

# Invitation to the 2011 Annual Meeting of Shareholders

thewarehouse //  
*where everyone gets a bargain*

31 October 2011

Dear Fellow Shareholder

It is my pleasure, on behalf of the Board, to invite you to the 2011 Annual Meeting of Shareholders of The Warehouse Group Limited. The meeting will take place in the Guineas Ballroom, Ellerslie Event Centre, 80–100 Ascot Avenue, Greenlane East, Auckland, New Zealand on Friday 25 November 2011 at 10.00am (New Zealand time).

Group Chief Executive Officer Mark Powell and I will comment briefly on the performance of the company during the year to 31 July 2011, and provide you with an overview of the company strategy.

Agenda items for this meeting relate to the election and re-election of Directors, authorisation for Directors to fix the fees and expenses of external auditors and an increase in Directors' remuneration.

In accordance with the requirements of the relevant listing rules, Ted van Arkel who was appointed a Director by the Board on 1 July 2011 is standing for election, Keith Smith and Robert Challinor retire by rotation and Keith Smith offers himself for re-election. The Board unanimously supports the election of Ted van Arkel and re-election of Keith Smith. You can read about their backgrounds in the Explanatory Notes to the Notice of Annual Meeting attached to this letter.

A review of Directors' remuneration has been undertaken and you will also be asked to vote on an increase in Directors' remuneration from \$650,000 per annum to \$750,000 per annum. This increase will provide the company with the ability to attract and retain high quality Directors as the Board implements its succession plan.

Your Directors make no recommendation in relation to the proposed increase due to the Directors' personal interest in the resolution.

All shareholders will have a reasonable opportunity at the meeting to ask general questions and make comments on the financials, business, operations and management of the company. You will also be able to ask relevant questions of the auditor's representative.

We recognise the importance of questions, and so invite you to submit them in advance of the meeting by emailing your questions to [asktheboard@thewarehouse.co.nz](mailto:asktheboard@thewarehouse.co.nz) or by writing to the Company Secretary, The Warehouse Group Limited, P O Box 33470, Takapuna, Auckland 0740, New Zealand. I will collate the main themes of the questions and respond to them at the meeting.

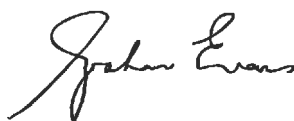
If you cannot attend but have access to the internet, you may wish to listen to the meeting live by web cast on [www.thewarehouse.co.nz](http://www.thewarehouse.co.nz). A recording of the meeting will be available on our website after the meeting concludes.

If you are unable to attend the meeting, I encourage you to complete and lodge the Proxy Form (either by post or fax) so that it reaches Computershare Investor Services Limited by 10.00am (New Zealand time) on Wednesday, 23 November 2011.

For those shareholders who are attending the meeting, please bring the combined Proxy Form and Voting Paper with you to assist with your registration and for voting purposes. You are invited to join the Board and senior management for light refreshments at the conclusion of the meeting.

I look forward to welcoming you to the meeting.

Yours sincerely



Graham Evans  
Chairman

# Notice of Annual Meeting of Shareholders



Notice is hereby given that the 2011 Annual Meeting of Shareholders of The Warehouse Group Limited ("the Company") will be held in the Guineas Ballroom, Ellerslie Event Centre, 80–100 Ascot Avenue, Greenlane East, Auckland, New Zealand on Friday 25 November 2011 commencing at 10.00am.

## Ordinary business

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### Annual Report

In relation to the Company's annual report for the year ended 31 July 2011, to receive and consider the financial statements for that period, and the auditor's report on those financial statements.

### Election and Re-election of Directors

In accordance with the requirements of NZX Listing Rule 3.3.6 and ASX Listing Rule 14.4, Ted van Arkel having been appointed a Director by the board retires and, being eligible, offers himself for election.

In accordance with NZX Listing Rule 3.3.11 and ASX Listing Rule 14.4, Keith Smith and Robert Challinor retire by rotation and, being eligible, Keith Smith offers himself for re-election.

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

#### Resolution 1

That Ted van Arkel be elected as a Director of the Company

#### Resolution 2

That Keith Smith be re-elected as a Director of the Company  
An explanatory note in relation to these Resolutions accompanies this Notice of Meeting.

### Auditors

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

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

#### Resolution 3

That the Directors are authorised to fix the fees and expenses of PricewaterhouseCoopers as auditor for the ensuing year

## Special business

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### Directors' Remuneration

To consider, and if thought fit, to pass the following ordinary resolution in accordance with NZX Listing Rule 3.5.1 and ASX Listing Rule 10.17:

#### Resolution 4

That the total Directors' remuneration be increased by \$100,000, from \$650,000 per annum to \$750,000 per annum, such amount to be divided amongst Directors as they consider appropriate.

An explanatory note in relation to this Resolution accompanies this Notice of Meeting.

On behalf of the Board:

Graham Evans  
Chairman

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31 October 2011

## Notes

- i. All shareholders are entitled to attend the meeting.
- ii. Any shareholder of the Company entitled to attend and vote at the meeting may appoint another person as his/her proxy to attend and vote instead of him/her. A proxy need not be a shareholder of the Company. A proxy form accompanies this Notice of Meeting.
- iii. Any corporation that is a shareholder of the Company may appoint a person as its representative to attend the meeting and vote on its behalf, in the same manner as that in which it could appoint a proxy.
- iv. The appointment of a proxy or representative does not preclude a shareholder from attending and voting at the meeting.
- v. You may appoint the Chairman of the Meeting or any Director, or any other person, as your proxy.
- vi. A proxy will not be entitled to vote at the meeting unless a properly completed proxy form has been received by the Company at the office of the Company's share registrar, Computershare Investor Services Limited not less than 48 hours before the commencement of the meeting, that is not later than 10.00am (New Zealand time) on Wednesday 23 November 2011. Any proxy form received after that time will not be valid for the scheduled meeting. You can post the Proxy Form to Private Bag 92119, Auckland 1142, New Zealand, or you can deliver the Proxy Form to Level 2, 159 Hurstmere Road, Takapuna, Auckland, New Zealand. Alternatively you can fax the form to +64 9 488 8787.

# Explanatory Notes to Notice of Meeting



## Directors seeking election and re-election – Resolutions 1 and 2

### Brief biographical details of the Directors seeking election and re-election



#### **Eduard (Ted) van Arkel FNZIM**

*Independent Non-Executive Director*

**TERM OF OFFICE:** Appointed Director 1 July 2011

**BOARD COMMITTEES:** Member of the Audit Committee and the Remuneration, Talent and Nomination Committee

Ted, 68, possesses a strong retail background and director experience across a broad range of industries. He is a professional director who has more than 40 years' experience in the retail and wholesale sectors and has been Chairman or a director of a large number of public and private companies. Currently Chairman of Restaurant Brands (NZ) Limited, Health Benefits Limited and UNITEC Institute of Technology, Ted is also a director of Abano Healthcare Group Limited and several private companies. Prior to becoming a professional director he was Managing Director of Progressive Enterprises Limited.



#### **Keith Smith BCom, FCA**

*Deputy Chairman and Independent Non-Executive Director*

**TERM OF OFFICE:** Appointed Director 10 June 1994, last re-elected 2008 Annual Meeting

**BOARD COMMITTEES:** Chairman of the Disclosure Committee and Member of the Audit Committee and Remuneration, Talent and Nomination Committee

Keith, 59, has been involved with The Warehouse since Sir Stephen opened his first store in 1982, providing accounting, tax and corporate advice, and was Chairman from 1995 to May 2011. He has a long-standing record of leadership as a director and advisor to companies in a diverse range of industries, including the energy sector, rural services, printing, media, meat by-products, tannery processing and exporting. He brings considerable experience and governance expertise to his role as Deputy Chairman of the board. He is Chairman of listed companies Goodman (NZ) Limited (the Manager of Goodman Property Trust) and Tourism Holdings Limited and is a director of Mighty River Power, PGG Wrightson Limited and several other private companies. Keith was previously a senior partner in the national accounting practice BDO. He is a past President of The New Zealand Institute of Chartered Accountants.

### **Directors' Remuneration - Resolution 4**

This resolution seeks approval for an increase in the total Directors' remuneration under NZX Listing Rule 3.5.1 and ASX Listing Rule 10.17.

Shareholders passed an ordinary resolution dated 24 November 2006 approving total Directors' remuneration of \$650,000 per annum.

Details of the total fees paid to Directors are set out in the Company's Annual Report. The Board has approved that fees are currently divided amongst Directors as follows:

Chairman (inclusive of all committee fees):	\$145,000	Member of Audit Committee:	\$5,250
Deputy Chairman (inclusive of all committee fees):	\$115,000	Chairman of Remuneration, Talent and Nomination Committee:	\$8,500
Other Directors' base fee:	\$68,250	Member of Remuneration, Talent and Nomination Committee:	\$3,750
Chairman of Audit committee:	\$10,750		

Directors have reviewed Directors' fees taking into account:

- advice from independent consultants, SEQUEL Partners;
- consideration and comparison of directors' remuneration in other organisations; and
- the need to be able to retain and continue to attract capable independent directors over time, including potentially from overseas, as the Board continues to implement its succession plan.

As a result of the review the Directors have concluded that an increase in the total fees payable to Directors and the base fee payable to individual Directors is justified and appropriate.

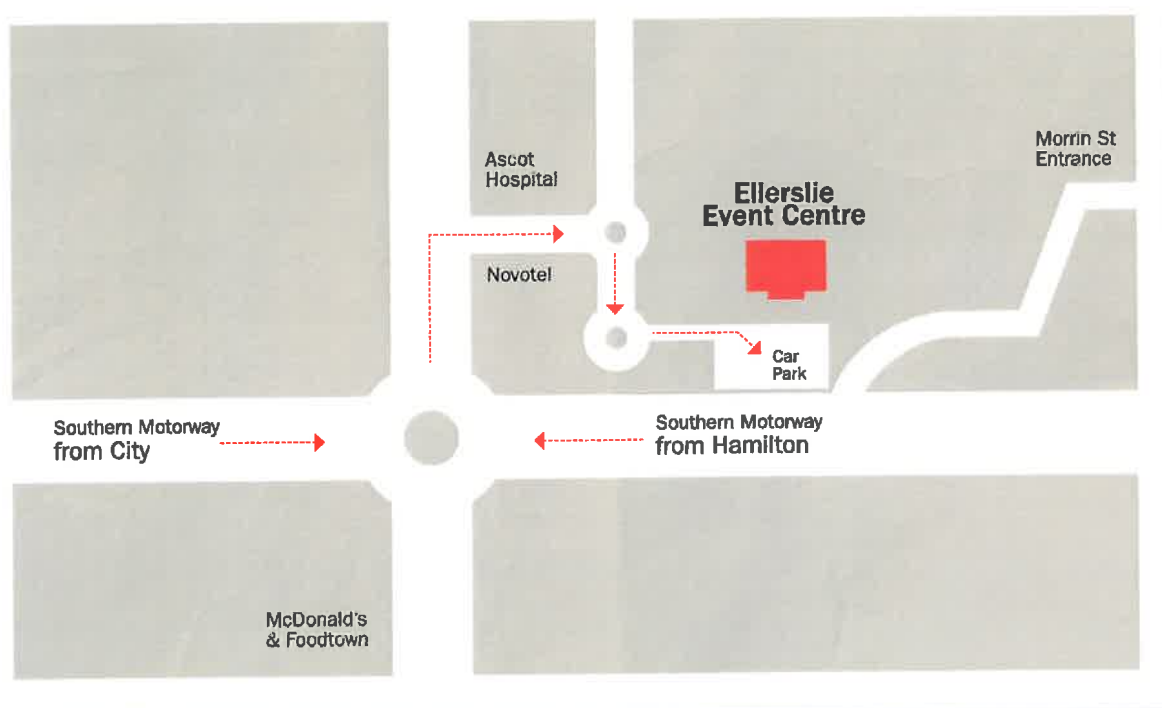
Directors are proposing that the total Directors' remuneration be increased by \$100,000, from \$650,000 per annum to \$750,000 per annum. In the event that the increase is approved it is proposed Directors approve that the base fee for Directors (other than the Chairman and Deputy Chairman) be increased by \$6,750 per annum, from \$68,250 to \$75,000.

The Company will disregard any votes cast on this Resolution by any Directors and any associates of any Director. However, the Company need not disregard a vote if it is cast by a Director as proxy for a person who is entitled to vote, in accordance with the express directions on the proxy form.

# Directions for Shareholders attending the Annual Meeting



The Annual Meeting of Shareholders of the Company will be held in the Guineas Ballroom, Ellerslie Event Centre, 80–100 Ascot Avenue, Greenlane East, Auckland, New Zealand on Friday 25 November 2011 commencing at 10.00am.



## Directions to the Ellerslie Event Centre from the Southern Motorway

Ellerslie Racecourse is well sign posted from the Southern Motorway. The best exit is 'Greenlane'. At the roundabout turn left if travelling from the north on the motorway, or right if travelling from the south. At the first set of lights turn right. On your left will be Ascot Hospital and on your right, Novotel Hotel. Turn right at the first roundabout and left at the second roundabout and you will drive into the grounds of the racecourse. If you continue on through Ellerslie's main carpark, you will arrive at the Ellerslie Event Centre. The venue has free parking.

Friday 25 November 2011 at 10.00am in the Guineas Ballroom,  
Ellerslie Event Centre, 80-100 Ascot Avenue, Greenlane East,  
Auckland, New Zealand.

**Admission Card**

If you propose TO ATTEND the Annual Meeting:  
Bring this Admission Card, Proxy Form and Voting Instructions/  
Voting Paper intact.

If you do NOT propose to ATTEND the Annual Meeting but wish to  
be represented by proxy:  
Complete and sign the Proxy Form and Voting Instructions section  
below, fold the form as indicated, seal and mail it to the Company  
(see over for mailing instructions).

**Common Shareholder Number**

**Number of Voting Securities**

**Admission Card, Proxy Form and Voting Paper**

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**Proxy Form (for use if you are unable to attend the meeting)**

**Common Shareholder Number**

**Number of Voting Securities**

I/We

being a shareholder/shareholders of **THE WAREHOUSE GROUP LIMITED** ("Company") and entitled to attend and vote

hereby appoint\* \_\_\_\_\_ of \_\_\_\_\_  
(FULL NAME OF PROXY) (ADDRESS)

or failing him/her \_\_\_\_\_ of \_\_\_\_\_  
(FULL NAME OF PROXY) (ADDRESS)

as my/our proxy to vote for me/us on my/our behalf in accordance with my/our directions at the Annual Meeting of Shareholders of the Company to be held on Friday 25 November 2011 at 10.00am, and at any adjournment of that meeting, and to vote as my/our proxy thinks fit on any resolutions to amend any of the resolutions, or any resolution so amended and on any other resolution proposed at the Annual Meeting (or any adjournment thereof) so as to give effect to my/our intention as set out below where possible. In the event I/we have not expressed any intention or the intention is unclear (in my/our proxy's sole opinion), my/our direction is to abstain.

\* The Chairman of the Meeting, or any other Director, is willing to act as proxy for any shareholder who wishes to appoint him or her for that purpose. To do this, enter 'The Chairman of the Meeting' or the name of the Director in the space allocated for the proxy's name. The Chairman and all other Directors intend to vote in favour of resolutions numbered 1 to 3 below where these resolutions are marked as 'proxy discretion'. However, neither the Chairman nor any other Director is permitted under the Listing Rules to vote discretionary proxies on the resolution numbered 4 below. In the event that resolution 4 is marked as 'proxy discretion', the Chairman or other Director will abstain from voting.

Should you wish to direct the proxy how to vote, please indicate with a (✓) in the appropriate boxes below.

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**Voting Instructions/Voting Paper**

This part of the form can be used either as voting instructions for a proxy or as a voting paper at the meeting (if a poll is called). Please note that if the shares are held jointly, the voting instructions given in this section are given on behalf of each joint holder.

This form is to be used to vote as follows on the resolutions below. You must tick only one box for each resolution. If no box is ticked in relation to a resolution, the direction on that resolution is 'Abstain'.

**Tick (✓) in box to record your vote**

**Resolutions**

	FOR	AGAINST	ABSTAIN <sup>1</sup>	PROXY DISCRETION <sup>2</sup>
1. To elect Ted van Arkel as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-elect Keith Smith as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. To authorise the Directors to fix the remuneration of PricewaterhouseCoopers as auditor for the ensuing year	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. That the total Directors' remuneration be increased by \$100,000, from \$650,000 per annum to \$750,000 per annum, such amount to be divided amongst Directors as they consider appropriate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<sup>1</sup> If you mark the 'Abstain' box for a particular resolution, you are directing your proxy NOT to vote on that resolution. If a proxy does not vote on your behalf on a resolution, your votes will not be counted when calculating the majority for that resolution.

<sup>2</sup> If you mark the 'Proxy Discretion' box for a particular resolution, you are directing your proxy/corporate representative to decide how to vote on that resolution.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011

Signature/s \_\_\_\_\_

## Notes

1. A shareholder who is entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a shareholder of the Company.
2. If you appoint a proxy you must either direct the proxy how to vote by ticking the "For", "Against" or "Abstain" box in respect of each resolution OR by ticking the "Proxy Discretion" box in respect of each resolution. A shareholder can direct the proxy holder in respect of one or more resolutions and give the proxy holder discretion in respect of other resolutions. If a shareholder does not tick any boxes in respect of a resolution then the vote will be invalid.
3. If you are joint holders of shares, each of you must sign this Proxy Form. If the shareholder is a company, this Proxy Form must be signed on behalf of the company by a person acting under the company's express or implied authority.
4. A proxy will not be entitled to vote at the meeting unless a properly completed proxy has been received by the Company at the office of the Company's share registrar, Computershare Investor Services Limited not less than 48 hours before the commencement of the meeting, that is **not later than 10.00am (New Zealand time) on Wednesday 23 November 2011**. Any proxy form received after that time will not be valid for the scheduled meeting. You can post the Proxy Form to Private Bag 92 119, Auckland 1142, New Zealand, or you can deliver the Proxy Form to Level 2, 159 Hurstmere Road, Takapuna, Auckland, New Zealand. Alternatively you can fax the form to +64 9 488 8787.
5. If this Proxy Form has been signed under a power of attorney, a copy of the power of attorney (unless already deposited with the Company) and a signed certificate of non-revocation of the power of attorney must be produced to the Company with this Proxy Form.
6. The Chairman of the Meeting or any Director is willing to act as proxy for any shareholder who appoints him/her for that purpose. If you tick the "Proxy Discretion" box for a particular resolution, your proxy will decide how to vote that resolution. However, if your proxy is precluded from voting (for example, because he or she has an interest in the outcome of the resolution), then they will not be able to vote on that resolution on your behalf. The Chairman and Directors intend to vote all discretionary proxies in favour of the resolutions numbered 1 to 3 above, except that the Directors standing for election or re-election will abstain from voting discretionary proxies in respect of their own appointment. Neither the Chairman nor any other Director is permitted under the Listing Rules to vote discretionary proxies on the resolution numbered 4 above. In the event that resolution 4 is marked as 'proxy discretion', the Chairman or other Director will abstain from voting.

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FreePost Authority Number 2888

**the warehouse** //  
*where everyone gets a bargain*



### SHARE REGISTRAR

The Warehouse Group Limited  
C/- Computershare Investor Services Limited  
Private Bag 92119  
Auckland 1142

NO POSTAGE REQUIRED IF  
POSTED IN NEW ZEALAND

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## Mailing Instructions

1. If mailing Proxy Form from within New Zealand, use this proxy form as a reply paid envelope by following the directions below:
  - i. Fold along lines indicated
  - ii. Seal with tape
2. If mailing Proxy Form from outside New Zealand, place proxy form in an envelope and affix the necessary postage from the country of mailing.

Address to:  
Share Registrar  
The Warehouse Group Limited  
C/- Computershare Investor Services Limited  
Private Bag 92119  
Auckland 1142  
New Zealand