representing 3.20% of the votes cast.
- Discretionary votes – 3,498,452 shares, representing 0.47% of the votes cast.

In order for the resolution to be passed, it must be approved by a simple majority of votes of those shareholders entitled to vote and voting on the resolution, in person or by proxy.

I will now put the motion. Can you please tick either the FOR or AGAINST box on your voting card to indicate the way you wish to vote on this resolution.

<<Wait for a time for voting to be completed>>

I will now hand back to Mark.

Resolution 3 – Auditor's remuneration: Explanatory information (slide 45)

Before we move to resolution three, I wanted to note that after a tenure of close to 11 years, Joanna Perry has announced her intention to retire from the board once a replacement has been found. The process to recruit a new director is underway and we expect to conclude that process within the next few months. Once the new director has been appointed, an announcement will be made regarding the new director and the date of Joanna's retirement.

I want to take this opportunity to formally acknowledge the contribution that Joanna has made to Kiwi Property. Joanna has brought a strong discipline and financial understanding to the Audit and Risk Committee and has been a strong advocate for ethical behaviour, adding value and making a difference. Her astuteness, financial understanding and numerical reasoning has been invaluable, as has been her input into the major transactions which saw Kiwi Property internalise and corporatise. We wish Joanna well in her future endeavours.

Moving to resolution 3. This resolution is sought to authorise the directors to fix the remuneration of the auditor pursuant to Section 207(S) of the Companies Act 1993.

The board recommends that you vote in favour of the resolution.

Resolution 3 – Auditor's remuneration (slide 46)

I will now read the resolution.

That the directors be authorised to fix the auditor's remuneration.

Are there any comments or questions from shareholders on this resolution?

<<Q&A time>>

Thank you.

Resolution 3 – Proxy votes (slide 47)

Before putting the motion I advise that proxies, representing 763,785,569 shares, were lodged in respect of this resolution with the following voting instructions:

- For – 758,689,035 shares, representing 99.33% of the votes cast.
- Against – 1,542,300 shares, representing 0.20% of the votes cast.
- Discretionary votes – 3,554,234 shares, representing 0.47% of the votes cast.

In order for the resolution to be passed, it must be approved by a simple majority of votes of those shareholders entitled to vote and voting on the resolution, in person or by proxy.

I will now put the motion. Can you please tick either the FOR or AGAINST box on your voting card to indicate the way you wish to vote on this resolution.

Resolution 4 – Directors' fee pool: Explanatory information (slide 48)

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 attract and retain high performing directors whose skill 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. 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 proposed increases to directors' fees are required to more competitively align directors' remuneration to the market median.

We also note the new NZX Corporate Governance Code, which comes into effect from October 2017, part of which relates to the matter of director remuneration. It is our intention to fully comply with the director remuneration disclosure requirements of the Code.

The board now 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. The sum is to be divided among the directors as the directors from time to time deem appropriate.

Resolution 4 – Directors' fee pool: Explanatory information (continued) (slide 49)

If the resolution is passed, the board intends to allocate the fee pool initially as set out on the table on the screen. Overall the increase is $17,500 or +2.4%.

The directors consider the proposed increase appropriate and justified, and recommend you vote in favour of the resolution.

Resolution 4 (slide 50)

I will now read the resolution:

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.

Are there any comments or questions from shareholders on this resolution?

<<Q&A time>>

Thank you.

Resolution 4 – Proxy votes (slide 51)

Before putting the motion, I will outline some specific voting instructions for this resolution.

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.

Further, I advise that proxies, representing 762,535,832 shares, were lodged in respect of this resolution with the following voting instructions:

> For – 756,705,703 shares, representing 99.24% of the votes cast.

> Against – 3,684,509 shares, representing 0.48% of the votes cast.

> Discretionary votes – 2,145,620 shares, representing 0.28% of the votes cast.

In order for the resolution to be passed, it must be approved by a simple majority of votes of those shareholders entitled to vote and voting on the resolution, in person or by proxy.

I will now put the motion. Can you please tick either the FOR or AGAINST box on your voting card to indicate the way you wish to vote on this resolution.

Closing slide (slide 52)

That completes voting on the resolutions. I will now ask for the voting papers to be collected in the boxes being circulated.

<<Pause for voting papers to be collected>>

The Registrar will complete the counting of the votes and PwC will complete their duties as scrutineer for the purposes of the poll. We will make an announcement on the results of the voting to the NZX once this process has been completed.

I now draw this meeting to a close. Thank you for your attendance and participation today. For your information, a copy of this presentation and our addresses are available on our website – so if you want to go back to look at anything again later – no problem, it will be there for you.

We invite you to now join us for refreshments at the side of the room.

> Ends

Contact us for further information

Chris Gudgeon
Chief Executive

chris.gudgeon@kp.co.nz
+64 9 359 4011
mobile +64 21 855 907

Mathew Chandler
Investor Relations and Communications Manager

mathew@acumentum.com.au
+61 458 110 042
direct +61 2 9519 5850

About us

Kiwi Property (NZX: KPG) is the largest listed property company on the New Zealand Stock Exchange and is a member of the NZX15 Index. We've been around for more than 20 years and we proudly own and manage a $3.0 billion portfolio of real estate, comprising some of New Zealand's best shopping centres and prime office buildings. Our objective is to provide investors with a reliable investment in New Zealand property by targeting superior risk-adjusted returns over time through the ownership and active management of a diversified, high-quality portfolio. Kiwi Property is licensed under the Real Estate Agents Act 2008. To find out more, visit our website **kp.co.nz**