

# Notice of Annual Meeting of Shareholders

The Annual Meeting of Shareholders of Marsden Maritime Holdings Ltd will be held at A' Fare, 197 Lower Dent Street, Whangarei on Tuesday 18 October 2016 at 11.00am.

## A. ORDINARY BUSINESS

### 1. Chairman's and Chief Executive's Report

To receive reports from the Chairman and the Chief Executive in respect of the year ended 30 June 2016, including consideration of the financial statements and the audit report.

### 2. Re-election of Directors

Pursuant to NZX Listing Rule 3.3.11 and regulation 7.8 of the Constitution of the Company, Sir John Goulter and Mr Peter Griffiths retire by rotation and being eligible, offer themselves for re-election. Accordingly, the following separate ordinary resolutions are proposed requiring a simple majority of votes by those shareholders entitled to vote and voting:

**Resolution 1: As an Ordinary Resolution:** That Sir John Goulter be re-elected as a Director of Marsden Maritime Holdings Limited.

**Resolution 2: As an Ordinary Resolution:** That Mr Peter Griffiths be re-elected as a Director of Marsden Maritime Holdings Limited.

For further details on the election of Directors, including profiles of Sir John Goulter and Mr Peter Griffiths, see the accompanying Explanatory Notes.

## B. SPECIAL BUSINESS

**Resolution 3: As a Special Resolution:** That the Constitution of the Company be amended in the manner described in the accompanying Explanatory Notes headed "Special Business – Amendment of Constitution", with effect from the close of business of the meeting.

## C. GENERAL BUSINESS

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

By order of the Board



Gavin Carroll

COMPANY SECRETARY

16 September 2016

## Proxies

A shareholder is entitled to attend the meeting and vote or may appoint a proxy who need not be a shareholder of the Company to attend and vote in the place of the shareholder. You may appoint the "Chairman of the Meeting" as your proxy. The Chairman intends to vote undirected proxies (where the Chairman has been appropriately authorised) in favour of Resolutions 1, 2 and 3.

A proxy form is enclosed and to be effective, it must be returned to the Company's Share Registrar, Computershare Investor Services Limited, together with any power of attorney (if applicable) by:

**Delivering it to:** Level 2, 159 Hurstmere Road, Takapuna, Auckland;

**Posting it to:** Private Bag 92119, Victoria Street West, Auckland 1142;

**Faxing it to:** +64 9 488 8787

In each case it must be received not later than 48 hours before the time of the meeting (by 11.00am 16 October 2016). Proxies received after that time will not be valid.

Pursuant to section 125 Companies Act 1993, the Board has determined that for the purposes of voting at the Annual Meeting, only those registered shareholders of the Company at 11.00am 16 October 2016, may do so.

Pursuant to section 19 of the Port Companies Act 1988 and section 14 of the Public Audit Act 2001, the Auditor-General is the Auditor of the Company.

# Explanatory Notes

## Ordinary Business

The ordinary business requires the passing of "Ordinary Resolutions" in respect to Resolutions 1 and 2. An Ordinary Resolution, to be passed, requires approval of a simple majority (more than 50%) of the votes cast on the resolution.

1. Under Regulation 7.8 of the Constitution and NZX Listing Rule 3.3.11, one third of the Directors or, if their number is not a multiple of three, then the number nearest to one-third, shall retire from office at the Annual Meeting each year, but are eligible for re-election at that meeting. The Directors to retire are those of the Directors who have been longest in office since their last election.
2. The directors retiring by rotation at the 2016 Annual Meeting are Sir John Goulter and Mr Peter Griffiths. Both offer themselves for re-election and are eligible without further nomination.
3. The Board has determined, in its view, both directors seeking re-election are Independent Directors (as defined in the NZX Listing Rules).
4. Pursuant to NZX Listing Rule 3.3.5, the Company issued a notice on 25 August 2016 advising a closing date for director nominations of 9 September 2016. No director nominations have been received.

## Special Business – Amendment of Constitution

The Special Business of amending the Constitution requires the passing of a "Special Resolution" in respect to Resolution 3. A Special Resolution, to be passed, requires the approval of a majority of 75% or more of the votes cast on the resolution.

### Introduction

- A. The existing constitution was adopted by the Company in 2006 when the Company operated under its prior name, Northland Port Corporation (NZ) Limited. The constitution needs to be amended to reflect the change of name to Marsden Maritime Holdings Limited. At the same time, the constitution can benefit from an updating to reflect:
  - relatively minor changes to the NZX Listing Rules (Listing Rules) since 2006;
  - the Company's consideration of the appropriate size of the Board; and
  - changes to the Companies Act 1993 which permit flexibility in certain aspects of the administration of companies, particularly in relation to the holding of meetings of shareholders.
- B. A copy of the constitution with the proposed changes marked up can be accessed by shareholders at [www.marsdenmaritime.co.nz/investors-area](http://www.marsdenmaritime.co.nz/investors-area)
- C. The changes proposed to the constitution are explained in the following paragraphs by reference to the regulation of the constitution which is subject to amendment:
  1. **Legislative Update:** Regulation 1.2(f) (the Interpretation section) of the constitution has been updated to remove reference to the Securities Act 1978 and to substitute the Financial Markets Conduct Act 2013 and the Financial Reporting Act 2013.
  2. **Incorporation of the Listing Rules:** Regulation 1.3 of the constitution, as required by the Listing Rules, deems the Listing Rules, and any modification to the Listing Rules to be incorporated, by reference, into the constitution. This provision has not changed but, in the interests of good governance amendments propose that the wording be expanded to make express the requirements of the Listing Rules which direct that a shareholder or director may not exercise a vote if prohibited from doing so by the Listing Rules.
  3. **Prohibitions of Voting:** Amendments have been proposed to Regulations 8.5 and 8.10 of the constitution for the same reason - to expressly state that directors may not exercise a vote if prohibited from doing so by the Listing Rules.
  4. **Bona Fide transactions in breach of the Rules:** Regulation 1.7 of the constitution protects bona fide transactions in those cases where the transaction may inadvertently have been entered into in breach of the Listing Rules. The amendment proposed to this regulation reflects a technical amendment to Listing Rule 3.1.2 which recognises that the breach may have arisen not by reason of an express breach of a Listing Rule, but by reason of the wording of the constitution which corresponds with a Listing Rule.
  5. **Shareholder Meetings – Advance of electronic technology:** In 2012, changes were made to the Companies Act 1993 in recognition of the advances in electronic communications which would enable companies to hold meetings remotely with shareholders or in combination with physical meetings of shareholders, by electronic means not contemplated at the time of the passing of the Companies Act in 1993. These changes are reflected in the amendments proposed for Regulation 6.7 of the constitution. These changes, if adopted, give rise to the need for consequential changes to the manner in which a quorum is determined in the case of a meeting held by these means and how voting may be conducted. These proposed consequential changes are dealt with in the amendments made to Regulations 6.8, 6.9, 6.11, 6.12 and 6.21 of the Constitution discussed below:
    - (a) The amendment to Regulation 6.8, as now permitted by the Companies Act, addresses the question of how a quorum is determined and provides that a shareholder who attends a meeting by electronic means is counted as part of the quorum of the meeting.

- (b) Given that shareholder meetings could be conducted remotely by electronic means or in combination with a physical meeting it is difficult to fix a rule on how voting is to be conducted. The amendment to Regulation 6.9(b), as permitted by the Companies Act, recognises this difficulty by permitting the Chairperson to determine how voting (other than on a poll) is to be conducted.
  - (c) The amendment to Regulation 6.11(c) recognises that notice of the appointment of a proxy may be given to the Company by electronic means (e.g. email).
  - (d) The amendment to Regulation 6.12 (postal voting) permits a postal vote to be conducted by electronic means approved by the Board.
  - (e) The addition of Regulation 6.21 adopts procedural rules when meetings are conducted by audio, audio and visual, or electronic communication means (e.g. a shareholder participating by any of those means complies with conditions imposed by the Board with regard to participation in the meeting).
- 6. Proxy Appointments:** Two amendments have been proposed for the proxy provisions:
- (a) Regulation 6.11(d), as amended, reflects a change introduced by the Companies Act which permits the appointment of more than one proxy provided that not more than one proxy exercises the rights to a particular share.
  - (b) Regulation 6.11(e), as amended, removes the requirement that the form of a proxy complies with a fixed format in favour of a more flexible process permitting the Board to determine the appropriate format.
- 7. Board Numbers:** The change to the permitted maximum number of directors in Regulation 7.1 reducing their number from 9 to 7 directors is a substantive policy change recommended by the Board. This change reflects the discussion at the 2013 Annual Meeting in which the shareholders expressed their view about the appropriate size of the Board. Pursuant to the Port Companies Act 1988, the Company must maintain a Board of not fewer than 6 directors.
- 8. Nominations to the Board:** Regulation 7.6 provides the procedure to be adopted for nominations to the Board. The amendment proposed reflects the current wording of Listing Rule 3.3.5. The change adds clarity to the nomination process.
- 9. Directors Meetings – Procedural changes in convening meetings:** The amendment proposed to Regulation 8.2 of the constitution recognises that the manner in which notice is given of a directors' meeting needs updating to remove forms of notice that are no longer appropriate (e.g. telegram, cable, etc), and to recognise that notices can be given electronically.
- 10. Voting at Board Meetings:** Two changes are proposed to the voting procedures at Board meetings:
- (a) Regulation 8.5(a) repeats, by way of reinforcement of the same statement in Regulation 1.3 (paragraph 2 above), that a director may not vote if precluded from doing so by the Listing Rules.
  - (b) Regulation 8.5(b)(i) is deleted as it is a drafting error. The Regulation restricts the exercise by the Chairperson of a casting vote in the case of an equality of votes when the quorum at a meeting is 2 directors only. Given that the quorum for a meeting of directors is 4 directors (Regulation 8.4(a)), this restriction is always redundant.
- 11. Interested Directors:** The amendment proposed to Regulation 8.10, in the context of an interest a director may have on matters before the Board, again reinforces the restriction on directors voting if precluded from doing so by the Listing Rules.
- 12. Definitional Change:** The amendment proposed to Regulation 9.3 which substitutes the words "Equity Securities Quoted" for "is Listed" reflects a minor change made to the wording of Listing Rule 3.5.1 since the existing constitution was adopted.
- 13. Payments to Directors on Cessation of Office:** Regulation 9.4(a) authorises a payment to a director in connection with his or her retirement or cessation of office only if the payment is authorised by a resolution of shareholders. The proposed amendment removes a redundant proviso to the Regulation which permits a payment without shareholder approval to a director who held office on or before 1 May 2004 on retirement or cessation of office. None of your directors held office on or before that date.
- 14. Auditor:** Regulation 12.1 states that an auditor must be appointed at each annual meeting. The proposed amendment adopts the change made to the Companies Act 1993 in 2013 which recognises that the appointment will generally be automatic. This is consistent with the overriding provisions of the Port Companies Act 1988 which stipulate that the Auditor-General is the auditor of the Company.
- 15. Accounts:** Regulation 14.1 requires the Board to prepare financial statements in accordance with the requirements of the Financial Reporting Act 1993. The changes proposed to this Regulation are an update which reflect the repeal of that legislation and the substitution of the Financial Reporting Act 2013 and the Financial Markets Conduct Act 2013.

## Candidate Profiles

### **Sir John Goulter** KNZM, JP

Sir John was first elected to the Board of Marsden Maritime Holdings Ltd in October 2011 and was appointed Chairman in November 2012.

Sir John has long-standing experience in both the public and private sectors in New Zealand. He currently acts as Chairman of the New Zealand Business and Parliament Trust, Metro Performance Glass Ltd and Northport Limited. He is a former Chair of the NZ Lotteries Commission and NZ Carriers Group; a former director of the Reserve Bank of New Zealand, Television NZ Limited, Vector Limited and was the inaugural Managing Director of Auckland International Airport Limited.

In 1999 Sir John was recognised as the New Zealand Herald Business Leader of the Year and in 2003 was appointed a Distinguished Companion of the New Zealand Order of Merit (DCNZM) for services to business and the community. This honour was re-designated as Knight Companion of the New Zealand Order of Merit (KNZM) in 2009.

Sir John is a graduate of Harvard Business School (Advanced Management Program), a Justice of the Peace and a Fellow of the New Zealand Institute of Management. He was inducted as a Laureate into the New Zealand Business Hall of Fame in 2003.

### **Peter Griffiths**

Mr. Griffiths is a professional Director and joined the Board in 2010. In 2009 he retired after 21 years with BP Oil NZ Ltd, the last 10 years, of which, he was Managing Director. He has previously served on the boards of NZ Refining Company Ltd, Liquegas Ltd, Wanganui Gas Ltd, NZ Oil and Gas Ltd and Bitumix Ltd.

He is currently a Director of Z Energy Group Ltd, Wings Over Whales (NZ) Ltd, NZ Diving and Salvage Ltd and their associated and subsidiary companies. He is also a Member of the Civil Aviation Authority and a Trustee of the NZ Business and Parliament Trust.

Mr. Griffiths holds a BSc (Hons) from Victoria University in Wellington.