

# DELEGAT

## NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Notice is given that the 2021 Annual Meeting of Delegat Group Limited will be held as a virtual meeting on **Tuesday 7 December 2021, commencing at 2.00pm.**

Given the ongoing impacts of the Covid-19 pandemic, particularly in relation to the lockdown restrictions in Auckland persisting, and the requirement for social distancing and restrictions on mass gatherings, a decision has been made that this year's Annual Meeting will be held virtually through the Computershare Meeting Services web platform <https://meetnow.global/nz>.

All shareholders will have the opportunity to attend and participate in the Annual Meeting online via an internet connection using a computer, laptop or smartphone. Instructions and further details on how to participate in the virtual Annual Meeting will be made available on the Group's website at [www.delegat.com](http://www.delegat.com), under the Investor Relations Annual Meeting section.

The Delegat Board and management look forward to welcoming you to the Annual Meeting.

### Business and Agenda of the Meeting

#### A. EXECUTIVE CHAIRMAN'S ADDRESS

#### B. ACTING MANAGING DIRECTOR'S ADDRESS

#### C. FINANCIAL REPORTS AND STATEMENTS

*To receive and consider the Consolidated Financial Statements of Delegat Group and Reports of the Directors and of the Auditor for the year ended 30 June 2021 as contained in the Company's 2021 Annual Report.*

#### D. RESOLUTIONS

*Shareholders will be asked to consider and, if thought appropriate, to pass the following resolutions:*

##### 1. Re-election of Rose Delegat as Director:

*Rose Delegat retires in accordance with the provisions of the constitution of the Company and, being eligible, offers herself for re-election.*

##### 2. Re-election of Dr Alan Jackson as Director:

*Dr Alan Jackson retires in accordance with the provisions of the constitution of the Company and, being eligible, offers himself for re-election.*

##### 3. Director's remuneration:

*The meeting will be asked to consider by ordinary resolution:*

*Pursuant to NZX Listed Rule 2.11.1, the total remuneration for non-executive directors to be increased by \$95,000, from \$400,000 to \$495,000 per annum.*

##### 4. Auditor's remuneration:

*The meeting will be asked to consider by ordinary resolution:*

*To record the automatic reappointment of the Auditor, Deloitte, and to authorise the directors to fix the auditor's remuneration for the ensuing year.*

These resolutions are to be considered as ordinary resolutions and, to be passed, require the approval of more than 50% of the votes of those shareholders entitled to vote and voting on the resolution, pursuant to section 105(2) of the Companies Act 1993. For further information on the resolutions, please see the Explanatory Notes.

#### E. GENERAL BUSINESS AND SHAREHOLDERS' QUESTIONS

Consideration of any Shareholder questions raised during the meeting.

On behalf of the Delegat Board



JIM DELEGAT

Executive Chairman

## Procedural Notes

Due to the global Covid-19 pandemic, the Company has made the decision to hold a virtual Annual Meeting. All shareholders will have the opportunity to attend and participate in the 2021 Annual Meeting online through the Computershare Meeting Services web platform.

By using the web platform, you will be able to watch the Annual Meeting and vote and ask questions online using your smartphone, tablet or desktop device. Please refer to the enclosed Virtual Meeting Guide for more information.

### SHAREHOLDERS ENTITLED TO ATTEND AND VOTE

Under section 125 of the Companies Act 1993, the Board has determined that, for the purposes of voting at the Annual Meeting, only those registered shareholders of the Company as at 5.00pm on Friday 26 November 2021 (New Zealand time), being a day not more than 20 working days before the meeting, shall be entitled to exercise the right to vote at the meeting. Voting will be by way of a poll.

There are no restrictions on any shareholder or group of shareholders to prevent them from exercising their vote on any of the resolutions being considered at the meeting.

Shareholders wishing to vote on the day of the Annual Meeting will be able to do so via the Annual Meeting virtual application.

### PROXIES AND CORPORATE REPRESENTATIVES

All shareholders are entitled to attend and vote at the Annual Meeting or to appoint a proxy or representative (in the case of a corporate shareholder), to attend and vote on their behalf. The appointment of a proxy or representative does not preclude a shareholder from attending and voting at the virtual Annual Meeting in place of the proxy or representative. A proxy need not be a shareholder of the Company. You may, if you wish, appoint 'The Chairman of the Meeting' as your proxy by filling in the proxy form to that effect.

A proxy form, with which you can appoint a proxy, is enclosed with this Notice of Meeting. The Chairman will vote according to your instructions. If the Chairman is not instructed how to vote, he will vote in favour of resolutions 1 to 4. The chair intends to vote all discretionary proxies given to him in favour of resolutions 1 to 4.

If, in appointing your proxy, you do not name a person to be your proxy, or your named proxy does not attend the virtual Annual Meeting, the Chair of the Annual Meeting will be your proxy and may only vote in accordance with your express direction.

### RETURN OF PROXY FORMS

Proxy Forms must be received at the office of the Company's share registrar, Computershare Investor Services Limited, Private Bag 92119, Victoria Street West, Auckland 1142, no later than 2.00pm on Sunday 5 December 2021.

Results of the voting will be posted on the Company's website following the conclusion of the Annual Meeting and finalisation of the voting results.

The Company's 2021 external auditor, Deloitte, will be available at our Annual Shareholder Meeting to answer questions from Shareholders relevant to the external audit.

### VIRTUAL MEETING

Following the success of last year's online only meeting and due to the uncertainty of alert level changes, the Company has made the decision to again hold a virtual Annual Meeting. All shareholders will have the opportunity to attend and participate in the 2021 Annual Meeting online virtually through the Computershare Meeting Services web platform <https://meetnow.global/nz> (using a computer, laptop, tablet or smartphone).

Audio will stream through the selected device, so shareholders will need to ensure that they have the volume control on their headphones or device turned up. Shareholders will be able to view the presentations, vote on the resolutions to be put to shareholders and submit questions, by using their own computers or mobile devices. Shareholders will still be able to appoint a proxy to vote for them as they otherwise would, by following the instructions on the proxy form and this Notice of Annual Meeting. Details on how to participate 'virtually' are provided in the accompanying Virtual Meeting Guide with instructions for accessing the virtual meeting.

## Explanatory Notes

### A: ORDINARY BUSINESS

#### EXPLANATORY NOTE 1

##### **Executive Chairman and Acting Managing Director's Reports**

The Executive Chairman and Acting Managing Director will each give a presentation on the financial year ended 30 June 2021. Events occurring after 30 June 2021 will also be discussed.

#### EXPLANATORY NOTE 2

##### **Re-election of Directors**

Under NZX Main Board Listing Rule 2.7.1, and in accordance with the Company's Constitution, all directors must not hold office (without re-election) past the third annual meeting of shareholders following the director's appointment, or three years, whichever is the longer.

Rose Delegat and Dr Alan Jackson are subject to rotation under the NZX Listing Rules and retire by rotation at this Annual Meeting.

The Board has determined that Dr Alan Jackson is an Independent director (as defined by the NZX Listing rules).

Biographical details for the directors proposed to be re-elected by rotation are set out below.

Rose is a Non-Executive Director of Delegat Group Limited and has been on the Board since the Company listed in 2006. The Group continues to benefit from Rose's experience and the expertise that she has given to the Company for more than 35 years. Rose was responsible for initiating the Group's drive into export markets in the 1980s and was the inaugural Chairperson (1987-1990) of the special United Kingdom Exporting Group, part of Wine Institute of New Zealand. Rose is a member of the Institute of Directors.

Dr Alan Jackson is a Non-Executive Director of Delegat Group Limited and has been on the Board since 2012. Alan was, until 2009, Chairman Australasia, Senior Vice President and Director of The Boston Consulting Group and served six years on the Global Executive Committee. He has been an international management consultant since 1987 with The Boston Consulting Group and has proven experience at the most senior levels of international and government business. Alan has worked across a range of industries internationally, including consumer goods companies, supermarkets and retailers, in addition to industrial and resource companies. Alan headed The Boston Consulting Group's Consumer Goods and Retail practice in Australasia and Asia Pacific. Alan is a Fellow of the Institution of Professional Engineers and a Chartered Fellow of the New Zealand Institute of Directors.

Both directors standing for re-election do so with the support of the Board.

### EXPLANATORY NOTE 3

#### Director's Fees

This resolution is to put to shareholders in accordance with NZX Listing Rule 2.11.1 and relates to the maximum aggregate fees payable to all non-executive directors.

At present the maximum fee pool for non-executive directors is set at \$400,000 per annum, as approved by shareholders at the Company's 2016 annual meeting. The Delegat Board is recommending an increase in that fee pool by \$95,000 (being an increase of 24%) to \$495,000 per annum. The Board considers that this will permit the payment of remuneration to non-executive directors reflective of market rates whilst also representing a fair and reasonable compensation for

the responsibilities which they assume.

Being one of New Zealand largest producer and exporter of branded finished wine, it is important that Delegat attract and retains directors with the skills, strategic planning and diversity of thinking to govern the business with the objective of creating shareholder value. In order to do so, remuneration levels must not only be fair and reasonable but also competitive with the market for non-executive roles.

The Board's recommendation has had regard to an analysis of comparison data (refer to table 3) of similar NZX listed companies with similar market capitalisation and international operations. This analysis has then been measured against the August 2021 Institute of Directors (IoD) published Directors Fee report (refer to table 2).

The Board's recommended payment for the non-executive chairman of \$180,000 represents the median payment reflected in the market capitalisation comparison whilst the increase in non-executive director remuneration of \$20,000 to \$95,000 closely aligns with the conclusions reached from both the comparative capitalisation analysis and the IoD fees report.

In summary, Delegat's Board is seeking the approval of shareholders to increase the fee pool for non-executive directors which it considers are fair and reasonable for the following reasons:

- the attraction and retention of Directors with attributes to create shareholder value;
- to accommodate the appointment and remuneration of the Independent Chair as previously announced from February 2022;
- to align Director remuneration with the market taking into account non-executive directors fees, of comparable sized listed companies; and
- to reflect the increasing workload of Directors having regard to the number of hours spent by the Board in preparation for and attendance at meetings and the complexity of compliance and regulation requirements being considered at those meetings.

The increase proposed is broken down as follows:

**Table 1: Board fees**

Board Role	30-Jun-21	Proposed	Amount of Increase
Independent Chair	n/a	\$180,000	\$180,000
Independent Director	\$75,000	\$95,000	\$20,000
Non-executive Director	\$75,000	\$95,000	\$20,000
Chair of Audit & Risk Committee	\$10,000	\$15,000	\$5,000
Chair or Remuneration Committee	\$10,000	\$15,000	\$5,000
Director Fee Pool	\$400,000	\$495,000	\$95,000

**Table 2: Lower Quartile, Median and Upper Quartile Fees for Non-Executive Directors**

Institute of Directors (IoD) Director Fees report - August 2021 Non-Executive Directors			
	Lower Quartile	Median Fees	Upper Quartile
By market cap - > \$1,000M	\$89,040	\$95,000	\$114,000
Fees for Committee Chair (all Companies)			
	Lower Quartile	Median Fees	Upper Quartile
Audit & Risk	\$6,375	\$12,000	\$20,000
Remuneration	\$5,811	\$10,200	\$19,452

**Table 3: Director Fees of NZX Companies with comparable market capitalisation**

Company	Market Capitalisation <sup>1</sup> (\$m)	Base Fee	ARC	ARC Chair	Rem	Rem Chair	Board Chair
Precinct Properties	\$2,600	\$91,170	\$7,500	\$15,000	\$5,000	\$10,000	\$182,340
Freightways	\$2,146	\$105,000		\$20,000		\$15,000	\$185,000
Z Energy	\$1,878	\$97,000	\$10,000	\$20,000	\$10,000	\$20,000	\$185,000
Air New Zealand	\$1,847	\$100,000	\$20,000	\$40,000	\$10,000	\$20,000	\$270,000
Property For Industry	\$1,478	\$90,000		\$15,000		\$10,000	\$170,000
Warehouse <sup>2</sup>	\$1,398	\$87,000	\$10,000	\$27,500	\$6,600	\$25,000	\$182,600
Heartland	\$1,374	\$100,000		\$15,000		\$15,000	\$150,000
Argosy	\$1,313	\$92,500	\$12,000	\$20,000	\$6,000	\$12,500	\$160,000
Arvida	\$1,251	\$90,000		\$12,000		\$8,000	\$165,000
Kathmandu	\$1,113	\$131,333					\$237,980
Oceania Healthcare	\$988	\$90,000		\$20,000		\$7,500	\$180,000
Synlait	\$787	\$88,900		\$15,250		\$12,000	\$178,000
Median		\$91,835		\$20,000		\$12,500	\$181,170

<sup>1</sup> Market Capitalisation as at 1 November 2021

<sup>2</sup> Warehouse Non Executive Director Fees as per Notice of Meeting dated 27 October 2021

Company	Market Capitalisation <sup>1</sup> (\$m)	Base Fee	ARC	ARC Chair	Rem	Rem Chair	Board Chair
Delegat	\$1,471	\$75,000		\$10,000		\$10,000	
Delegat: Proposed		\$95,000		\$15,000		\$15,000	\$180,000

#### EXPLANATORY NOTE 4

##### Appointment and Remuneration of Auditor

Section 207T of the Companies Act 1993 provides that a company's auditor is automatically reappointed unless there is a resolution or other reason for the auditor not to be reappointed. The Company wishes Deloitte to continue as the Company's auditor, and Deloitte has indicated its willingness to do so.

Section 207S of the Companies Act 1993 provides that the fees and expenses of Deloitte as auditor are to be fixed by the Company at the Annual Meeting or in such a manner as the Company determines at the Annual Meeting. The Board proposes that, consistent with past practice, the auditor's fees and expenses should be fixed by the directors.