

**MINUTES OF THE ANNUAL SHAREHOLDERS MEETING OF
FLETCHER BUILDING LIMITED
HELD AT SKY CITY CONVENTION CENTRE, AUCKLAND
ON 16 NOVEMBER 2011, AT 10.30 AM**

PRESENT	R G Waters (Chairman)	A J Carter
	H A Fletcher	A T Jackson
	J F Judge	C Tarrant
	G T Tilbrook	J P Ling

IN ATTENDANCE M C Farrell (Secretary)

With shareholder and accompanying persons numbers at around 500, the Chairman announced that a quorum for the meeting was available. The meeting commenced with an address from the Chairman, followed by a review of operations by the Chief Executive Officer. Copies of these addresses are attached to these minutes.

After the two presentations, an opportunity for shareholder comment and questions was provided before the formal business of the meeting was considered. Matters raised included:

- the opportunity for a Christchurch-based director;
- the extent to which the company is exerting pressure to help resolve the insurance impasse in Christchurch;
- the impact of the Gold Coast securing the, Commonwealth Games on activity levels within the company;
- the nature of the falling return on average funds and return on equity and the likelihood of these recovering as activity levels improve;
- the approach to due diligence with respect to the acquisition of Crane;
- a commendation as to the quality of the presentation of financial information in the annual report; and
- the basis for the company's TSR calculations and its use of a peer group as a means of identifying relative performance levels.

Directors The Chairman then noted that there were two directors up for re-election and one director for election, and that each director would give an address outlining the reasons for

wanting to continue as a director.

Ralph Waters, Jonathan Ling and Cecilia Tarrant each gave brief presentations, with shareholders having the opportunity to raise any questions of those directors. Cecilia Tarrant was questioned on her timing in withdrawing from her banking roles and any involvement in the US sub-prime financing problems. The resolutions to re-elect and elect directors of the Company were separately put to the meeting.

It was moved that:

- 1. Jonathan Peter Ling be re-elected as a director of the Company;**
- 2. Ralph Graham Waters be re-elected as a director of the Company; and**
- 3. Cecilia Tarrant be elected as a director of the Company.**

FBuShare

The fourth resolution to approve the terms of the employee share plan was put to the meeting. A shareholder queried the basis for employee eligibility and of the degree of comfort that the company had for believing that it was a beneficial scheme.

It was moved that:

- 4. The terms of the employee share plan, FBuShare, be approved for the purposes of the State of California's securities laws.**

Auditors

The fifth resolution for fixing of the auditor's remuneration was put to the meeting. A shareholder queried the process for re-appointing the auditors and the extent to which auditor rotation was achieved.

It was moved that:

- 5. The directors be authorised to fix the fees and expenses of KPMG as the company's auditor.**

Directors Fees

The final resolution to approve an increase in the maximum aggregate amount able to be provided to all non-executive directors. The amount of the increase is \$500,000, which would take the fee pool from \$1,500,000 to \$2,000,000 per annum.

A shareholder queried that given the short-term outlook for the company was not strong whether it would be more appropriate for there to be a deferral for one year of any increase in directors' fees. He stressed that the resolution

be formally amended for consideration. The chairman advised however that as the proposed amendment had a substantive effect on the resolution included in the notice of meeting and on which a large number of shareholders had already voted, to accept the amendment would effectively deprive them of a validly cast vote. As such, as the required notice for the amended resolution had not been given the motion could not now be accepted.

A number of shareholders spoke against the proposal to defer the increase to the directors' fee pool and noting the importance of having well qualified and competent directors, and the proposed increase to achieve this was not excessive. The New Zealand Shareholders Association also expressed their support for the increase in the directors' fee cap.

It was moved that:

- 6. That the maximum aggregate remuneration able to be provided to all non-executive directors be increased by \$500,000, from \$1,500,000 to \$2,000,000 per annum.**

The Chairman noted that with all resolutions to be determined by a poll, counting of votes would be undertaken forthwith, and that the Company would publish these results on the NZX and ASX later that day. The meeting was declared closed and shareholders were invited to join directors and management for refreshments.

The meeting concluded at 12.00 pm.

Chairman

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