

## THE WAREHOUSE GROUP LIMITED

Minutes of the Annual Meeting of The Warehouse Group Limited held on Friday 24 November 2006 at 10.00am in the Newmarket Room, Ellerslie Event Centre, Ellerslie, Auckland.

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### Directors in attendance

K R Smith (Chairman)	I Morrice
J R Avery	J L Smith
S R Tindall	G Evans
J C Dahlsen	

The meeting opened with a short video on progress and achievements in the past year. This was followed by a welcome and introduction from Keith Smith, chairman of The Warehouse Group Limited (“the Company”)

### Notice of Meeting

*Moved: Keith Smith*

*That the Notice of Meeting which was circulated within the statutory period to all shareholders be taken as read:*

*Seconded: Mr Stephen Tindall*

*Carried on a show of hands.*

The Chairman reported that valid proxies representing 80.3% of shares had been received.

### Apologies

There was an apology from Rob Challinor who was unable to attend due to a recent illness.

*Resolved to sustain the apology.*

### Minutes of the previous Annual Meeting held on 25 November 2005

Mr Smith advised that the minutes had been approved as a true and correct record by the Directors at the first board meeting following the last annual meeting. The minutes were posted on the company website in February 2006.

### Shareholder Questionnaire

The Chairman invited shareholders to complete a shareholder questionnaire that has been distributed to those attending today’s meeting.

### Annual report

Before tabling the financial statements, Mr Smith addressed the shareholders providing an overview of the 2005/06 financial year, the sale of the Australian business, improvements in both The Warehouse and Warehouse Stationery from source to shelf, new format stores, recent developments in the ownership of the company, capital management, corporate governance and the trading outlook for the year. The Chairman also commented on the trading for the three months ended 29 October 2006. (*Copies of the speeches and presentation were issued to the NZX and ASX at 9.42am and were available from the company’s website*).

Mr Smith introduced Ian Morrice, Group CEO to shareholders. Mr Morrice updated shareholders on the four priorities and reported that the company had made sound progress against each of these this year.

Ian Morrice then introduced Gary Rohloff, CEO of Warehouse Stationery.

Gary Rohloff, outlined to shareholders the progress that Warehouse Stationery was making in its transformation and closed with an outline of the new format store being tested at Wairau Park, which will be the template for stores in the future.

Ian Morrice concluded this part of the meeting with an outline of the three key areas of focus for the group, being improving sales performance, improving margin performance and investing to improve customer service.

Mr Morrice reported that the company was continuing to experience patchy consumer demand. He noted that this was likely to see increased promotional intensity to stimulate demand as the year progresses. He concluded that the focus remains on driving growth ahead of the market in spite of these more difficult macro conditions.

Mr Smith said before taking questions on the report and financial statements, the company was aware there may be questions regarding Stephen's ownership intentions. The board had no information other than that which has already been disclosed by Stephen Tindall on 30 October 2006. Mr Smith reminded shareholders that the purpose of this meeting is to deal with issues that the company can determine, and not those of an individual shareholder.

There were no questions on the financial statements and the Annual report.

#### **Directors and attendees**

The chairman introduced the directors and attendees at today's meeting.

#### **Rotation of Directors**

##### Rotation of Directors

Mr Smith reported that in accordance with the constitution of the company, J R Avery, R L Challinor and J L Smith retire by rotation and all being eligible offered themselves for re-election.

J R Avery and J L Smith each gave a brief outline of their background and reasons why they were seeking re-election to the Board. Keith Smith read a statement from R L Challinor supporting his re-election to the company.

#### **Resolution 1 – re-election**

*Moved: Keith Smith:*

*That Ms Janine L Smith, a Director appointed during the year to fill a casual vacancy, be, and is hereby elected a Director of the company*

*Seconded: Mr Bob Rowsell*

*Carried on a show of hands*

#### **Resolution 2– re-election**

*Moved: Keith Smith:*

*That Mr John R Avery, a Director retiring by rotation, be, and is hereby elected a Director of the company.*

*Seconded: Mr Bob Rowsell*

*Carried on a show of hands*

### **Resolution 3– re-election**

*Moved: Keith Smith:*

*That Robert L Challinor, a Director retiring by rotation, be, and is hereby elected a Director of the company.*

*Seconded: Mr Graeme Macdoanld*

*Carried on a show of hands*

### **Resolution 4 - Auditors**

PricewaterhouseCoopers is automatically reappointed as auditor under section 200 of the Companies Act 1993. The resolution tabled authorises the Board to fix the fees and expenses of the auditor.

*Moved: Keith Smith*

*To authorise the Directors to fix the remuneration of PricewaterhouseCoopers as auditor for the ensuing year.*

*Seconded: Mr Graeme Macdonald*

*Carried on a show of hands*

### **Resolution 5**

*Moved: Mr David Levene*

*That the total Directors' remuneration be increased from \$489,000 per annum to \$650,000 per annum, such amount to be divided amongst the Directors as they consider appropriate.*

*Seconded: Mr Graeme Macdonald*

*Mr Macdonald spoke in support of the resolution*

*Carried on a show of hands*

### **General Business**

Mr Smith reported that the company received a shareholder proposal to limit store size to 3,500 square metres in towns or cities with a population of less than 75,000. The proposal was received outside the period for inclusion in the notice of meeting. The Chairman would write to the shareholder advising them of this and the company's view of the proposal.

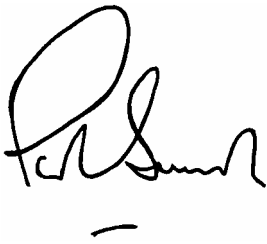
Ian Morrice answered a question in relation to Lotto and tobacco. Mr Morrice said the company was testing Lotto in a small number of stores to assess viability of this service. The company does not sell tobacco in any of its formats and that this stage the company had no intentions to retail tobacco.

A representative of the NZ Shareholders Association, Mr Jamieson, asked Mr Tindall about progress he was making in assessing his ownership options. Mr Tindall said he was continuing to assess his position, making sure his decision was in the best interests of shareholders, customers and team members. Mr Tindall said no further update could be provided at this time.

Mr Brook (a shareholder) observed that he considered the presentation today was lacklustre but congratulated Ian Morrice and the other directors on the progress being made in the company. Mr Brook also expressed disappointment that Mr Tindall had tried to privatise The Warehouse.

There was no other comment from shareholders about the format or content of the presentations. Mr Morrice responded that there was plenty of passion and emotion in his management team and if that had not come across in the presentation that was something the company would look at when it considers the format of next years Annual Meeting.

Mr Smith thanked the shareholders for their attendance and declared the meeting closed at 11.07am.  
Signed a true and correct record

A handwritten signature in black ink, appearing to read 'Keith Smith', with a horizontal line underneath it.

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Keith Smith, Chairman  
The Warehouse Group Limited

Dated: 8 March 2007

## Annual Shareholders' Meeting Voting Results

### 1. To re-elect Janine Laurel Smith as a Director.

Result: Passed by show of hands

Proxy Information: The total number of proxy votes exercisable by all proxies validly appointed on this resolution were 247,407,306.

Instructions in respect of these proxies were:  
For: 246,957,299  
Against: 27,071  
Abstain: 116,197  
Discretion: 306,739

### 2. To re-elect John Richard Avery as a Director.

Result: Passed by show of hands

Proxy Information: The total number of proxy votes exercisable by all proxies validly appointed on this resolution were 247,407,306.

Instructions in respect of these proxies were:  
For: 245,973,744  
Against: 1,010,596  
Abstain: 117,427  
Discretion: 305,539

### 3. To re-elect Rob Lanhan Challinor as a Director.

Result: Passed by show of hands

Proxy Information: The total number of proxy votes exercisable by all proxies validly appointed on this resolution were 247,407,306.

Instructions in respect of these proxies were:  
For: 246,963,553  
Against: 19,997  
Abstain: 118,217  
Discretion: 305,539

### 4. To authorise the Directors to fix the remuneration of PricewaterhouseCoopers as auditor for the ensuing year.

Result: Passed by show of hands

Proxy Information: The total number of proxy votes exercisable by all proxies validly appointed on this resolution were 247,407,306.

Instructions in respect of these proxies were:  
For: 246,952,740  
Against: 18,675  
Abstain: 133,357  
Discretion: 302,534

### 5. That the total Directors' remuneration be increased by \$161,000 from \$489,000 per annum to \$650,000 per annum, such amount to be divided amongst the Directors as they consider appropriate.

Result: Passed by show of hands

Proxy Information: The total number of proxy votes exercisable by all proxies validly appointed on this resolution were 247,407,306.

Instructions in respect of these proxies were:  
For: 90,215,697  
Against: 250,475  
Abstain: 156,618,115  
Discretion: 323,019