



AUGUSTA

NOTICE OF ANNUAL MEETING

Augusta Capital Limited

Notice of Annual Meeting

Augusta Capital Limited (the Company or Augusta) gives you notice that the twelfth annual meeting of the shareholders of the Company will be held at The Northern Club, 19 Princes Street, Auckland on Tuesday 24 July 2018 at 2.30pm.

The business of the meeting will be:

Item A – Presentations

- (a) The Chairman and Managing Director's addresses to shareholders and shareholder discussion.
- (b) To receive and consider the Annual Report including the Financial Statements and the Auditor's Report for the year ended 31 March 2018.

Item B – Resolutions

1. Election of Director – Paul Duffy

Paul Duffy retires by rotation under NZX Main Board Listing Rule 3.3.11 and, being eligible, offers himself for re-election.

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Paul John Duffy be re-elected as a director of the Company."

A brief biography for Paul Duffy is set out in the Explanatory Notes on page 5.

2. Election of Director – Mark Petersen

Mark Petersen retires by rotation under NZX Main Board Listing Rule 3.3.11 and, being eligible, offers himself for re-election.

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Robert Mark Petersen be re-elected as a director of the Company."

A brief biography for Mark Petersen is set out in the Explanatory Notes on page 5.

3. Election of Director – Kevin Murphy

Kevin Murphy was appointed as a director by the Board in the period following the last Annual Meeting. Accordingly, he retires under NZX Main Board Listing Rule 3.3.6 and, being eligible, offers himself for election.

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Kevin James Murphy be elected as a director of the Company."

A brief biography for Kevin Murphy is set out in the Explanatory Notes on page 5.

4. Director Remuneration

In accordance with NZX Main Board Listing Rule 3.5.1, to consider and, if thought appropriate, to pass the following resolution as an ordinary resolution:

"That, with effect from 1 August 2018, an increase in the pool for directors' fees to \$553,000 per annum, be authorised and approved."

Further details on the proposed increase in the director fee pool is set out in the Explanatory Notes on page 5.

5. Re-appointment of Auditors

To record the re-appointment of EY as auditors of the Company and to consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That the board be authorised to fix the auditors' fees and expenses from time to time."

An explanation of the requirement for this resolution is set out in the Explanatory Notes on page 5.

Explanatory Notes

Explanatory Notes on the above resolutions are set out on the following pages.

Directors' Recommendation

The Directors unanimously recommend that you vote in favour of the resolutions.

Notice of Annual Meeting (continued)

Proxies

You may exercise your right to vote at the meeting either by being present in person or by appointing a proxy to attend and vote in your place. A proxy need not be a shareholder of the Company and may be the chair of the meeting. If you appoint the chair of the meeting as your proxy with a discretion as to how votes are cast, the chair will vote in favour of resolutions 1, 2, 3 and 5 and will abstain in respect of resolution 4. You may direct your proxy to vote, or give your proxy a discretion to vote how he/she sees fit. If you wish to give your proxy such discretion you should mark the box accordingly. If you do not mark any box then your direction is to abstain.

A proxy form is attached to this notice. If you wish to vote by proxy you must complete the form and produce it to the Company or its share registrar, Link Market Services so as to be received no later than 2.30pm on 22 July 2018.

Proxy forms can be sent to Link Market Services by the following methods:

ONLINE

Visit the Link Market Services Investor website:
<https://investorcentre.linkmarketservices.co.nz/voting/AUG>
and follow the prompts.

EMAIL

Scan and email to: meetings@linkmarketservices.com.
Please put "Augusta Proxy" in the subject line for easy identification.

MAIL

If mailing from New Zealand please use the reply paid envelope provided.

If mailing from outside New Zealand please affix the required postage and address to:

Link Market Services Limited,
P.O. Box 91976, Auckland 1142,
New Zealand

DELIVER

Link Market Services Limited,
Level 11,
Deloitte Centre,
80 Queen Street,
Auckland

By order of the Board

Paul Duffy
Chairman



3 July 2018

Explanatory Notes



Resolution 1

The approval of an ordinary resolution of the holders of the ordinary shares in the Company is required for Resolution 2 (i.e. a simple majority of votes cast at the meeting by shareholders entitled to vote and voting).

A brief biography of Paul Duffy follows:

Paul Duffy has over 35 years' experience in the property investment/development industry, including CEO/executive director of DNZ Property Fund (now named Stride Property) for 13 years. During his career, Paul held the position of general manager of Fletcher Property Limited and was joint managing director of US Real Estate Subsidiaries for the Abu Dhabi Investment Authority. In this role he oversaw the formation of a large real estate portfolio in the United States and Europe. Paul is currently a director of Asset Plus Limited, Leighs Construction and a number of other private companies. Paul is the chairman of Augusta Capital and Augusta Funds Management.

Paul has been a director of Augusta Capital since November 2015.

The Board considers Mr Duffy will be an Independent Director, if reappointed, and supports his re-election.



Resolution 2

The approval of an ordinary resolution of the holders of the ordinary shares in the Company is required for Resolution 1 (i.e. a simple majority of votes cast at the meeting by shareholders entitled to vote and voting).

A brief biography of Mark Petersen follows:

Mark is a professional director and corporate adviser who has worked in the commercial property sector for the past 35 years. Initially working as a registered valuer, Mark's background includes development management, project management and investment management. Mark was Managing Director of NZX listed Shortland Properties Limited from 1989 to 1999 and he is currently a director of CentrePort Limited, Wellington's container port company and its subsidiaries and is also an advisory Board member for Te Tumu Kainga, a trust administered by the Maori Trustee for the provision of affordable housing. Mark is a former director of Wellington Waterfront Limited, a former director of Australian property focused private equity funds which were established and managed by Grant Samuel and is a past Chair of the NZ Hockey Federation.

Mark has been a director of the Company since February 2015 and earlier this year was appointed the Chair of Augusta Industrial Fund Ltd.

The Board considers Mr Petersen will be an Independent Director, if reappointed, and supports his re-election.



Resolution 3

The approval of an ordinary resolution of the holders of the ordinary shares in the Company is required for Resolution 3 (i.e. a simple majority of votes cast at the meeting by shareholders entitled to vote and voting).

A brief biography of Kevin Murphy follows:

Kevin became a director of Augusta Funds Management on 29 March 2018. He was formerly the Managing Director of TSB New Zealand (until January 2018) where he helped grow a small regional bank into the sixth largest retail bank in New Zealand with assets in excess of \$7 billion.

During his time as Managing Director he also served as a director of Fisher Funds, Payments NZ and the New Zealand Banking Ombudsman. Mr Murphy is a Chartered Accountant and was previously the Vice President of Chartered Accountants Australia and New Zealand (CA ANZ).

The Board considers Mr Murphy will be an Independent Director, if reappointed, and supports his re-election.

Explanatory Notes (continued)

Resolution 4

This resolution seeks shareholder approval for an increase in directors' remuneration with effect from 1 August 2018. NZX Main Board Listing Rule 3.5.1 provides that no remuneration shall be paid to a director unless it has been authorised by an ordinary resolution of the Company's shareholders.

The current and proposed remuneration is expressed as an aggregate pool which is payable to all directors taken together.

With a fast growing company, increasing complexity and continued liability risk for directors in respect of making offers for investment to the public, the Board has

undertaken a review on the appropriate level of directors' remuneration, aimed at ensuring that the Company's director remuneration practices are consistent with market trends and its objective of attracting and retaining high calibre individuals as directors.

The Board proposes an increase in the pool for directors' fees from \$334,000 to **\$553,000** per annum.

The proposed pool allows for four non-executive directors. Any executive director does not receive any director fees in addition to their employee remuneration.

A breakdown of current and proposed director fees is:

Position	Current Fee	Proposed Fee	Proposed Increase (\$)	Overall Total
Chair	\$100,000	\$135,000	\$35,000	\$135,000
Non-executive director	\$55,000	\$75,000	\$20,000	\$225,000
Chair, Audit and Treasury Committee	\$6,000	\$10,000	\$4,000	\$10,000
Member, Audit and Treasury Committee	\$3,000	\$3,500	\$500	\$7,000
Chair, Risk and Compliance Committee	-	\$10,000	\$10,000	\$10,000
Member, Risk and Compliance Committee	-	\$3,500	\$3,500	\$3,500
Chair, Health and Safety Committee	-	\$8,000	\$8,000	\$8,000
Chair, Remuneration Committee	-	\$8,000	\$8,000	\$8,000
Member, Remuneration Committee	-	\$3,500	\$3,500	\$3,500
Chair, Due Diligence Committee	\$5,000	\$6,000 to \$20,000 per offering ¹	\$1,000 to \$15,000 per offering	\$100,000
Additional duties – review of offer documents where not chair of Due Diligence Committee	-	\$2,000 per offering per director ¹	\$2,000 per offering	\$36,000
		Total		\$553,000

¹ A maximum of six offerings during a year are assumed, with an overall cap of \$100,000 allowed for chairing due diligence committees. The amount payable to the Chair of each Due Diligence Committee will be determined by the Board after each offering.

The recommended fee pool was based on a market assessment by Strategic Pay Limited. The Executive Summary of Strategic Pay's report is attached. The assessment reviewed a number of comparative companies, including other listed property companies and companies with similar market capitalisations, as well as companies with similar asset and revenue sizes.

Directors' fees were last substantially reviewed in 2014, (with a small increase of \$30,000 in 2016 to allow for additional due diligence committees). There has therefore been no increase in base director fees since 2014.

In 2014, the company was responsible for total assets of approximately \$1.1 billion. Since that time, assets under management have grown to \$1.85 billion. The Board is also no longer responsible for overseeing single asset syndicates but currently has governance responsibilities in respect of two multi-asset funds (Asset Plus and Augusta Industrial Fund). Since 2014 there has also been further legislative change with the introduction of the Health and Safety at Work Act 2015 and greater understanding and development of the requirements of the Financial Markets Conduct Act 2013.

For these reasons, the Board considers that the proposed increases in remuneration are fair and appropriate as well as critical to recruiting high quality candidates as directors.

Under NZX Main Board Listing Rule 9.3.1, directors and their Associated Persons (as defined in the NZX Main Board Listing Rules) are precluded from voting in favour of this resolution. This does not however prevent a director who has been appointed as a proxy or voting representative by another person who is not disqualified from voting, from voting in respect of the shares held by that other person in accordance with the express instructions of that other person.

The approval of an ordinary resolution of the holders of the ordinary shares in the Company is required for Resolution 4 (i.e. a simple majority of votes cast at the meeting by shareholders entitled to vote and voting).

Resolution 5

EY are automatically re-appointed as auditors under section 207T of the Companies Act 1993. Resolution 5 authorises the Board to fix the fees and expenses of the auditors for the ensuing year. The approval of an ordinary resolution of the holders of the ordinary shares in the Company is required for Resolution 5 (i.e. a simple majority of votes cast at the meeting by shareholders entitled to vote and voting).



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