

NOTICE OF ANNUAL MEETING

Notice is hereby given that the Annual Meeting of Shareholders of Methven Limited ("Company") for the period ended 30 June 2016 will be held at 10.00am on Wednesday 12 October 2016 at the offices of Simpson Grierson, Level 28, 88 Shortland Street, Auckland.

MEETING AGENDA

The business of the meeting will be:

A. The Chairman's Introduction

B. Chief Executive Officer's Address

C. Shareholder Discussion

D. Accounts

To receive and consider the financial statements for the period ended 30 June 2016, together with the directors' and auditors' reports.

E. Ordinary Resolutions

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

1. That the directors be authorised to fix the auditors' remuneration. See *explanatory note 1*.
2. That Richard Cutfield be re-elected as a director of the Company. See *explanatory note 2*.
3. That Phil Lough be re-elected as a director of the Company. See *explanatory note 2*.

F. Special Resolution

To consider and, if thought fit, to pass the following special resolution:

1. That the existing constitution of the Company be revoked and the Company adopt a new constitution in the form tabled at this Annual Meeting and signed by the Chairperson for the purpose of identification. See *explanatory note 3*.

G. Other Business

To consider any other matters which may properly be brought before the meeting.

VENUE ACCESS AND PARKING

Public parking is available in the Tournament Carpark at 71 Shortland Street or the Wilson Parking (located inside the Pullman Hotel) on the corner of Waterloo Quadrant and Princes Street.

By order of the Board of Directors



Phil Lough
Chairman
21 September 2016

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Voting by proxy

Any shareholder who is entitled to attend and vote at the meeting may appoint a proxy to attend and vote on their behalf (including to vote on any resolutions to amend any of the resolutions, on any resolution so amended, and on any other resolution proposed at the meeting (or any adjournment thereof)). A proxy need not be a shareholder of the Company. A body corporate shareholder may appoint a representative to attend the meeting on its behalf. You may appoint the Chairman of the meeting as your proxy. The Chairman will vote as directed in the proxy form appointing him as proxy. If no direction is given, the Chairman intends to vote in favour of all ordinary resolutions and the special resolution detailed in sections "E" and "F" of the Meeting Agenda above.

To appoint a proxy you have the option to do so online, by following the instructions on the reverse of the enclosed proxy form. Alternatively, you can complete and sign the enclosed Proxy Form and return it to the Company's Share Registrar, Link Market Services Limited, so that it is received no later than **10.00am on Monday 10 October 2016**.

Record date for voting

Voting entitlements for the Annual Meeting will be determined at 5:00pm on **Monday 11 October 2016**. Registered shareholders at that time will be the only persons entitled to vote at the meeting and only the shares registered in those shareholders' names at that time will carry a right to vote at the Annual Meeting. This does not limit the ability of eligible shareholders to appoint a proxy (or, if they are a company, a corporate representative).

Majorities required for approval

Ordinary resolutions require approval by more than 50% of the votes of those shareholders entitled to vote and voting on the resolution.

The special resolution requires approval by more than 75% of the votes of those shareholders entitled to vote and voting on the resolution.

EXPLANATORY NOTES

Note 1:

Ordinary Resolution 1: Auditor

PWC is automatically reappointed as the auditor of the Company under section 207T of the Companies Act 1993. This resolution authorises the Board to fix the fees and expenses of the auditor.

Note 2:

Ordinary Resolutions 2 to 3: Re-election of Directors

Under NZX Main Board Listing Rule 3.3.11, two directors must retire at the Annual Meeting but shall be eligible for re-election. Under this rule, Richard Cutfield and Phil Lough are required to retire as being the two directors longest in office. Both Richard Cutfield and Phil Lough, being eligible to do so, are seeking to be re-elected.

During their association with Methven, both Phil Lough and Richard Cutfield have developed a rich understanding of the business. The institutional knowledge they have acquired during their time is highly valued by the Company to provide balance to the perspective provided by the more recent Board appointments. The Board recognises the importance of diversity, independence and succession and

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sets out its independence evaluation criteria on page 38 of the Company's Annual Report. In addition, as part of the Company's ongoing assessment of skills needed to support Methven's growth ambitions and our overall succession planning, the Board has commenced the recruitment process for an additional Director to join the Board.

No nominations for directors were received from shareholders.

Phil Lough and Richard Cutfield's biographies follow and the biographies of all the Directors can be reviewed on the Company's website: <https://www.methven.com/nz/corporate/investor-information/board-directors-ceo>.

Phil Lough
Chairman

Phil joined the Board in September 2004. He brings to the table a wide range of skills and experience as an international exporter and marketer of primary and value add products. He is a former CEO of Sealord Group and Deputy Chief Executive of the Dairy Board and has had a hands-on role in guiding the international development of these global businesses. Phil is Chairman and Director of Port Nelson Limited, and is a Director of Livestock Improvement Corporation Limited and Genera Limited. He is a past Chairman of New Zealand Trade and Enterprise. He was awarded the Companion of the Order of New Zealand for services to business in the Queen's Birthday Honours' list in June 2008.

Richard Cutfield
Independent Director

Richard has been a Methven Group Director since March 2001, having led the management buy-out of Methven from Australian interests, and serving as Chairman until July 2008. Richard is an Executive Director of Most Excellent Holdings Limited, owner of international branded nursery products company phil&teds. Having previously served as phil&teds CFO and COO, he now heads the Most Excellent group's private investment vehicle. Prior to joining phil&teds in 2009, Richard spent 15 years as an Executive Director of Pencarrow Private Equity Ltd, a leading New Zealand based private equity investor. Richard is a shareholding Director of Formway Furniture Limited, Phil & Teds Most Excellent Buggy Company Limited and related companies, and Mojo Coffee Cartel. Richard is also an independent director of Vega Industries, and a number of smaller export-focused businesses in the Most Excellent Holdings portfolio.

The Board unanimously recommends that shareholders vote in favour of the re-election of Richard Cutfield as a director of the Company, and the re-election of Phil Lough as a director of the Company.

Note 3:

Special Resolution 1: Amending the Company's Constitution

The constitution of the Company was reviewed and adopted at last year's annual shareholders meeting. During the process, the NZ Shareholder's Association ("NZSA") proposed a number of further modifications to reflect what it considers to be best practice. The Company committed to undertake a further review to consider these recommendations. In conjunction with NZSA, the Company has now completed this second review and presents the amended constitution for adoption.

A copy of the existing constitution, a clean copy of the proposed new constitution and a marked up copy showing all changes made to the existing constitution by the proposed new constitution may be viewed on the Company's website: www.methven.com/corporate/investor-information/policy-documents. The NZX Listing Rules may be viewed on the NZX website: www.nzx.com.

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In accordance with Listing Rule 6.2.4, the proposed changes to the constitution have been approved by NZX.

In order of section reference, the key changes are listed below:

1. Share Certificates:

The proposed constitution removes references to the issuing of new share certificates in certain circumstances (at clauses 6.1(h) and 6.3(d) of the existing constitution). The law does not require a company listed with NZX to provide share certificates (the company's shares are transferred in accordance with the rules of a designated settlement system that does not require a share certificate for the transfer of shares). As such, the provisions in the existing constitution provided no further current benefit for shareholders.

2. Quorum Requirements at Meetings of Shareholders:

The quorum requirement in the existing constitution is five shareholders having the right to vote at the meeting present in person or by proxy, attorney or representative (clause 13.1(a)). The proposed constitution increases this threshold to at least five shareholders holding not less than ten percent of Shares having the right to vote at the meeting present in person or by proxy, attorney or representative to ensure greater protection for shareholders.

3. Voting:

- a. Chairperson's Casting Vote:** The proposed constitution removes the Chairperson's right to a second or casting vote at a shareholders' meeting (clause 13.11 of the existing constitution). As such, in the event of a tied vote, a resolution will fail.
- b. Postal Votes:** The proposed constitution allows votes at a shareholder's meeting to be cast by post (clause 13.11 of the proposed constitution). Postal votes are not provided for in the existing constitution. The Company would like to extend the options available for participation in a shareholder's vote to encourage wider shareholder participation.
- c. Proxy Form:** The proposed constitution amends the form of proxy to allow "abstain" and "discretion" as voting instructions in addition to "in favour of" and "against" (clause 14.2(d) of the proposed constitution).

4. Directors' Fees

- a. Remuneration of Directors:** The proposed constitution removes the Board's ability to authorise the payment of remuneration and other benefits to Directors upon or in connection with the retirement or cessation of office of a Director (clause 15.5(a) of the proposed constitution). Directors should be remunerated in full during the course of their directorship.
- b. Remuneration of Managing Director:** The proposed constitution removes the Managing Directors' eligibility for directors' fees from the Company. The Managing Director is remunerated as part of his/her employment as Group CEO.