



MAINFREIGHT 2017 ANNUAL MEETING OF SHAREHOLDERS

*Notice of meeting & explanatory notes*



# NOTICE OF MEETING

Notice is given that the annual meeting of shareholders of Mainfreight Limited will be held at 4.00pm on Thursday 27 July 2017 at the Barrel Hall, Villa Maria Estate, 118 Montgomerie Road, Mangere, Auckland.

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## *Agenda*

### **CHAIRMAN'S ADDRESS**

### **GROUP MANAGING DIRECTOR'S ADDRESS**

### **ANNUAL REPORT**

To receive and consider the annual report of the Company for the year ended 31 March 2017, including the financial statements for that year and the directors' and auditor's reports to shareholders.

### **RESOLUTIONS**

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

#### **1. Election of Director**

That Kate Parsons, having been appointed as a Director of the Company by the Board on 1 January 2017, and being eligible and having offered herself for election, be elected as a Director of the Company (see explanatory note).

#### **2. Election of Director**

That Sue Tindal, having been appointed as a Director of the Company by the Board on 1 January 2017, and being eligible and having offered herself for election, be elected as a Director of the Company (see explanatory note).

#### **3. Re-election of Simon Cotter**

That Simon Cotter, who retires by rotation at the annual meeting and is eligible for re-election, be re-elected as a Director of the Company (see explanatory note).

#### **4. Re-election of Bryan Mogridge**

That Bryan Mogridge, who retires by rotation at the annual meeting and is eligible for re-election, be re-elected as a Director of the Company (see explanatory note).

#### **5. Directors' Remuneration**

That the Directors' fees payable annually by the Company be increased, with effect from the commencement of the current financial year by \$224,000 from \$680,000 to \$904,000; such sum to be divided among the Directors as the Directors from time to time deem appropriate.

#### **6. Auditor**

That the Directors be authorised to fix the fees and expenses of the auditor.

### **OTHER BUSINESS**

To consider any other matters that may lawfully be considered at the meeting.

BY ORDER OF THE BOARD



**BRUCE PLESTED**  
CHAIRMAN  
27 JUNE 2017

# EXPLANATORY NOTES

## *Proxy Vote:*

A shareholder entitled to attend and vote at the annual meeting is entitled to appoint a proxy to attend and vote instead of that shareholder. The proxy need not be a shareholder of the Company.

To be effective, the proxy form (enclosed with this notice of meeting) must be received at the registered office of the Company or by the share registrar of the Company, Computershare Investor Services Limited, Private Bag 92119, Auckland 1142, New Zealand not later than 48 hours before the start of the annual meeting in accordance with the instructions on the proxy form. A shareholder may also appoint a proxy online as per the instructions on the proxy form.

A corporation which is a shareholder of the Company may appoint a person to attend the annual meeting as its representative in the same manner as that in which it would appoint a proxy.

## *Resolutions 1 and 2:*

### **ELECTION OF DIRECTORS**

Under NZX Main Board Listing Rule 3.3.6, a Director appointed by the Board may hold office only until the next annual meeting of the Company, but is eligible for election at that meeting.

Kate Parsons and Sue Tindal were appointed by the Board as Directors of the Company on 1 January 2017. Pursuant to NZX Main Board Listing Rule 3.3.6. and both being eligible and having offered themselves for election, Kate Parsons and Sue Tindal are each seeking election as a Director at the annual meeting.

### **Kate Parsons**

Kate Parsons has over 20 years' finance experience in a number of industries both in New Zealand and overseas. After living and working abroad for eight years, Kate returned to New Zealand and became involved in the New Zealand technology sector. With a passion for high tech and high growth New Zealand success stories, Kate has held CFO roles with Endace (a global player in security software and network monitoring), PowerbyProxi (a company which designs and develops wireless power solutions) and more recently, Compac Sorting Equipment Limited (a designer and manufacturer of high tech fruit sorting and grading equipment).

Kate has extensive experience in steering companies through significant growth and change – both in the private and public domains – having successfully navigated Endace through a large and complex acquisition by Emulex Corporation in 2013 and more recently, the acquisition of Compac by publicly listed Norwegian company, Tomra Systems, ASA.

The Board recommends that Kate Parsons be elected as a Director of the Company. The Board considers that Kate Parsons qualifies as an independent Director under the provisions of the NZX Main Board Listing Rule 3.3.2.

### **Sue Tindal**

Sue Tindal is an accomplished business executive, with experience spanning public and private sector roles in New Zealand, Australia, Asia, Europe and the US with industry sector expertise in government, financial services, electricity and energy sectors. Sue currently holds the role of

Group CFO for Auckland Council (the largest local government organisation in the southern hemisphere). Sue is a Fellow of the Certified Practising Accountants of Australia and a Member of both the New Zealand and Australian Institutes of Directors.

Sue counts among her skills: strategic leadership across complex issues, strong influencing and communication skills, extensive knowledge of global markets, a focus on collaboration and developing teams – all underpinned by an unquestionable standard of ethics and integrity.

The Board recommends that Sue Tindal be elected as a Director of the Company. The Board considers that Sue Tindal qualifies as an independent Director under the provisions of the NZX Main Board Listing Rule 3.3.2.

### ***Resolutions 3 and 4:***

#### **RE-ELECTION OF DIRECTORS**

Simon Cotter and Bryan Mogridge retire by rotation at the annual meeting in accordance with NZX Main Board Listing Rule 3.3.11 and, both being eligible for re-election, offer themselves for re-election. Brief biographical notes of the Directors seeking re-election are as follows:

##### **Simon Cotter**

Simon Cotter is an independent Director of Mainfreight, having first been appointed as a Director of the Board in 2013. Prior to joining the Board, Simon had a lengthy association with Mainfreight through his role with Grant Samuel & Associates, providing advice to the Company in relation to its M&A

activities since 2003. His strong financial skills and business acumen are highly regarded at the Board table.

The Board recommends that Simon Cotter be re-elected as a Director of the Company. The Board considers that Simon Cotter qualifies as an independent Director under the provisions of the NZX Main Board Listing Rule 3.3.2.

##### **Bryan Mogridge**

Bryan Mogridge is an independent Director of Mainfreight, having first been appointed as a Director of the Board in 2003. Bryan's intellect and breadth of experience (both in executive and board roles) are evidenced by his sound practical guidance which is valued highly both by his fellow directors and the Company's management team.

The Board recommends that Bryan Mogridge be re-elected as a Director of the Company. The Board considers that Bryan Mogridge qualifies as an independent Director under the provisions of the NZX Main Board Listing Rule 3.3.2.

### ***Resolution 5:***

#### **DIRECTORS' REMUNERATION**

At the July 2011 annual meeting of shareholders, the ceiling for Directors' annual remuneration was set at \$680,000.

The Company's Directors received no increase in remuneration in the period from July 2011 to April 2016, despite there being headroom (due to the reduction from eight board members to six in that time). During that period, the growth of the Company has placed greater

demands on the Directors with additional time required for travel and attendance to the broader scope of the Company's operations.

Accordingly, Directors' fees were increased during the 2017 financial year to \$113,000 per annum for each Director, and \$226,000 per annum for the Chairman of the Board, bringing total Directors' remuneration to \$678,000 per annum.

With the appointment of Kate Parsons and Sue Tindal with effect from 1 January 2017, the Board is once again comprised of eight Directors.

A shareholder resolution is required to approve any increase in the aggregate annual amount of Directors' Fees. It is proposed that the aggregate annual amount of Directors' Fees is increased by \$224,000 to a total of \$904,000. This increased sum takes into account the two additional Directors and will be divided among the Directors as the Directors from time to time deem appropriate. It is currently proposed that the aggregate annual amount of Directors' Fees will be divided as follows:

Chairman	\$226,000
Directors – 6* x \$113,000	
<i>* The Group Managing Director does not receive Director's fees</i>	\$678,000
<b>New Aggregate Annual Amount Proposed for Directors' Fees</b>	<b>\$904,000</b>

The proposed increase in Directors' Fees brings the level of remuneration to that which is comparable to similar sized listed companies. (Shareholders may be assured that a Mainfreight directorship is no sinecure; a significant contribution is required from the Company's Board of Directors in terms of time, effort, and ongoing familiarisation with the intricacies of the Company's expanding business).

The Directors recommend that shareholders vote to approve Resolution 5. Pursuant to NZX Main Board Listing Rule 9.3.1, each Director who is intended to receive a payment or benefit from the approval of Resolution 5 (which excludes the Group Managing Director who does not receive director's fees), or any person who is an Associated Person of such a Director (as that term is defined in the NZX Main Board Listing Rules), will not exercise his or her shareholding vote, or discretionary proxy vote, on Resolution 5 at the Annual Meeting.

## ***Resolution 6:***

### **AUDITOR**

EY is automatically reappointed at the annual meeting 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.

The Directors recommend that shareholders vote to approve Resolution 6.

# ANNUAL MEETING OF SHAREHOLDERS: MEETING DETAILS

**Venue:** Barrel Hall, Villa Maria Estate,  
118 Montgomerie Road, Mangere,  
Auckland

**Date:** Thursday, 27 July 2017

**Time:** 4.00pm



For those shareholders wishing to travel by public transport to and from the meeting, the following arrangements are available:

- > Make your own way to the Ferry Building, 99 Quay Street, Downtown Auckland.
- > A private bus will depart from the Queen's Wharf collection point (beside the Ferry Building) at 3.00pm promptly, to transfer shareholders to the meeting.

Return details:

- > A private bus will depart from Villa Maria at 6.00pm and return to the Ferry Building, Downtown Auckland

If you would like to use this transport option, please register by contacting Nikki Cooper by Friday, 21 July 2017:

- > Telephone: 09-259 5511
- > Email: [nikki@mainfreight.com](mailto:nikki@mainfreight.com)

## ***Registered & Administration Office***

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