

Notice of Annual Shareholders' Meeting

Notice is hereby given that the 2019 Annual Shareholders' Meeting of Fletcher Building Limited ("the Company") will be held in the Level 4 Lounge, South Stand, Eden Park, Reimers Avenue, Kingsland, Auckland, New Zealand on Thursday 28 November 2019, commencing at 10.30am.



Business

A. Chair's Address

B. Chief Executive Officer's Review

C. Resolutions

To consider and, if thought fit, to pass the following ordinary resolutions (which require the approval of a simple majority of the votes of those shareholders entitled to vote and voting on the resolution in person or by proxy or representative):

Resolution 1 – Election of Peter Crowley

That Peter Crowley be elected as a director of the Company.

Resolution 2 – Auditor fees and expenses

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

To consider and, if thought fit, to pass the following special resolution (which requires the approval of a majority of 75% of the votes of those shareholders entitled to vote and voting on the resolution in person or by proxy or representative):

Resolution 3 – To adopt a new Constitution

That the existing constitution of the Company be revoked, and the Company adopt a new constitution in the form tabled at the meeting and signed by the Chair for the purpose of identification.

By order of the Board



Andrew Clarke

Company Secretary
Auckland, New Zealand

30 October 2019

Procedural Notes

1. Persons entitled to vote

The 2019 annual shareholders' meeting will be a hybrid meeting. Voting on all resolutions put before the meeting will be by poll. **Voting entitlements for the meeting will be determined at 10.30am on Tuesday 26 November 2019** based on the registered shareholdings at that time. Results of the voting will be notified to the NZX and ASX.

2. Casting your vote

You may cast your vote in one of three ways:

- Personal attendance** – If you wish you can attend the meeting in person or participate virtually via an online platform www.lumiagm.com provided by the Company's share registrar, Computershare Investor Services Limited.
- Postal voting** – You can cast a postal vote instead of attending the meeting in person or appointing a proxy to attend. Andrew Clarke, Company Secretary, has been authorised by the Board to receive and count postal votes at the meeting.
- Appointing a proxy to vote** – All shareholders entitled to attend and vote at the meeting may appoint a proxy or (in the case of a corporate shareholder) representative to attend and vote on their behalf. A proxy need not be a shareholder of the Company. You can appoint the Chair of the meeting or any director as your proxy.

The Chair of the meeting and the directors will vote in favour of all resolutions marked "Proxy Discretion". If you have ticked the "Proxy Discretion" box and your named proxy does not attend the meeting or you have not named a proxy (but otherwise completed the Voting/Proxy Form in full), the Chair of the meeting will act as your proxy. All directed votes for, against or abstain on each resolution will be treated as a postal vote.

You can also lodge your postal vote or proxy appointment online at www.investorvote.co.nz or by scanning the QR code on the Voting/Proxy Form with your smartphone. Alternatively, you can complete the Voting/Proxy Form and post in the envelope provided or email to corporateactions@computershare.co.nz.

Voting/Proxy Forms must be lodged at the office of the Company's share registrar, Computershare Investor Services Limited, Level 2, 159 Hurstmere Road, Takapuna, Auckland 0622, Private Bag 92119, Auckland 1142 not later than 10.30am on Tuesday 26 November 2019. Voting/Proxy Forms received after that time may not be valid for the annual shareholders' meeting.

3. Online proxy and postal voting

To vote online you must enter your CSN/Securityholder number and postcode/country of residence and the secure access Control Number that is located in the front of your Voting/Proxy Form or follow the prompts in the email you received.

Venue Location

Eden Park is well served by rail and bus services. Kingsland train station is a short walk from Eden Park.

There will be a limited number of car parks available at the South Stand (through car park entrance G, off Reimers Avenue) on a first come, first serve basis. Extra parking will be available behind the ASB Stand (via car park entrance B or C, off Walters Road). Please allow for a 5-10 minute walk from there to the South Stand.



Procedural Notes – cont.

4. Shareholder questions

Shareholders present at the annual shareholders' meeting will have the opportunity to ask questions during the meeting. If you cannot attend the meeting but would like to ask a question, you can submit a question online by going to www.investorvote.co.nz and completing the online validation process or by using the Voting/Proxy Form. Questions need to be submitted by 10.30am on Tuesday 26 November 2019. The main themes will be aggregated and responded to at the meeting. The Company reserves the right not to address questions that, in the Chair's opinion, are not reasonable in the context of an annual shareholders' meeting.

5. Webcast

A live recording of the annual shareholders' meeting will be broadcast on the Company's website www.fletcherbuilding.com/investor-centre/reports-presentations-and-webcasts.

Explanatory Notes

Election of Peter Crowley [Resolution 1]

On 24 September 2019, Fletcher Building announced the appointment of Peter Crowley to join its Board of Directors on 1 October 2019. The NZX Listing Rules require that directors appointed by the Board retire at the next annual meeting but shall be eligible for election at that meeting. Being eligible to do so, Peter Crowley is seeking election. The Board unanimously recommends that shareholders vote in favour of the election of Peter Crowley. He is considered by the Board to be an independent director.

Peter Crowley

BEcon, BA, FAICD

Independent Non-Executive Director

TERM OF OFFICE

Appointed director 1 October 2019

BOARD COMMITTEES

Member of the Nominations Committee

Peter Crowley has over 35 years of experience in the construction materials and building products industries across Australia, New Zealand, Asia, Europe and North America. From 2003-2015, he served as managing director and chief executive officer of GWA Group Limited, a leading Australian supplier of building fixtures and fittings to households and commercial premises. He also spent 18 years in the cement industry, including various chief executive roles with the Rugby Group plc and a variety of managerial roles with Queensland Cement and its parent company Holcim. Peter is a director of Barrambin Trading Company Pty Ltd, The Riverside Coal Transport Pty Ltd and Wesley Medical Research Limited.



Auditor fees and expenses [Resolution 2]

EY is automatically reappointed as auditor under section 207T of the Companies Act 1993. This resolution authorises the Board to fix the fees and expenses of the auditor.

Adoption of a new Constitution [Resolution 3]

Background

On 1 January 2019, NZX introduced new NZX Listing Rules (the New Listing Rules) which have replaced the listing rules previously applicable to the Company (the Previous Listing Rules). A copy of the New Listing Rules is available at www.nzx.com.

To comply with, and for consistency with, the New Listing Rules, the Company must amend its constitution. An amended constitution has been prepared. A copy, marked to show the changes from the existing constitution, is available at <https://fletcherbuilding.com/investor-centre/shareholder-information/meetings-and-events/> or may be obtained on request by emailing investor.relations@fbu.com.

A special resolution of shareholders is required under the Companies Act 1993 (the Companies Act) to revoke the existing constitution and adopt the amended constitution as the Company's new constitution with effect from the close of the annual shareholders' meeting.

Existing constitution

The company's existing constitution was last altered at the 2003 annual shareholders' meeting and sets out a number of the Previous Listing Rules in full, including a number which have now been amended. As a result, there are inconsistencies between the Company's existing constitution and the New Listing Rules.

It is proposed that the Company moves to a "short form" constitution that generally incorporates the relevant New Listing Rules by reference (as listed companies are permitted to do) as opposed to setting out in full the text of the various New Listing Rules. This approach does not, of itself, add to or change the obligations of the Company under the New Listing Rules as the existing constitution includes provisions which have the effect of ensuring that the Listing Rules (from time to time) prevail in relation to these inconsistencies. However, by moving to a "short form" constitution, the Company will minimise the risk of such inconsistencies arising in the future (and the need to manage them). The Company considers this to be a preferable and more practical outcome for shareholders.

Summary of significant changes

A summary of the significant changes to the constitution is set out below. Unless expressly stated otherwise, references to clause numbers below are references to clause numbers in the constitution as proposed to be adopted.

- (a) **New Listing Rules incorporated by reference:** A number of the provisions of the New Listing Rules are not expressly set out in the new constitution, but are instead incorporated into the new constitution by reference (i.e. our constitution moves with Listing Rule amendments).
- (b) **Removal of clauses no longer required to be incorporated:** A number of clauses have been removed from the constitution where they are no longer required by the New Listing Rules to be set out in the constitution. Where applicable, the equivalent provisions of the New Listing Rules are incorporated by reference into the new constitution.
- (c) **Methods of holding meetings:** Changes have been made to provide more up-to-date wording and flexibility to enable director and shareholder meetings to be held by electronic means.
- (d) **Notice of meeting:** Changes have been made to align the requirements set out in the constitution for a notice of shareholder meeting with recent changes made to the Companies Act, and for consistency with current market practice.
- (e) **Voting at meetings of shareholders:** The New Listing Rules require that all voting at shareholders' meetings must be conducted by way of a poll. This has been reflected (where necessary) in clause 15 of the new constitution. We have also made a number of amendments to the remainder of clause 15 to reflect changes in law which provide greater flexibility around audio-visual meetings and voting and participation of shareholders by electronic means.
- (f) **Proxies:** Amendments have been made to reflect current market practice relating to appointment of proxies by electronic means and to reflect changes to the language used in the New Listing Rules. The changes do not affect the right to appoint a proxy. The new constitution has also been updated to reflect changes to the Companies Act which relate to the lodgement of proxies.
- (g) **Director rotation:** The director rotation provisions have been updated to be consistent with the New Listing Rules. Under the New Listing Rules a director may not hold office, without being re-elected, past the third annual shareholders' meeting after his or her appointment or re-election, or for three years, whichever is the longer.

- (h) **Executive directors:** The provisions relating to executive directors have been removed as they are not necessary.
- (i) **Forfeiture of shares:** Clause 8 has been updated to provide for the Company to recover from a shareholder accrued expenses incurred by the Company by reason of a non-payment of a call by that shareholder. No shares currently have any unpaid amounts, so this is for future flexibility only.
- (j) **Distributions:** Clause 26 of the constitution provides for distributions payable in cash to be paid by such method as the Board thinks fit. This change has been made to ensure the constitution will remain 'evergreen' in response to future changes in banking processes (for example the removal of cheque payments).
- (k) **Unclaimed distributions:** Clause 26.5 of the constitution no longer requires the Company to hold unclaimed distributions for five years before being forfeited. Under the amended clause, the Company may mingle such distribution with other money of the Company and shall not be required to hold it or to regard it as being subject to any trust (subject always to being required to pay such amounts to a person producing evidence of their entitlement to the distribution).
- (l) **Other changes:** Changes to the definitions in the constitution and various other less significant wording changes have been made to reflect the provisions of the New Listing Rules, changes to other relevant legislation or to generally modernise the constitution (particularly regarding electronic communications).

General

As the effect of the amendments to the Company's constitution is not to impose or remove a restriction on the activities of the Company or affect the rights attaching to shares, the shareholder minority buy-out rights under the Companies Act do not apply to this resolution.

Bell Gully has provided an opinion to NZX that it considers that the new constitution complies with the New Listing Rules.

Board recommendation

The Board unanimously recommends that shareholders vote in favour of the adoption of the new constitution.