



## Annual Meetings 2017 Chairman and Chief Executive Address

### Slide 1 – Stride Property Group Annual Meetings 2017

#### Chairman's Introduction

Good afternoon ladies and gentlemen.

My name is Tim Storey, and I am an Independent Director and Chairman of Stride Property Limited and Stride Investment Management Limited, the two companies that comprise Stride Property Group.

On behalf of the Directors of each Board, the Chief Executive and the Executive Team, it's my great pleasure to welcome you to this year's annual meetings of shareholders.

As you know Health and Safety is a priority for the Stride Property Group, so in the unlikely event of an emergency during the meetings, we want to ensure everyone's safety. In the event of a fire, an alarm will sound. Please follow the instructions of Ellerslie staff to evacuate the building through the marked Fire Exits. Fire Exits are the doors to my right, look for the sign.

The assembly point is the lawn area in front of the Ellerslie stand. Staff will direct you to this area once you exit the building. The bathrooms are located to my left, out the door, in the hallway before the lifts. If we can be of any assistance to you please approach one of our team.

I would now like to introduce the other Directors and executives who are seated next to me.

We have:

- Jennifer Whooley, Chief Financial Officer and Company Secretary;

and independent Directors of Stride Property Limited and Stride Investment Management Limited:

- John Harvey, who is the Chairman of the Audit and Risk Committee;
- Michelle Tierney, who is standing with me, for re-election by rotation;
- David van Schaardenburg;
- Philip Ling, who was appointed to the Board in June 2017 and is standing for appointment
- Michael Stiasny; and
- Philip Littlewood, our Chief Executive.

## Annual Meetings 2017

We also have members of our Executive team here today:

- Roy Stansfield, General Manager, Retail
- Andrew Hay, General Manager, Commercial and Industrial

I also welcome:

- Stride Property Group's auditors, PricewaterhouseCoopers;
- the Group's solicitors, Bell Gully; and
- representatives of Computershare, the share registrar for Stride Property Group.

Moving to the formalities of the meetings, I note that Notice of the Meetings of Stride Property Limited and Stride Investment Management Limited was dispatched to shareholders and the Group's auditors on 22 August 2017.

I am pleased to confirm that we have a quorum present for each of the meetings and accordingly, I declare the Annual Meetings open.

## Slide 2 - Agenda

The order of events for this afternoon will be as follows:

- Shortly the Chief Executive and myself will provide a brief overview of Stride Property Group's financial and business performance.
- Following this, questions and comments from Shareholders will be taken in relation to the Annual Report and financial statements of Stride Property Group.
- We will then move to the formal business of the Meeting of Stride Property Limited to consider the one resolution proposed in the Notice of Meeting.
- We will then move to the formal business of the Meeting of Stride Investment Management Limited, to consider the five resolutions proposed in the Notice of Meeting.
- The process for discussion and voting on each of the resolutions, will be outlined at the appropriate time.
- And finally, we will attend to any general business and final questions.

At the conclusion of the Meetings, please join the Directors and Executive Team for light refreshments.

## Slide 3 – Chairman’s Address – Tim Storey

It is my great pleasure to stand here today, as Chairman of Stride Property Group, in what has been another exciting year. One of the Board’s key priorities, was the appointment of a new Chief Executive. I am pleased to formally welcome Philip Littlewood to his first shareholder annual meetings, as Chief Executive.

Since Philip’s appointment in June 2017, he has continued to add to the energy and momentum of Stride Property Group and I know he is looking forward to addressing you shortly.

## Slide 4 – Results

I would like to begin by commenting on the key results for Stride Property Group for the year ended 31 March 2017.

This has been a year where bold steps have been taken by the Group, that have delivered outstanding results for investors.

The decision to restructure our enterprise to form Stride Property Group and a new entity, Investore Property Limited, was a New Zealand first and set a new direction for the Group. That decision has resulted in significant growth in the Group’s real estate investment management business and confirmation of our leadership position in the New Zealand property sector.

At last year’s Annual Meetings, I expressed the Board’s view that the Stride Investment Limited management team had produced an exceptional result. Let me say that in the Board’s view, the management team has done it again. To do so in a year that also saw significant repositioning, is no small achievement.

The nature of that change has been well covered in previous announcements and within the business press. Nevertheless, it bears repeating that 2016 was a transformational year, with Stride Property Group listing under a “stapled” structure and setting a bold new direction for our business.

## Slide 5 – Stride Property Group

The new structure provides Stride Property Group with greater scope for three key aspects of the business:

- First, to grow its real estate investment management business;
- Second, to develop new opportunities for potential property sector investments; and
- Third, to leverage the specialist expertise that it has developed within the Group.

## Slide 6 – Highlights

The rationale for the restructuring and realignment of the Group has been endorsed by the results that have followed. We set ambitious forecasts for the year and delivered. To briefly summarise the outcomes:

- In the year ended 31 March 2017, Stride Property Group achieved a profit after income tax of \$56.9 million - \$25.9 million ahead of forecast, which largely related to a positive revaluation movement of the Stride portfolio.
- The Group recorded a distributable profit after income tax of \$37.7 million - \$400,000 ahead of forecast.
- A cash dividend of 9.96 cents per share was announced for the combined Stride Property Group.
- Stride Property Group also opened its Northwest Two development in Auckland in October 2016.
- In parallel with these highlights, was growth in the real estate investment management business.

While FY16 was a year of positioning the Group for sustained performance and growth, FY17 was about the execution and delivery of this promise. Philip will cover this in further detail in his address but I would like to briefly recap some of the key themes.

## Slide 7 – Stride Property Group

Stride Property Group, made up of Stride Property Limited and Stride Investment Management Limited, allows us to develop both the property investment business and real estate investment management business. This stapled share structure means you, our Shareholders, can hold interests in both types of business, while allowing each entity to focus on what it does best.

So what does Stride Property Limited do best? Put simply, it invests in quality New Zealand property investments.

Stride Investment Management Limited, on the other hand, is a specialist real estate investment manager. It manages the property portfolios of Stride Property Limited, Diversified NZ Property Trust and Investore Property Limited, of which Stride Property Limited holds a cornerstone 19.9% of the shares in Investore Property Limited and approximately 2% of the units in Diversified NZ Property Trust.

The three property investment entities have a clearly defined investment strategy and provide an ideal platform to accelerate Stride Property Group's growth as a leader in the New Zealand property sector.

Property investment and real estate investment property management are distinct, but complementary activities. The stapled structure of Stride Property Group gives you, our shareholders, the best of both worlds; a share in a broad range of property businesses, backed by the knowledge that each entity is well managed to pursue opportunities in its specific areas of expertise.

### Slide 8 – Vision

Our commitment is to continue to invest in and manage property portfolios that deliver market leading returns to our shareholders.

As a shareholder, you can expect to see an ongoing programme of strategic acquisitions, in keeping with our stated vision to build New Zealand's best performing listed property investment and management company, that invests in the best places, is managed by the best team and, most importantly, delivers the best performance.

We will continue to oversee this business in a way that fosters and values innovation, and protects and grows your investment.

### Slide 9 – Dividends – Q1 FY18

Today, the Boards of each company have approved a first quarter cash dividend for the year ended 31 March 2018.

For Stride Property Limited a dividend of 2.07 cents per share with imputation credits of 0.477 cents per share attached has been approved. For Stride Investment Management Limited, a dividend of 0.41 cents per share with imputation credits of 0.126 cents per share attached, has been approved.

This combined cash dividend of 2.48 cents per share is in line with the guidance as provided in the Stride's Explanatory Memorandum of 10 June 2016. The record date for both dividends will be 21 September 2017, with payments to shareholders being made on 29 September 2017. The Boards today also confirmed targeted dividends that would result in a combined cash dividend of 9.91 cps for the year ended 31 March 2018.

In conclusion, your Board has every confidence that Stride Property Group is well positioned for continued growth, which equates to shareholder value. We will continue to work diligently on your behalf to deliver market- leading growth and shareholder returns.

I will now hand over to Philip to take you through last year's operational highlights in more detail and to look ahead to our strategy, in the months and years ahead.

## Slide 10 – Chief Executive’s Address – Philip Littlewood

Thank you, Tim, and good afternoon, ladies and gentlemen.

I’m very proud to have been appointed Chief Executive this year after three years in my role at Stride as General Manager Investment Management. My plan is to build on the steps we have taken over recent years to take the Group successfully into the future.

## Slide 11 – Total Shareholder Return

As Tim stated, Stride Property Group’s aspiration is to be New Zealand’s leading property investor and manager by delivering on our purpose to invest in and manage portfolios of places that attract the highest demand and deliver market leading returns to shareholders.

Our vision is to have the best people, investing in and managing the best places, to deliver the best performance in the New Zealand property market. I am proud to say that we are delivering on this vision to you, our shareholders.

In the three years to 31 March 2017, we delivered an annual total return to shareholders of 16.6%, a full 3.2% higher than the overall NZX property sector return of 13.4%.

## Slide 12 – Strategy

Aligned to our vision, we have developed four strategic priorities in order to deliver market leading returns to you, our shareholders. These priorities are places, people, products, and performance and I will take you through each of these today.

1. Our first priority is **“Places”**. We carefully select, astutely invest in and manage outstanding places that reward everyone connected with them. Our selection of places leverages our investment, management, development and leasing expertise and experience, to deliver the best investments and deliver market leading returns to you, our shareholders. I will explain our portfolio of places in more detail later in this presentation.
2. Our second priority is **“People”**. We attract and retain people with deep industry knowledge who are discipline driven, people centred, fresh thinkers and nimble performers. We build great teams to create the environments our people will enjoy and prosper in. Since becoming Chief Executive in June, I am proud to say we have added some exceptional talent to our team - experienced people with deep industry knowledge, who are engaged in and motivated by our strategy. I am confident our new team provides the balance of entrepreneurship and excellence required to take our business to the next level.
3. Our third priority is **“Products”**. We create and manage sustainable investment products for our investors. These investments are structured with the right places, in the right way, for the right investors, and at the right time. As Tim mentioned earlier, we also co-invest in our products, to ensure we have a long term alignment with our investors.
4. Finally, **“Performance”**. We target high, long-term demand and consistently strong returns through varying market conditions.

## Annual Meetings 2017

By strengthening our focus on these four priorities and continuing to operate with entrepreneurial excellence at the forefront, we'll continue to deliver on our long term vision to be New Zealand's leading investor and manager.

In executing this strategy, we made great progress towards realising this vision last year. Transforming the business into separate investment and management entities has been key to setting the platform for future growth of our products and their portfolios.

### Slide 13 – Managed Portfolios

Let me now summarise our managed portfolios.

Stride Investment Management Limited, manages \$2.1 billion of investment property across three portfolios, one wholly owned portfolio and two investment management products.

In terms of our wholly owned portfolio, Stride Property Limited owns \$895 million of commercial property, comprising 27% office, 17% industrial, 9% large format retail and 47% retail centres.

Our current investment management products are Investore Property Limited, an NZX-listed company which exclusively owns standalone large format retail property totaling \$660 million, and Diversified NZ Property Trust, which owns four retail shopping centre assets totaling \$523 million. In aggregate, our externally managed funds totaled \$1.18 billion as at 31 March 2017, a \$1 billion increase on the prior year, including the \$374 million assets demerged from Stride Property Group during the year.

### Slide 14 – Stride Operating Revenue

Importantly, these portfolios provide both a diverse set of revenue streams, and a platform for future growth.

For the year ended 31 March 2017, revenue from the Stride wholly owned portfolio comprised 74% of total group revenue, our co-investments in Investore and Diversified Trust equated to 9% of total group revenue, while our investment management services contributed 17% of total revenue. We forecast our investment management business to take a growing share of revenue in this financial year, and are confident that this strategy will result in growing returns to shareholders.

### Slide 15 – Clear Strategy for Investment Management

We are focused on building a high performing, sustainable investment management business. When we founded Investore last year, we set it up with a clear strategy for our investment management business in mind:

- First, Investore has a defined single-sector investment mandate, investing solely in standalone large format retail;
- Secondly, Stride owns a cornerstone holding in Investore of 19.9%;



## Annual Meetings 2017

- Thirdly, Stride has committed to take its future exposure to the sector, in this case standalone large format retail property, through its cornerstone holding in Investore;
- Fourthly, Investore has a capital structure designed to hold investments specifically in this sector;
- Finally, we set it up to succeed and to that end Stride Investment Management Limited as manager was delighted to deliver a 4.3% uplift on dividend guidance in the year to 31 March 2017 for Investore's first set of annual results.

This framework provides an example of how we like to operate and the type of fund structure we see for the future – one with an enduring, quality investment structure that is purposefully designed to deliver a sustainable, single sector focused product both to its investors, and ultimately to you, our shareholders.

Our focus, over time, will be to continue to hold both a diversified set of investments in property across a range of funds, together with a high functioning and profitable investment management business that services these investments.

## Slide 16 – Investment Management Income

Crucially for our strategy, and as we signaled in our Annual Results release in May, gross revenue from our Investment Management business is forecast to be \$18.75 million in FY18, which represents growth of 43% on FY17, and most importantly forecast margin on revenue of approximately 35% to 45%.

When comparing this margin to the average property contract yield on the Stride portfolio of 7% as at 31 March 2017, it is clear that our strategy to grow our high-margin investment management business by applying a sustainable, long term approach, will deliver strong financial returns for shareholders.

I will now provide an overview of the activity for the year for the Stride portfolio.

## Slide 17 – Stride's Wholly Owned Portfolio

During FY17, our people completed 270 leasing transactions, which comprised 81% of Stride's 305,000 sqm wholly owned portfolio. This volume of activity represented a 35% increase on the prior year, and delivered like-for-like rental growth of 3.0%, an improvement on FY16's 2.7% increase. Importantly, we retained over three quarters of all tenants on lease expiry, an indication both of the demand for our places, and of the quality of our service to the tenants in our portfolio. These factors contributed to a net increase in the portfolio's value of \$22.4 million, or 2.7%.

## Slide 18 – Office Portfolio \$215 million

Our \$215 million office portfolio comprises a quarter of Stride's wholly owned portfolio, and is located in the key markets of Auckland and Wellington. This portfolio provides a diversified income stream from sources such as government agencies and leading corporates.

I am pleased to say that following recent leasing activity, as at 31 July 2017 there are no major lease expiries remaining in the year ending 31 March 2018, the portfolio was 99.8% occupied and the WALT had increased from 4.3 years as at 31 March 2017, to 5.0 years

### Slide 19 – Industrial Portfolio \$182 million

We are also an active player in the industrial market, owning a \$182 million portfolio of high quality properties, all located in Auckland. This market has seen significant value growth in recent time with quality places, like Stride's portfolio, highly sought after by investors and occupiers alike. As a result of this high demand and rental growth, the portfolio is well positioned to capture the benefits from the growing Auckland market. This demand was reflected in the value of our industrial portfolio, which grew by 7.7% in the year ended 31 March 2017. Following a particularly active start to this year, I am pleased to update you that we have renewed 19,000 sqm of space, taking our industrial portfolio WALT from 3.5 years as at 31 March 2017 to 3.9 years as at 31 July 2017.

### Slide 20 – 15 Rockridge Avenue, Auckland

We have a strong capability in industrial development, having developed over one third of our portfolio and have a number of exciting initiatives underway including 15 Rockridge Road, a \$16.5 million development in Penrose – a stone's throw from Auckland's main arterial routes. At just over 8,000 sqm this property is the final building forming part of a wider industrial estate wholly developed by Stride. On completion this estate will comprise six buildings, across almost 30,000 sqm, and with estimated value on completion of \$83 million. We are actively engaged with a number of interested parties to lease 15 Rockridge Road prior to its scheduled completion later this financial year.

In terms of future industrial development activity, we are currently working on options to redevelop our 5.2 hectare property at 9 Springs Road, East Tamaki, and we hope to be in a position to update you on this exciting opportunity within the next few months.

### Slide 21 – Retail Portfolio \$495 million

Finally, our retail portfolio was especially active last year. As at 31 March 2017, our retail portfolio, comprising both retail centres and standalone large format retail, was valued at \$495 million, a 1.8% uplift on the prior year. With 93% of our retail centre portfolio located in high growth regions of Auckland and Tauranga, and almost two thirds of this portfolio developed by us, we believe these assets are well positioned to deliver enduring demand over the long term.

### Slide 22 – NorthWest Stage Two Development

And we have been active in delivering high quality, contemporary development to meet this demand. The second stage of the NorthWest Shopping Centre, NorthWest Two, opened in October last year. If you haven't visited it yet, I recommend you do. Not only will you find 17 new shopping and dining experiences, you'll also experience a vibrant new community hub for the North and West of Auckland City.

## Annual Meetings 2017

That hub includes nearly four and a half thousand square metres of modern office space – enough for 300 workers, in addition to the 700 workers employed by the first stage of this development.

Most importantly, the delivery of this development has resulted in a marked increase in retail spending at the location, with total sales across both the shopping centre and including stage two in its first ten months of operation up 41% year on year to July 2017, and like-for-like sales for the shopping centre are up 14.1% for the three months to July 2017. We are confident that as development in and around this location continues to be delivered, NorthWest will be a clear beneficiary.

In relation to other future retail development projects, Wellington's Johnsonville Shopping Centre is owned 50:50 by Stride Property Limited and Diversified NZ Property Trust. We were pleased to have received a new resource consent for the centre approved by the City Council earlier this year. The design includes space for 120 specialty retailers and 900 carparks. We are confident that Countdown Supermarket will remain as an anchor tenant and we are now in negotiations with other key tenants. Once key tenant negotiations are concluded, and subject to acceptable commercial feasibilities, we will provide you with a further update.

I will now turn to the highlights of the 2017 financial year.

## Slide 23 – Capital Management

It is pleasing to see key financial and development goals being met throughout the year. That, coupled with prudent financial decision making, has placed Stride Property Group in good heart. At 31 March 2017, Stride Property had drawn bank facilities of \$347.5 million and interest rate hedging in place equivalent to 75% of drawn bank borrowings. The loan to value ratio was 38.8%, which sits at the lower end of our target of 38% to 42%, and well below our banking covenant limit of 50%.

All this places us in a strong position to continue with our growth-based activity in the current financial year. Opportunities exist for activity across all areas: real estate investment management, property development and property investment.

## Slide 24 – Total Dividend Per Share Growth

We are confident this activity will continue to deliver for our shareholders. Evidence of this is shown when comparing our 2016 Dividend of 10.75 cents per share to our forecast 2018 combined Stride Property Group and Investore Dividends of 11.78 cents per share, based on the 1 – for 4 distribution of Investore shares at the time of the Investore IPO, which in aggregate will represent 9.6% growth in Dividends to you, our shareholders, over a two year period – growth in returns that we are all very proud of.

You can be assured we will pursue those opportunities that align with our vision with energy and purpose. We will continue to build our expertise, develop greater insight and work with the entrepreneurial spirit that has become synonymous with Stride Property Group.

## Annual Meetings 2017

Finally, I cannot close without thanking the Board, the Executive and staff of Stride Property Group for demonstrating their faith in me to take the Group into the future as Chief Executive, but more importantly for their ongoing support as we continue to implement our strategy. Thank you to you all.

I will now hand back to Tim for the formal business of the meetings.

## Annual Meetings Formal Business – Tim Storey

### Slide 25 – Financial Statements

Thank you Philip.

Now to the formal business of the meetings.

I record that the Annual Report and audited financial statements for Stride Property Group for the year ended 31 March 2017 have been sent to Shareholders.

No resolution is required to be put to the meetings about the Annual Report or the financial statements, but we now have an opportunity to take questions from the floor regarding the Group's Annual Report and Financial Statements for the year ended 31 March 2017, or on the performance or management of the companies generally. Other issues can be addressed as General Business later in the meeting.

I would like to remind you that only shareholders, proxy holders or shareholder company representatives have a right to speak.

If you have a question, there are Stride representatives with cordless microphones in the aisles. Please put up your hand if you would like to ask a question and a microphone will be passed to you. In the interests of all those who want to ask a question, please keep your questions brief and please state your name and whether you are a shareholder, proxy holder or shareholder company representative.

### Slide 26 – Financial Statements -Q & A on Group Performance

Do I have any questions from the floor?

Thank you Ladies and Gentlemen.

## Slide 27 - Ordinary Resolution – Stride Property Limited

We will now hold the formal part of the Meeting and consider the resolutions set out in the Notice of Meetings. All items of business are ordinary resolutions and are required to be passed by a simple majority of votes and will be binding on the respective Board and Company if passed.

The resolutions for consideration today may only be voted on by shareholders (either in person or by postal vote), proxy holders, and shareholder company representatives.

As stated in the Notice of Meetings, voting on all resolutions will be by way of poll. On a poll, each person voting at the meeting and each shareholder who has cast a vote by proxy, has one vote for each share held. We will consider each resolution, and then vote on that resolution immediately after discussion has taken place, and before moving to the next resolution.

To cast your vote, you should tick one box, either “For” “Against” or “Abstain”, alongside each resolution on the Proxy Voting Form.

If you did not bring your voting form with you, you should have been given a voting form at the registration desk on arrival. If you require a voting form, please let one of the Computershare representatives know now, they are at the back of the room.

There are Stride and Computershare representatives in the aisles who have pens available if you require one to complete your proxy voting forms. After voting on each of the Resolutions, you should sign the Proxy Voting Form and place your Proxy Voting Form in one of the boxes which will be passed around the room after all of the Resolutions have been addressed.

If you are both a Shareholder, and a proxy holder or Shareholder company representative, please complete a separate voting form for yourself and each other Shareholder you represent.

The full text of each Resolution for voting on today is set out in the Notice of Meetings and will be voted on in the form proposed in the Notice of Meetings provided to shareholders.

I call the meeting of Stride Property Limited to order to consider a single resolution in relation to the Auditor’s Remuneration.

I have been provided with a record of the valid proxies received. Proxy votes have been received from 380 shareholders, who among them hold 121, 504, 725 million shares.

## Slide 28 - Resolution 1 – Auditor’s Remuneration

Resolution 1, I move:

“That the Directors be authorised to fix the remuneration of PricewaterhouseCoopers as auditor, for the ensuing year.”

Is there any discussion?

Thank you. Voting on this resolution will be by poll. Please tick the relevant box on your voting form in respect of this Resolution.

We will now temporarily adjourn the meeting of Stride Property Limited and I call the meeting of Stride Investment Management Limited to order to consider a resolution in relation to the appointment of auditors, three resolutions in relation to the appointment of Directors and a resolution in relation to Directors’ remuneration. .

## Slide 29 – Ordinary Resolutions – Stride Investment Management Limited

I have been provided with a record of the valid proxies received. Proxy votes have been received from 380 shareholders, who among them hold 121, 504, 725 million shares.

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

### Slide 30 – Resolution 1 – Auditor’s Remuneration

Resolution 1, I move:

“That the Directors, be authorised to fix the remuneration of PricewaterhouseCoopers as auditor, for the ensuing year.”

Is there any discussion?

Thank you. Voting on this resolution will be by poll. Please tick the relevant box on your voting form in respect of Resolution 1.

### Slide 31 – Resolution 2 – Re-election of Director

Resolution 2, I move

“That Michelle Tierney, who is eligible for re-election, be re-elected as a Director of Stride Investment Management Limited, pursuant to clause 22.3 of the constitution.”

As a reminder, if Michelle is re-elected as a director of Stride Investment Management Limited, she will also automatically be appointed as a director of Stride.

Is there any discussion?

Thank you. Voting on this resolution will be by poll. Please tick the relevant box on your voting form in respect of Resolution 2.



## Slide 32 - Resolution 3 - Re-election of Director

In relation to this resolution, I will step aside as Chairman of the Meeting, and John Harvey, the Chair of the Audit and Risk Committee will preside.

Thank you Tim.

Resolution 3, move:

“That Tim Storey, who is eligible for re-election, be re-elected as a Director of Stride Investment Management Limited, pursuant to clause 22.3 of the constitution.”

As a reminder, if Tim is re-elected as a director of Stride Investment Management Limited, he will also automatically be appointed as a director of Stride.

Is there any discussion?

Thank you. Voting on this resolution will be by poll. Please tick the relevant box on your voting form in respect of Resolution 3.

I will now hand you back to Tim.

## Slide 33 - Resolution 4 - Appointment of Director

Thank you John.

Resolution 4, I move:

“That Philip Ling, who was appointed as a Director of Stride Investment Management Limited on 26 June 2017, who is eligible for election, be elected as a Director of Stride Investment Management Limited.”

As a reminder, if Philip is appointed as a director of Stride Investment Management Limited, he will also automatically be appointed as a director of Stride.

Is there any discussion?

Thank you. Voting on this resolution will be by poll. Please tick the relevant box on your voting form in respect of Resolution 4.

## Slide 34 - Resolution 5 – Directors' Remuneration

I now draw your attention to Resolution 5. This relates to a proposal to increase the aggregate Directors' fee pool.

The Board's thinking on its approach to Director remuneration was signaled at the 2015 Annual Meeting of Stride (previously DNZ Property Fund Limited), where shareholders and the market were advised of the intention to review Directors' remuneration in 2017, with remuneration to be reviewed biennially.

In proposing to increase Directors' remuneration, the Board sought independent advice, from board and executive consultants Egan Associates, for analysis on current Directors' fees, compared to companies which have a similar scale of operation and level of complexity to Stride Property Group.

Given the unique nature of Stride as a stapled security, it was appropriate to engage an Australian based expert, where the more complex stapled structure is more commonly used and understood. Egan Associates, undertook analysis of both comparable NZX and ASX group companies and this was the basis for its recommendations.

This approach acknowledges the complexity of a stapled entity, the differing business models and differing areas of focus for Directors.

Consistent with the best practice recommendations of the new NZX Corporate Governance Code issued earlier in the year, a copy of the independent analysis, has been made available to shareholders, through our website.

An appropriate fee structure is important to ensuring that Stride Property Group is able to continue to attract and retain the right directorial skills and experience to govern its diverse business operations and that Directors are being fairly remunerated for the work they undertake. The proposed increase of 5.9% for Directors (other than the Chairman), more accurately aligns Directors' remuneration to the market. It is further noted that while the majority of other NZX/ASX companies remunerate Directors with additional fees for service on Board committees, this approach has not been proposed, except for the Chairman of the Audit and Risk Committee. The Board felt it appropriate to recognise the additional responsibilities associated with this role, and therefore is proposing a separate fee of \$10,000 per annum, for this essential governance function.

Consistent with best practice, the Board is conscious of the obligation to ensure Directors' fees are set and managed in a manner which is fair, flexible and transparent. In providing additional detail around the allowance for additional work and attendance, which is the provision of \$145,000, this headroom is for the sole purpose of significant extra attendance and work by Directors. This pool would not be used as a means to increase base Directors fees, we would come back to shareholders, for approval for that. The Board recognises that a consistent approach to Director remuneration reviews and transparency of fees paid is important to shareholders, and hence intends to continue to carry out reviews of Directors' remuneration on a two yearly cycle, with any proposed change to be presented to shareholders for consideration.

## Annual Meetings 2017

The Notice of Meeting sets out in further detail, the proposed changes to the remuneration structure, which if passed, will take effect from 1 September 2017.

We will now consider Resolution 5. I move:

“That, with effect from 1 September 2017, the aggregate Directors’ fee pool for Stride Investment Management Limited, pursuant to Listing Rule 3.5.1(a), be increased by \$50,000 from \$710,000 to \$760,000.”

Is there any discussion?

Thank you, voting on this resolution will be by poll, please tick the relevant box on your voting form in respect of Resolution 5.

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

Due to the number of votes to be counted, the votes collected at this meeting will be added to those received from proxies, and the results will be compiled by the registrar, Computershare. The results will be provided to the NZX, and published on the Group’s website after the meeting.

If you haven’t already done so, please complete your Proxy Voting Form on each of the Resolutions.

As Voting is by way of poll, boxes to collect your Proxy Voting Forms are now being passed around the room.

Before you put your Proxy Voting Form in one of the boxes that are being passed around, please ensure the Proxy Voting Form is signed.

Please don’t hesitate to ask for a pen.

If anyone is unsure about these instructions please approach a Computershare representative. They will be happy to help you.

All Proxy Voting Forms should now be in the boxes which have been passed around the room.

The votes that have been cast will be counted by the Group’s share registrar, Computershare, and scrutinised by the Group’s Auditor. The results of the voting at today’s meeting will be released to the NZX on the completion of verification of the voting.

## Slide – 35 General Business

We will now reconvene the combined part of the meetings and move on to general business, and open the floor for questions or comments.

Again, I ask that in addressing the Chair with questions, would you please state your name and advise whether you are a Shareholder, a proxy holder or a Shareholder company representative.

I would like to remind you that only Shareholders, proxy holders or Shareholder company representatives have a right to speak.

## Chairman's Closing

That completes the annual meetings of Stride Property Limited and Stride Investment Management Limited. Thank you everyone for your attendance and participation this afternoon.

I formally declare these meetings closed. Please join us now for refreshments.

Ends

### For further information please contact:

Tim Storey, Chairman, Stride Investment Management Limited / Stride Property Limited  
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*A Stapled Security of the Stride Property Group comprises one ordinary share in Stride Property Limited and one ordinary share in Stride Investment Management Limited. Under the terms of the constitution of each company, the shares in each can only be transferred if accompanied by a transfer of the same number of shares in the other.*

*Stapled Securities are quoted on the NZX Main Board under the ticker code SPG. Further information is available at [www.strideproperty.co.nz](http://www.strideproperty.co.nz) or at [www.nzx.com/companies/SPG](http://www.nzx.com/companies/SPG).*