Pyne Gould Corporation

Notice of Annual Meeting of Shareholders

Notice is hereby given that the Annual Meeting of Shareholders of Pyne Gould Corporation Limited ("PGC" or the "Company") will be held at Princes Ballroom A, Pullman Hotel, Corner of Princes Street and Waterloo Quadrant, Auckland, New Zealand on Tuesday, 10 December 2013, commencing at 10.00 a.m.

25 November 2013

Dear Shareholder,

On behalf of PGC's board of directors (the **Board**), I am pleased to invite you to the Annual Meeting of Shareholders to be held at 10.00 a.m. on Tuesday, 10 December 2013 at the Pullman Hotel, Auckland, New Zealand. The agenda for the meeting, which contains special business, is contained in this Notice of Annual Meeting.

Ordinary Business

Shareholders will be asked to vote on the re-election of Mr George Kerr as a director of PGC. Under the NZX Main Board Listing Rules, George Kerr is required to retire by rotation as a director of PGC at the Annual Meeting. Details of George's profile are set out in the Ordinary Business Explanatory Note to this Notice of Annual Meeting. The Board unanimously supports George's re-election as a director of PGC.

In addition, shareholders will be asked to vote on the election of Mr Michael Carolan as a director of PGC. Michael was appointed as a director of PGC by the Board on 23 October 2013 to fill a casual vacancy. As required by the NZX Main Board Listing Rules, Michael resigns and is available for election at the Annual Meeting. Details of Michael's profile are set out in the Ordinary Business Explanatory Note to this Notice of Annual Meeting. The Board unanimously supports the appointment of Michael Carolan as a director of PGC.

Shareholders will also be asked to authorise the Board to fix the remuneration of PGC's auditor.

Special Business – Migration to Guernsey

Relevant History and Strategy

Before outlining the changes to PGC that the Board is recommending to you, I thought it would be helpful to re-iterate our strategy for PGC and where PGC is at in the execution of its strategy. This strategy was initially released to NZX in August 2012, and further discussed in the last two annual reports and at last year's Annual Meeting.

In 2009, PGC embarked on a significant restructuring to ensure it would have sufficient strength to survive the stresses of the Global Financial Crisis. At that time, PGC was an overleveraged holding company with both its wholly-owned subsidiary, MARAC, and its largest investment, PGG Wrightson, in precarious financial condition. The first major step of that restructuring involved raising $272.5 million to strengthen PGC's balance sheet and, as a consequence, the balance sheet of MARAC. Besides supporting a major recapitalisation of PGG Wrightson, the second major step was the splitting of PGC into two businesses, creating as a separate company what is now the Heartland Bank, with the other assets and bank debt remaining in PGC, including the Torchlight Investment Group (**Torchlight**) which has been built into a growing and profitable investment and asset management business.

After the takeover offer by Australasian Equity Partners Fund No. 1 LP (**AEP**) closed in March 2012, the Board continued to review its strategy and announced in July 2012 that Torchlight would be its core business. PGC would therefore realise non core assets and reinvest proceeds to support Torchlight's strategy of acquiring undervalued assets by targeting distressed debt situations. Due to the nature and location of the opportunities within this field, this saw a shift in geographical focus to Australia and the United Kingdom.

During 2012 PGC suffered significant disruption and costs as a result of a well publicised and expensive investigation by the FMA. This investigation related to loans made from a fund managed by a then subsidiary of PGC, the Perpetual Group, to Torchlight Fund No.1 LP. Perpetual has since been sold.

Despite Perpetual maintaining it was compliant with its governing deeds, Perpetual followed the FMA requirement to seek prepayment of the facility.

Torchlight prepaid the facility and interests and costs within 90 days of being requested. This was 7 months earlier than required under the loan agreement.

The FMA is also investigating certain disclosure issues. In addition, as was made public in 2012, the SFO also commenced investigating these loans and other transactions from 2011-2012 relating to PGC and certain subsidiaries, including the Perpetual Group.

The directors of PGC have cooperated with both regulators despite the fact that (based on our own enquiries and independent advice on the loan from a reputable global accounting firm) we disagreed with the regulators' concerns.

PGC has incurred substantial direct costs relating to New Zealand regulatory compliance. The direct costs were approximately $3 million to 30 June 2012 and approximately $4 million to 30 June 2013. The majority of costs are legal costs but we also incurred additional costs in relation to audit and accounting services. Costs are tracking lower now, and we have accrued $2 million for the year to 30 June 2014 for costs relating to New Zealand regulatory compliance. These costs do not include the substantial indirect cost of management time and focus. However, as was the case last year, the Board remains focused on its main task which is to grow the value of shareholders' funds.

The past financial year (to 30 June 2013) for PGC was one of its best results ever, reporting a net profit after tax of $45.2 million (including capital gains of $25 million on the divestment of non-core assets) (compared to a net loss of $47.7 million for the year ended 30 June 2012). A significant part of the non-core assets that were sold was the 100% sale of the Perpetual Group.

The success of PGC's strategy and its results have not, however, been reflected in PGC's share price. PGC's share price is substantially below its net tangible assets value of $0.64 per share as reported in PGC's annual report for the year ended 30 June 2013. The volume weighted average share price over the 90 trading day period ending on 22 November 2013 was $0.37 and the average trading volume over that same period was 24,580 shares per trading day. As at the close of trading on 22 November 2013[1], PGC's share price was $0.41.

In line with its strong desire to grow shareholder value, the Board has decided that the time has come that PGC's incorporation should reflect its asset base and future strategy. This allows PGC to be prepared for listing[2] on one of the world's major stock exchanges. Your directors expect this will provide enhanced growth opportunities and the opportunity for increased value and liquidity.

London Stock Exchange listing

Accordingly, the Board engaged the services of HD Capital Partners LLP (**HD Capital**), a financial advisory firm based in London, whose members have extensive experience in the European business environment and advising on listings in London, to provide a report to the Board on the merits of PGC seeking admission of all of its issued ordinary shares to trading on either the Main Market operated by the London Stock Exchange (together with an admission to listing on the Official List of the UK Listing Authority) or on the AIM Market operated by the London Stock Exchange (a **LSE Listing**). HD Capital has acted for PGC in the preparation of that report. HD Capital may also be engaged as a professional advisor to PGC in connection with the LSE Listing.

The conclusion of this report is that a LSE Listing would substantially increase the opportunities for PGC to successfully execute its strategy, thereby enhancing PGC's ability to grow shareholder value. On page 6 of this Notice of Annual Meeting is a letter from HD Capital summarising the conclusions of its report to the Board.

After careful consideration of the advice from HD Capital and having taking into account all relevant factors, the Board has reached the conclusion that it is in the best long-term interests of PGC and its shareholders that PGC should embark on a path which will ultimately see PGC seek a LSE Listing in the first half of 2014, after having migrated from New Zealand to Guernsey by the end of 2013.

The reasons for this decision include the Board's belief that a LSE Listing has the potential to:

- increase the profile of PGC with potential new investors (the London market has many more investors who understand and specialise in investing in undervalued assets by targeting distressed debt situations), thereby potentially broadening the shareholder base;

[1] being the last practicable trading date before the date of this document

[2] in this Notice of Annual Meeting, including this Chairman's letter, the term "listing" includes reference to the admission of a company's shares to trading on the AIM Market, where the context so determines

- improve the liquidity of trading in PGC's shares, thereby increasing the likelihood that the Company's share price will trade closer to its net tangible asset value;

- increase the ability of the Company to raise capital at attractive prices and/or use its shares as consideration in future investments, if it wishes to do so;

- align PGC's asset holdings and forward investment plan with an appropriate market for its shares, both geographically and in terms of sophistication;

- assist in positioning the Company for its next stage of development (which might include simplification into a Real Estate Operating Company (**REOC**) (which is a recognised category of company that invests in real estate and whose shares are traded on an exchange) if the Board decides that is in the best interests of PGC); and

- geographically put PGC in an expert advisory community and subject to a regulatory environment that has a reputation for balanced and globally-respected standards of regulation and corporate governance.

The Board believes that London is an appropriate market for PGC to be listed on given the nature of its business today and given that a LSE Listing will provide access to a large number of knowledgeable institutional and retail investors plus visibility to the wide set of analysts and advisers.

Assuming the relevant resolutions are passed, the Board will seek to achieve a LSE Listing in the timeframe discussed above. Achieving a LSE Listing, which is to a large extent a regulatory process and which may include further analysis of the ongoing investigations referred to previously, can be subject to uncertainties such as extended timeframes and failure to meet any eligibility criteria. The fact that PGC and its Board already operate in a listed company environment, and will continue to do so at the time of the LSE Listing, should assist this process.

The Board will be committed to achieving the LSE Listing on behalf of shareholders. We will keep shareholders informed as to our progress on this process, including through releases on NZX.

The Board will assess which of the markets operated by the London Stock Exchange PGC should list on at the relevant time, and following further advice, once the migration to Guernsey has been achieved.

Migration to Guernsey

Given its decision to seek a LSE Listing, the Board also sought HD Capital's advice on an appropriate domicile for PGC to achieve and benefit from a LSE Listing. In summary, HD Capital's report, in respect of domicile, concludes that Guernsey would provide an excellent jurisdiction from which PGC might pursue its strategic objectives, including achieving a LSE Listing.

After careful consideration of this advice from HD Capital in respect of domicile, the Board has come to the conclusion that it is necessary and desirable for PGC to migrate to Guernsey as a precursor to achieving a LSE Listing.

The reasons for this decision include the following:

- Many Guernsey incorporated companies are listed in London and, as a result, potential investors are very familiar with companies of that domicile. In contrast, of the some 2,400 issuers listed on the London Stock Exchange as at 31 October 2013, none are New Zealand incorporated companies;

- It is legally not possible for a New Zealand company to become a company registered in the United Kingdom through a migration process;

- Guernsey is an attractive place to do business given, among other things, it shares the currency of the United Kingdom. The United Kingdom is the jurisdiction of some of PGC's key underlying assets, and it will be administratively easier to operate PGC's business in a location nearer to many of its assets. Guernsey also offers an attractive tax regime for PGC;

- A Guernsey domicile would give PGC better access to the broader pool of relevant board and management expertise in Europe, if required;

- There are market opportunities for PGC in Europe given its current business strategy to invest in quality assets with distressed debt loads, which PGC would be able to access more easily from a Guernsey platform; and

- PGC does not have any material investments or assets remaining within New Zealand. PGC's current significant investments (through Torchlight) are in businesses that operate in Australia and the United Kingdom. This includes Equity Partners Infrastructure Company No. 1 Limited (**EPIC**), whose shareholders have recently voted strongly in favour of migrating to Bermuda as a precursor to seeking admission of its shares to trading on the AIM market of the London Stock Exchange. The principal underlying assets of EPIC are located in the United Kingdom. Within Australia Torchlight has significant investments in the Lantern Hotel Group and the RCL Group. PGC's present New Zealand assets primarily consist of a mixture of residential and commercial investment properties, which amounted to approximately $4.8 million out of a total of $151.8 million of assets (as reported in PGC's annual financial statements for the year ended 30 June 2013) and those New Zealand assets are in the process of being sold.

The Board also considers that a LSE Listing will provide a suitable regulatory environment for PGC. As a Guernsey company listed in London, PGC would be governed by Guernsey law and will come under the jurisdiction of the relevant regulatory authorities in London (including the London Stock Exchange and/or the UK Listing Authority, part of the UK's Financial Conduct Authority, and the UK Panel on Takeovers and Mergers).

NZX listing

It is the Board's current intention to maintain its present form of listing on NZX upon migration to Guernsey. It is intended, however, that the exchange on which PGC's shares are admitted to trading in London will, at some point in the future, become PGC's primary exchange. The listing on NZX has served PGC and its shareholders well. A sole listing on NZX has been the most appropriate listing venue until this time. However, as PGC's business and future opportunities evolve, so too does the requirement for the Board to ensure that PGC's listing on NZX (and the costs associated with that listing) remains appropriate for the company. Once a LSE Listing is achieved, the Board will re-assess whether it is in the best interests of PGC and its shareholders as a whole to retain its present form of listing on NZX. If the Board decides to apply to be de-listed from NZX, NZX has a discretion under the NZX Main Board Listing Rules to impose any conditions as it sees fit. Such a condition may include the requirement for a resolution to be passed by PGC's shareholders who each hold less than 10% of PGC's shares to approve the de-listing.

Timing

The Board's intention is to achieve migration to Guernsey by the end of 2013. If the resolutions put to shareholders at the Annual Meeting are passed, a number of additional procedural steps will need to be completed under both New Zealand law and Guernsey law before the migration can become effective. One such procedural step is the requirement to obtain a written notice from the New Zealand Commissioner of Inland Revenue that the Commissioner has no objection to PGC being removed from the New Zealand register (**IRD No objection Notice**). An application has been made to the Commissioner for such a notice, but this is yet to be received. Once all of the necessary preparatory steps have been taken to achieve the migration to Guernsey, and prior to filing the applications with the relevant registrars in New Zealand and Guernsey, the Board will reconfirm its view that the migration to Guernsey remains in the best interests of PGC and its shareholders as a whole and only then implement the migration. This Board process is provided for in the shareholder resolution relating to the migration.

A LSE Listing will take a number of months to achieve as PGC must carry out a number of preparatory steps, including preparing a prospectus or similar admission document. Accordingly, the Board does not anticipate making its application for a LSE Listing until the start of 2014, with a listing targeted for the end of the first half of 2014.

Necessary Special Resolutions

The approval of shareholders by way of special resolution is required in relation to the migration of PGC to Guernsey and the adoption of new articles of incorporation that satisfy the requirements of the Companies (Guernsey) Law, 2008 (as amended). Accordingly, two resolutions to this effect will form the special business of the meeting. The Special Business Explanatory Notes attached to this Notice of Annual Meeting provide a more detailed outline of the proposed changes affecting PGC and its shareholders.

Australasian Equity Partners (GP) No. 1 Limited, the general partner of AEP which currently holds 76.3% of the shares on issue in PGC, has advised PGC that it intends to vote its shares in favour of the resolutions proposed at the Annual Meeting.

I also intend to vote all of the PGC shares under my control (1,380,947 shares) in favour of the resolutions proposed at the Annual Meeting.

Important

The Board strongly recommends that you read the entire Notice of Annual Meeting carefully, and in particular, the Special Business Explanatory Notes. There are some disadvantages to PGC and its shareholders of migrating to Guernsey and having a LSE Listing which we have identified on pages 18 and 19 of this Notice of Annual Meeting. Shareholders should consider these matters carefully. The Special Business Explanatory Notes also explain the material changes that will occur in respect of PGC if the special resolutions are passed and the migration occurs. In particular, you should note the change in tax treatment for New Zealand resident shareholders, as explained in more detail in Special Business Explanatory Note 1.

Recommendation

The Board recommends that you support all of the resolutions proposed at the Annual Meeting.

Yours faithfully

Bryan Mogridge
Chairman

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Aldermary House
10-15 Queen Street
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EC4N 1TX

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www.hd-capital.com

The Directors
Pyne Gould Corporation Limited
PO Box 105731
Auckland City
Auckland, 1143
New Zealand

25 November 2013

Dear Sirs

Report to the Board of Directors of Pyne Gould Corporation Limited

We have been asked to report to the board of directors of the Company with regard to the following:

A. a consideration of London as a suitable choice of listing venue for the Company; and
B. as a precursor to A. above, the advisability of migrating the Company's headquarters to Guernsey.

We set out below a summary of our findings in respect of these matters.

Introduction

Since listing on the NZX's main board in 2004, the business of Pyne Gould has changed out of all recognition. Its operations are now centred upon the United Kingdom, Europe and Australia. The Board is considering changing both the Company's operating jurisdiction and its listing venue to locations which would better reflect its strategy as a real estate investment and operating company. The Board is contemplating:

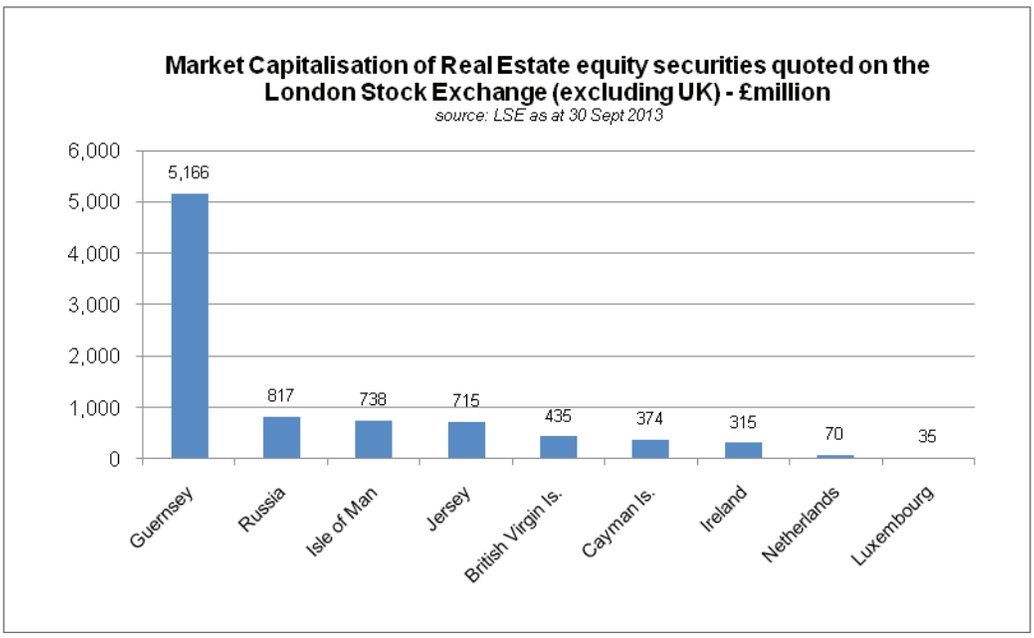
- a migration of the Company's headquarters to Guernsey, to be followed by;
- a listing[3] on the London Stock Exchange.

Stage 1 – Migrate headquarters

Guernsey is a commercial centre with a long history of providing an attractive business environment for companies whilst retaining a proper respect for corporate governance, transparency and the rule of law. It has strong cultural, language and business congruities with London, with which it shares a time zone. Guernsey also offers close proximity to the credit opportunities and associated investor and adviser networks which the Company is seeking to access and is widely accepted as a premier location in which to conduct investment business.

Currently, over 110 Guernsey-registered entities are admitted to trading on the LSE's markets, more than from any other jurisdiction outside the UK. As the graph below shows, some 60% of the aggregate market capitalisation of the Real Estate sector in London (excluding the UK) is concentrated in Guernsey, totalling £5.2 billion as at 30 September 2013[4], demonstrating its popularity as a place of incorporation for this sector.

[3] In this letter the word "listing" includes reference to the admission of a company's shares to trading on AIM, where the context so determines.
[4] The latest practicable date prior to the publication of this document.



Under the Companies (Guernsey) Law, 2008, companies are able to "migrate" their place of incorporation to Guernsey, obviating any need to create a new legal entity, a process which is not permitted under the laws of, for example, the United Kingdom.

No other jurisdiction would appear to offer the Company such a package of advantages when compared to the disadvantages.

Stage 2 – List on London Stock Exchange

London is a premier international financial centre. As at 31 October 2013, the LSE's Main Market (UK and International), with some 1,300 issuers, is capitalised at just over £4.2 trillion; its growth market AIM, with just under 1,100 issuers, is capitalised at around £72.2 billion.

All significant global institutions have a presence in London and London also has one of the largest pools of investors dedicated to the Real Estate and Property sectors. We consider that it would be in the interests of Pyne Gould to be able potentially to access the range of investors who are located in London with a view to enhancing the Company's ability to grow shareholder value. The scale of the London markets in terms of numbers of companies, investors and liquidity levels would also offer an opportunity to increase the profile of the Company to new investors. In addition, London could provide access to some of Europe's most potentially attractive distressed credit opportunities. A London listing would provide the Company with a currency for making acquisitions in the UK or Europe, should such opportunities arise.

Conclusion

We believe that Guernsey would provide an excellent jurisdiction from which the Company might pursue its strategic objectives.

We also believe that London would provide a excellent listing venue for the Company.

Yours faithfully

HD Capital Partners LLP

HD Capital Partners LLP

Glossary of Terms

AIM	The AIM Market of London Stock Exchange plc
Board	The board of directors of the Company
Company	Pyne Gould Corporation Limited
HD Capital	HD Capital Partners LLP
London Stock Exchange, or LSE	London Stock Exchange plc
LSE's Main Market	The market of the LSE that includes the Premium Listing, the Standard Listing and the High Growth Segment
NZX	NZX Limited, the stock exchange of New Zealand
Pyne Gould	Pyne Gould Corporation Limited
UK	The United Kingdom of Great Britain and Northern Ireland

HD Capital Partners LLP

HD Capital is Authorised and Regulated by the Financial Conduct Authority in the UK and is a Member Firm of the London Stock Exchange. The principal focus of HD Capital is the provision of specialist and expert corporate finance advisory services to businesses and their management teams, with a view both to them achieving listings on the markets of the LSE and to obtaining access to the capital markets. Typically, the advice provided is in connection with flotations and fundraising activities or other corporate transactions such as disposals, acquisitions or mergers.

The contributors

Simon Brickles

Simon has spent the last twenty years developing and operating markets for commodities, equities, and other types of security around the world. During this period, he has headed two of the UK's three full equity markets, having been both Chief Executive Officer of PLUS Markets PLC (PLUS) and Head of AIM.

Paul Dudley

Paul is a founding partner of HD Capital. He is a Chartered Accountant and has a Diploma in Corporate Finance from the Institute of Securities. Prior to setting up HD Capital, Paul was instrumental in growing the corporate finance business of stockbrokers WH Ireland Limited in London, where he acted as the lead corporate finance adviser on around 20 flotations as well as executing numerous fund raisings and providing advice on the UK City Code on Takeovers and Mergers and other transactions in the private and public arena. He was also a director at Novus Capital Markets Limited, an equity brokerage business, where he helped to establish the corporate finance department.

Peter Jackson

Peter is a Chartered Accountant with over twenty years of City experience as both a corporate finance practitioner and a Stock Exchange regulator. At both the LSE and PLUS, Peter was in charge of the regulatory departments responsible for monitoring proper market conduct and practice. At the LSE, his roles included being Head of AIM Regulation and Head of Sponsor Regulation. At PLUS, as Director of Regulation, Peter was charged with ensuring the orderliness and integrity of the PLUS primary markets for companies, as well as for ensuring the orderliness of the trading of shares on the PLUS trading platform. In the field of corporate finance, at both WH Ireland Limited and Novus Capital Markets Limited, Peter was responsible for servicing the investment and advisory requirements of a range of public and private companies. In particular, at WH Ireland he brought some 20 companies to market as lead corporate finance adviser.

BUSINESS TO BE CONDUCTED

1. **Chairman's Introduction**

2. **Address to Shareholders**

3. **Annual Report** – To receive and consider the annual report for the year ended 30 June 2013

4. **Ordinary Business**

   (a) **Re-election of Director: Mr George Kerr**

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

   "That George Charles Desmond Kerr be re-elected as a Director of the Company"

   See Ordinary Business – Explanatory Note.

   (b) **Election of Director: Mr Michael Carolan**

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

   "That Michael Joseph Christian Carolan be elected as a Director of the Company"

   See Ordinary Business – Explanatory Note.

   (c) **Auditor**

   To record the reappointment of PricewaterhouseCoopers (PwC) as the Company's auditor and to consider, and if thought fit, to pass the following resolution as an ordinary resolution:

   "That the Directors are authorised to fix the auditor's remuneration"

5. **Special Business: Migration to Guernsey**

   (a) Special Resolution 1: Approval of application to remove PGC from the New Zealand companies register and migrate to Guernsey:

   To consider and, if thought fit, to pass the following resolution as a special resolution:

   *"That the proposed application by the Board to remove the Company from the New Zealand companies register and transfer the Company's place of incorporation to Guernsey by registering as a company under the Companies (Guernsey) Law, 2008 (as amended) (the **Migration**) is approved, provided that the Board and the Company is only entitled to implement the Migration if:*

   (i) Special Resolution 2 is passed, and

   *(ii) the Board resolves (the **Migration Resolution**) immediately prior to implementing the Migration that, in the Board's view, the Migration remains in the best interests of the Company and its shareholders."*

   See Special Business – Explanatory Note 1.

(b) Special Resolution 2: Revocation of existing constitution and adoption of new memorandum and articles of incorporation

To consider and, if thought fit, to pass the following resolution as a special resolution:

"That, subject to the passing of Special Resolution 1 above and the passing by the Board of the Migration Resolution (as defined in Special Resolution 1), the existing constitution of the Company be revoked and the Company adopt, in place of the revoked constitution, new memorandum and articles of incorporation in the form tabled at the Annual Meeting and signed by the Chairman for the purposes of identification, such revocation and adoption to take effect on the date of the Migration."

See Special Business – Explanatory Note 2.

By Order of the Board of Directors

Bryan Mogridge
Chairman

25 November 2013

Voting

The shareholders who are entitled to vote at the Annual Meeting are those shareholders whose names are registered in PGC's share register at 10.00 a.m. (New Zealand time) on Sunday, 8 December 2013.

An ordinary resolution of the company means a resolution passed by a simple majority of votes cast by holders of securities in the Company entitled to vote and voting on the resolution.

A special resolution is a resolution that requires the approval of a majority of 75% or more of votes cast by holders of securities in the Company entitled to vote and voting on the resolution. The two special resolutions to be considered at the Annual Meeting are inter-conditional and will only take effect if they are both approved by the required votes.

Proxies

A Proxy Form is included with this Notice of Annual Meeting. A shareholder entitled to vote at the Annual Meeting may appoint a Proxy to attend the Annual Meeting and vote on his or her or its behalf. A proxy need not be a PGC shareholder. For example, shareholders may appoint the Chairman of the Board to act as their proxy, or another person (such as the chairman of the meeting). It is intended that the Chairman of the Board will be the chairman of the Annual Meeting. Please note that the Chairman of the Board intends to vote any discretionary proxies held by him in favour of the resolutions. If additional matters are raised during the course of the Annual Meeting which require a shareholder vote, your proxy will be entitled to vote as he or she thinks fit.

To be valid, a completed Proxy Form (and any power of attorney under which it is signed – refer to the notes on the Proxy Form) must be deposited with PGC so that it is received no later than 10.00 a.m. (New Zealand time) on Sunday, 8 December 2013 (being 48 hours before the start of the Annual Meeting).

A completed Proxy Form may be returned by:

- mail in the reply paid envelope provided or to Pyne Gould Corporation Limited, c/- Link Market Services Limited, PO Box 91976, Auckland 1142, New Zealand;
- fax to +64 9 375 5990;
- scanning or emailing to meetings@linkmarketservices.co.nz;
- delivery to Link Market Services Limited, Level 7, Zurich House, 21 Queen Street, Auckland 1010, New Zealand; or
- online at https://investorcentre.linkmarketservices.co.nz/voting/PGC. Shareholders will require their CSN/Holder number and FIN to appoint their proxy online,

in any case so as to be received no later than 10.00 a.m. (New Zealand time) on **Sunday, 8 December 2013** (being 48 hours before the start of the Annual Meeting).

Corporate representatives

Any corporation that is a shareholder may appoint a person as its representative to attend the Annual Meeting and vote on its behalf, in the same manner as that in which it could appoint a Proxy. To assist administration, notices appointing representatives should be sent to Link Market Services Limited, by the same manner as a Proxy Form, no later than 10.00 a.m. (New Zealand time) on Sunday, 8 December 2013 (being 48 hours before the start of the Annual Meeting). If the notice of appointment is not sent to Link Market Services Limited prior to the meeting, the representative must bring to the meeting an original copy of the notice of appointment signed by the relevant company or body corporate.

Minority buy-out rights

Approval by shareholders of Special Resolution 1 and Special Resolution 2 put forward in this Notice of Annual Meeting will affect the rights attaching to shares in PGC in certain ways for the purposes of section 117 of the New Zealand Companies Act 1993 (**NZ Companies Act**).

For example:

- Upon migration the major transactions provisions of the NZ Companies Act will cease to apply.
- The alteration of shareholder rights provisions of sections 116 to 118 of the NZ Companies Act will also cease to apply (except while PGC remains listed on the NZX Main Board it will be required to comply with these provisions under the NZX Main Board Listing Rules) and will be replaced by the variation of rights provisions in the New Guernsey Articles described on page 33 of this Notice of Annual Meeting.

- Provisions of the NZ Companies Act allowing shareholders to propose matters for discussion at general meetings of shareholders will cease to apply, and matters proposed for discussion by shareholders may only be considered at meetings or in written resolutions appropriately requisitioned by shareholders.

If a PGC shareholder votes all of the shares that are registered in that shareholder's name and have the same beneficial owner against either Special Resolution 1 or Special Resolution 2 and both resolutions are nevertheless passed, that PGC shareholder will be entitled, if the PGC shareholder elects to do so, to require PGC to purchase their shares, under section 111 of the NZ Companies Act. The NZ Companies Act prescribes specific procedures in relation to any such exercise of minority buy out rights. Any shareholder who is entitled, and wishes, to require PGC to purchase its shares in accordance with the above may within 10 working days of the passing of the Special Resolutions give a written notice to PGC.

The terms of Special Resolution 1 and Special Resolution 2 require the Migration Resolution (as defined in Special Resolution 1) to be passed by the Board in order for the Special Resolutions to be effective. If the Migration Resolution is not passed by the Board, PGC will remain a New Zealand-incorporated company with its existing constitution, and consequently, rights attaching to shares in PGC for the purposes of section 117 of the NZ Companies Act will not have been affected. The purpose of the Migration Resolution is to protect the interests of PGC and its shareholders as a whole, by providing for a mechanism whereby the migration will not be implemented if to do so would likely, in the Board's view, impose a material liability or other obligation on PGC as a result of (i) the need to comply with any term or condition of the IRD No objection Notice that is required before migration can occur; (ii) the exercise of minority buy-out rights by shareholders under section 111 of the NZ Companies Act; or (iii) any other matter.

Important

The Board recommends to all shareholders that if they are in any doubt as to any aspect of the matters to be considered at the Annual Meeting, they should seek independent financial or legal advice in relation to, and as to their rights as shareholders arising from, the matters set out in this Notice of Annual Meeting.

ORDINARY BUSINESS – EXPLANATORY NOTE
ELECTION OF DIRECTORS

In accordance with PGC's constitution and the listing rules of the main board equity securities market operated by NZX Limited (**NZX Main Board Listing Rules**):

- Mr George Kerr, who was appointed as a director on 26 August 2008, retires by rotation, and being eligible, offers himself for re-election; and
- Mr Michael Carolan, who was appointed as an executive director of PGC on 24 October 2013, retires and offers himself for election.

George Kerr

George Kerr was appointed to the Board in August 2008. George is a member of the Remuneration and Appointments Committee.

Through Australasian Equity Partners (GP) No. 1 Limited George holds a shareholding of 76.30% in PGC. George is a descendant of one of the founding families of PGC.

George has spent his entire career in financial services and previously was Chairman of Brook Asset Management and Head of Investments at Sterling Grace Portfolio Management.

The Board does not consider Mr Kerr to qualify as an independent director of PGC.

Michael Carolan

Michael Carolan has over 20 years experience working in capital markets in New Zealand and Asia. He has held senior positions at Barclays de Zoette Wedd, JBWere, Macquarie and BNP Paribas, with a focus on institutional equities and fixed income, including debt origination for New Zealand government agencies, local authorities and leading corporate issuers, and equity origination for a number of listed public companies in New Zealand and Australia.

Michael is currently a director of Equity Partners Infrastructure Company No. 1 Limited, an investment company that recently migrated from New Zealand to Bermuda ahead of its planned admission to trading on the AIM market of the London Stock Exchange. PGC indirectly holds approximately 27% of the shares issued by Equity Partners Infrastructure Company No. 1 Limited.

His previous governance roles have included Managing Principal at Macquarie Securities (an NZX member firm) and Trading Representative at the Singapore Exchange.

The Board does not consider Mr Carolan to qualify as an independent director of PGC.

SPECIAL BUSINESS
EXPLANATORY NOTES

After careful consideration, the Board has decided to recommend to shareholders that PGC transfer its place of incorporation from New Zealand to Guernsey. This is referred to in this Notice of Annual Meeting as the proposed migration. The proposed migration is discussed further in Special Business – Explanatory Note 1.

In connection with the proposed migration, it will be necessary for PGC to revoke its existing constitution and adopt a new memorandum and articles of incorporation (the **New Guernsey Articles**) that comply with the requirements of the Companies (Guernsey) Law, 2008 (as amended) (the **Guernsey Companies Law**). The revocation of PGC's existing constitution and the adoption of the New Guernsey Articles is discussed further in Special Business – Explanatory Note 2.

Both the migration and the revocation of PGC's existing constitution and the adoption of the New Guernsey Articles require the approval of shareholders by way of special resolutions. These resolutions will be considered at PGC's Annual Meeting to be held on Tuesday, 10 December 2013.

Shareholders should note that PGC's migration will occur before any application is made for a LSE Listing. The Board intends to seek a LSE Listing after migration is complete and part of that process will involve the Board assessing what market operated by the London Stock Exchange is appropriate for PGC to list on. While it is the intention of the Board that PGC will proceed with the LSE Listing following completion of the migration, there is no certainty of when or if a LSE Listing will be achieved.

PGC will retain its listing on the main board equity securities market (the **NZX Main Board**) operated by NZX Limited (the **NZX Listing**) immediately following the proposed migration. However, if PGC is successful in obtaining the LSE Listing, the Board will assess whether retaining the NZX Listing continues to be in the best interests of PGC and its shareholders as a whole.

Shareholders should also note that the two special resolutions to be considered at the Annual Meeting are inter-conditional. Therefore, if either of the special resolutions is not passed, PGC will remain a New Zealand-incorporated company with its existing constitution. In addition, if the Migration Resolution (as defined in Special Resolution 1) is not passed by the Board, PGC will remain a New Zealand-incorporated company with its existing constitution. The purpose of the Migration Resolution is to protect the interests of PGC and its shareholders as a whole, by providing for a mechanism whereby the migration will not be implemented if to do so would likely, in the Board's view, impose a material liability or other obligation on PGC as a result of (i) the need to comply with any term or condition of the IRD No objection Notice that is required before migration can occur; (ii) the exercise of minority buy-out rights by shareholders under section 111 of the NZ Companies Act; or (iii) any other matter.

SPECIAL BUSINESS – EXPLANATORY NOTE 1
MIGRATION OF PGC TO GUERNSEY

Special Resolution 1 proposes the making of an application by the Board to remove PGC from the New Zealand companies register (the **New Zealand Register**) and transfer its incorporation to Guernsey by registering as a company under the Guernsey Companies Law. This requires the approval of PGC's shareholders by way of special resolution. A special resolution is a resolution approved by 75% or more of the eligible votes cast on the resolution.

1. HISTORICAL OVERVIEW OF PGC

PGC was the parent company of a group of businesses that were involved in rural and financial services. Its origins and name come from Pyne Gould Guinness (**PGG**), which was a prominent New Zealand farm financier, wool broker and agent and attorney for farm investors formed from the merger of three stock and station businesses in 1919. Following the growth of PGG's rural services business over subsequent decades and, later, expansion into financial services and investment, the group structure was re-organised in 1987 with the formation of PGC. Since its formation PGC continually sought to expand, with notable transactions including the acquisition of AMP Perpetual Trustees (which later became Perpetual Trust), the acquisitions of Allied Finance, MARAC Finance and Frontline Finance (which were later merged under the MARAC brand), and a merger of its then wholly-owned subsidiary PGG with Wrightson Limited to form PGG Wrightson Limited.

PGC has been listed on the NZX Main Board for less than a decade. PGC listed on the NZX Main Board on 30 March 2004 before which its shares had been traded on the Unlisted Market.

In 2009, PGC embarked on a significant restructure to ensure it would have sufficient strength to survive the stresses of the Global Financial Crisis. At that time PGC was an overleveraged holding company with both its wholly-owned subsidiary MARAC and its largest investment, PGG Wrightson Limited, in precarious financial condition. The first major step of that restructure involved raising $272.5 million through a rights issue and private placement in order to strengthen the balance sheet of both PGC and MARAC. The second major step was the splitting of PGC into two businesses, creating as a separate company what is now the Heartland Bank, with the remainder remaining in PGC, largely comprising the Torchlight Investment Group (**Torchlight**).

PGC's strategic focus following this restructuring was to provide financial and asset management services to middle New Zealanders. Its operations were in the Perpetual Group which offered financial advisory and trust services to clients across New Zealand, in Torchlight which managed and co-invested in private equity funds for high net-worth individuals and institutions across Australasia, and in the Property Group which managed certain non-core property assets.

During early 2012 the Board reviewed its strategy for shareholder value enhancement and decided that Torchlight would be its core business focus with everything else being non core. This was announced to the market during July and September 2012. As a consequence of Torchlight being the core focus, PGC's future business would be investing in quality assets with distressed debt obligations and mean that the areas of geographical operation would primarily be Australia and the United Kingdom. During the past year, PGC has sold the Perpetual Group and, through Torchlight, has acquired new and increased existing interests in investments in the United Kingdom and Australia, such as its recent acquisition of 11% of Local World, which owns 110 regional newspapers in the United Kingdom and its increase in its interest in two existing Australian real estate investments, the ASX-listed Lantern Hotel Group (which owns and operates a portfolio of hotels predominantly in New South Wales) and the RCL Group (which invests in a diversified portfolio of quality residential land projects which are developed by a range of leading private developers).

2. MIGRATION AND LSE LISTING

After careful consideration, and as foreshadowed in each of PGC's annual reports for the years ended 30 June 2012 and 30 June 2013, the Board has concluded that the migration to Guernsey, as a precursor to a LSE Listing, is in the best interests of PGC and its shareholders as a whole.

To assist it to consider this matter, the PGC Board engaged the services of HD Capital Partners LLP (**HD Capital**), a financial advisory firm based in London, whose members have extensive experience advising on listings in London, to provide a report to the Board on the merits of PGC migrating to Guernsey in preparation for a LSE Listing. HD Capital's report concludes that it believes Guernsey would be an excellent jurisdiction from which PGC might pursue its strategic objectives. A summary of the PGC Board's reasons for seeking a LSE Listing through a company incorporated in Guernsey are set out below.

(a) REASONS FOR MIGRATION

The Board's reasons for deciding to migrate to Guernsey, as a precursor to the LSE Listing, include the following:

Links to London: putting PGC in the best position for a LSE Listing

- The volume of statistics illustrate that Guernsey is a very common jurisdiction from which to seek a LSE Listing. As at 30 September 2013, there were some 110 Guernsey-registered issuers admitted to trading on the London Stock Exchange. Statistics issued by the London Stock Exchange at the end of December 2012 show that there are more Guernsey issuers listed on its markets than from any other jurisdiction, excluding the United Kingdom. Examples of globally known Guernsey issuers that have listed in London include Alternative Investment Strategies, BH Macro, Bluecrest Allblue Fund, HICL Infrastructure Company and Resolution Limited. Examples of Guernsey issuers in the real estate and property sector that have listed in London include Assura Group, F&C Commercial Property Trust and UK Commercial Property Trust. In contrast there are no New Zealand-incorporated companies currently admitted to trading on the London Stock Exchange. Potential London market investors will likely take greater comfort in investing in a company that is incorporated in a jurisdiction which is regarded as a proven jurisdiction from which to seek and maintain a LSE Listing.

- Administratively, Guernsey's geographical proximity to London (and being in the same time zone) will make communication and compliance with the relevant regulators considerably easier.

- Guernsey companies whose shares are admitted to trading in London have the benefit of the CREST paperless settlement system similar to that offered in New Zealand. CREST is the system through which electronic trading in the public markets of London is conducted. Shares issued by companies that are not incorporated in the United Kingdom, Jersey, Guernsey, the Isle of Man or the Republic of Ireland cannot be held or transferred in the CREST system, and such companies need to establish depositary or custodian arrangements under which shareholders deposit their shares with a depositary (which holds the shares as a bare trustee).

- It is not legally possible for PGC to become a company registered in the United Kingdom through a migration process because United Kingdom company laws do not allow foreign companies to migrate to the United Kingdom.

Guernsey as a place to do business

- Guernsey is an English-speaking commercial centre in the same time zone as the United Kingdom and has a long history of providing an attractive business environment for companies whilst retaining proper respect for corporate governance, transparency and the rule of law.

- The currency of Guernsey is the Guernsey pound, which is in a currency union with pound sterling. Accordingly, if the Board adopts pound sterling as PGC's functional currency following the migration to Guernsey, PGC would share the currency of the jurisdiction of a significant number of its underlying assets.

- A Guernsey domicile would give PGC better access to the broader pool of board and management expertise in Europe – which would include persons who are likely to be more familiar with the risks associated with many of PGC's current United Kingdom-based investments and those that it will target in the future.

- It will be more efficient or administratively easier to operate PGC's business in a location nearer to some of its key assets. PGC intends to move its place of central management to Guernsey or London once the LSE Listing has been obtained.

Doing business as a real estate focussed company

- A migration to Guernsey creates the opportunity for PGC to re-profile itself as a REOC on the basis that Torchlight is primarily interested in good operating businesses with underlying quality real estate assets. If the PGC Board decides to undertake such a re-profiling it will create the opportunity for PGC to fall within a category of investment companies that are closely followed by a specialist set of investors and analysts. This raises the prospect of PGC benefiting from greater liquidity.

- As an investment vehicle domicile, Guernsey is home to some of the largest players in the real estate investment industry, giving it immediate global credibility. In addition, Guernsey administrators have extensive experience in real estate and infrastructure sectors ranging from local owner-managed businesses through to London listed international real estate entities.

Market opportunities for PGC as a Guernsey company

- A key element to PGC's current business strategy is the acquisition of quality assets with distressed debt obligations. The Board perceives that a migration to Guernsey will open PGC to opportunities to purchase such assets within the wider European business area. Such opportunities exist as a result of the Global Financial Crisis and the patchy nature of Europe's recovery from it. Significant opportunities exist to generate attractive returns (and yield) by investing in leading European businesses in both the primary and secondary debt markets in performing, stressed and distressed situations. Such credit opportunities are expected to be more accessible from a European-based platform, managed and operated from Guernsey.

- London could act as a hub from which PGC, post-migration, could position itself to benefit from the credit opportunities outlined above and reap the benefits of close access to an extensive investment and adviser ecosystem providing:
  - access to local debt distressed companies or credit opportunities geographically close to London or within easy reach thereof;
  - access to global investors who are based in London and throughout Europe;
  - access to specialised Real Estate investors, with whom transactions may be facilitated alongside or with;
  - specialised corporate adviser network, who can act as intermediaries to facilitate deals or introductions; and
  - other specialist participants, including accounting and legal professionals, who again can act as intermediaries to facilitate deals or introductions.

Taxation

- Guernsey has a favourable tax regime and, post-migration, PGC will either be exempt from income tax in Guernsey or will be subject to income tax in Guernsey at the standard company rate of tax, currently 0%. Whilst Guernsey is not a member of the European Union, it has negotiated special terms with it, from which Guernsey benefits. There is no guarantee that at some point in the future pressure will not be brought to bear on Guernsey to align its tax regime more closely with that of other European Union member states.

- As a non-resident of New Zealand, PGC would be taxed on income in New Zealand only to the extent that the income is sourced in New Zealand.

Diminishing presence in New Zealand

- PGC does not have any material investments or assets in New Zealand.

- PGC's current significant investments (through Torchlight) are in businesses that operate in Australia and the United Kingdom. PGC's present New Zealand assets are currently all for sale and primarily consist of a mixture of residential and commercial investment properties, which amounted to approximately $4.8 million of total assets of $151.8 million of assets as reported in PGC's annual financial statements for the year ended 30 June 2013.

Disadvantages

The Board has identified some disadvantages for PGC and its shareholders arising from PGC's migration to Guernsey, which include:

- the risk that PGC does not achieve a LSE Listing and therefore remains a Guernsey company listed only on NZX;

- the imposition of a degree of administrative burden on PGC and its directors in undertaking the migration;

- the incurring of professional advisers' fees;

- the risk that the migration will not be able to proceed if PGC is unable to satisfy certain eligibility criteria;

- the risk that the migration will alienate PGC from elements of its core shareholder base; and

- if PGC ceases to be a New Zealand tax resident, then New Zealand resident shareholders (unless they are natural person shareholders who hold interests in PGC and other Foreign Investment Funds (**FIF**) of $50,000 or less in aggregate) will be taxed on an annual basis in respect of their investment in PGC under the New Zealand FIF regime. For most shareholders subject to the FIF regime the "fair dividend rate" method will require 5% of the opening market value of the interest in the FIF to be taxed at the shareholder's applicable tax rate, each year (see discussion under heading "New Zealand tax implications" on page 27 of this Notice of Annual Meeting).

Notwithstanding any disadvantages, the Board considers that, on balance, and even if PGC does not obtain a LSE Listing, the reasons set out above in favour of the proposed migration outweigh the disadvantages.

(b) REASONS FOR SEEKING LISTING IN LONDON

Although shareholder approval is not required in respect of the LSE Listing, the PGC Board wishes to outline the reasons for seeking a LSE Listing, as the PGC Board's decision to migrate to Guernsey is linked to the decision to seek a LSE Listing.

These reasons include:

- There are a number of markets in London upon which PGC could consider listing, including standard and premium segments of the Main Market or a quotation on the AIM market of the London Stock Exchange. As at 30 September 2013, there were some 1,300 issuers listed on the Main Market and just under 1,100 further issuers with securities quoted on the AIM market of the London Stock Exchange. Most importantly, London has long provided a listing or quotation venue for international companies. As at 30 September 2013, there were 306 international companies with United Kingdom listings and 231 international companies on the AIM market of the London Stock Exchange. As noted above, there are currently no New Zealand incorporated companies whose shares are traded on the London Stock Exchange.

- The strong cultural, language and business congruities that exist with the United Kingdom make listing or quotation in London easier for PGC than for many other international companies that have chosen this route from more divergent backgrounds.

- The size and scale of London's primary markets is considerably larger than NZX. At the end of October 2013 NZX had a market capitalisation of some $85 billion, which is less than the market capitalisation of the AIM market alone, which at the same date was capitalised at £72.2 billion. At the same date, the Main Market of the London Stock Exchange, by contrast, has a market capitalisation of just over £4.2 trillion.

- In addition to size and scale of the pool of capital in London, there is a more diverse range of investors with differing risk and return profiles, geographic focus and asset exposure within the real estate and property sector. These include specialist funds, sophisticated real estate and property sector investors and European investors who are expected to better understand and accept PGC's strategies and thus may be more predisposed to investing in PGC.

- Investor appetite and knowledge in London for companies operating in the property sector is considerable and there are specialist advisers and brokers with the experience of promoting such companies to the market.

- There is a deeper pool of liquidity in London. Increased share liquidity can translate into a lower cost of capital for PGC and a higher share price, because it is valued by investors and factored into market prices. Trading volumes in PGC's shares are relatively low, which in the view of the PGC Board is a reason that contributes to its share price trading substantially below its net tangible asset value. Given its deep levels of liquidity, coupled with its long standing as an exchange and the international nature of its markets, securities quoted on the London Stock Exchange are generally viewed as an attractive currency for acquisitions. Increasing interest and liquidity in its shares is a key concern for the PGC Board.

- Generally, a LSE Listing will likely confer greater visibility and reputation upon PGC. For example, a LSE Listing will likely increase analyst coverage of PGC by exposing PGC to the attention of additional financial analysts, and thereby a wider base of potential investors.

- A LSE Listing will allow PGC to promote itself as an international operation to new, potential international investors who are concentrated upon PGC's new focus and performance.

Disadvantages

The Board has identified some disadvantages for PGC and its shareholders arising from PGC achieving a LSE Listing, which include:

- the time, effort and cost involved in seeking and maintaining a LSE Listing. Typically the listing process takes a number of months, involves the engagement of professional advisers and the diversion of management time and effort;

- there is a risk a LSE Listing will not be able to proceed if PGC is unable to satisfy certain eligibility criteria;

- PGC's shareholders may require a UK-based broker to trade shares on London Stock Exchange (although whilst PGC is listed on the NZX Main Board, shareholders would retain the ability to trade shares on NZX as is currently the case); and

- the addition of a further layer of regulation while PGC maintains its listing on the NZX Main Board. Following PGC's migration to Guernsey and a LSE Listing, PGC will be subject to the UK City Code on Takeovers and Mergers. Both a LSE Listing and coming within the scope of the UK City Code on Takeovers and Mergers would introduce PGC to regulatory regimes to which it is not currently subject.

Notwithstanding any disadvantages, the Board considers that, on balance, the reasons in favour of seeking a LSE Listing set out above substantially outweigh the disadvantages.

There is no guarantee that PGC will achieve a LSE Listing or achieve it within the expected timeframe. Achieving a LSE Listing, which is to a large extent a regulatory process, can be subject to uncertainties such as extended timeframes and/or failure to meet any eligibility criteria. If the investigations referred to in the Chairman's letter on page 1 of this Notice of Annual Meeting remain ongoing at the time, those investigations may delay achieving a LSE Listing or affect PGC's ability to meet any eligibility criteria.

The fact that PGC and its Board already operate in a listed company environment, and will continue to do so until the time of the LSE Listing, should assist this process.

3. PROCEDURE FOR MIGRATION TO GUERNSEY

PGC's proposed migration to Guernsey involves the following steps:

- public notice of the proposed removal of PGC from the New Zealand Register, which was given on Thursday, 14 November 2013 in the New Zealand Gazette and the New Zealand Herald;

- written notice from the New Zealand Commissioner of Inland Revenue that the Commissioner has no objection to PGC being removed from the New Zealand Register in connection with the migration. PGC has applied to the Commissioner for this written notice and no application for removal from the New Zealand Register (or migration) can occur until such notice has been received. The Board has applied for this written notice but as at the date of this Notice of Annual Meeting the required notice has not been received;

- passing of special resolutions of shareholders approving the removal of PGC from the New Zealand Register and the adoption of the New Guernsey Articles that comply with the Guernsey Companies Law (these are the special resolutions that are proposed at the Annual Meeting to which this Notice relates);

- if written notice from the New Zealand Commissioner of Inland Revenue is received, the special resolutions are approved by shareholders as referred to above and the Board's "Migration Resolution" (as defined in Special Resolution 1) is passed, PGC will apply to the New Zealand Registrar of Companies to be removed from the New Zealand Register;

- PGC will simultaneously apply for registration as a Guernsey company so that PGC becomes registered in Guernsey simultaneously with it ceasing to be registered in New Zealand as a New Zealand company;

- on receipt of the application for registration, the Guernsey Registrar of Companies will register PGC in the Guernsey register of companies and issue a certificate of registration and registration number for PGC, providing conclusive proof that PGC is registered in Guernsey;

- PGC will provide a copy of the certificate of registration in Guernsey to the New Zealand Registrar of Companies and the New Zealand Registrar of Companies will proceed to remove PGC from the New Zealand Register; and

- upon PGC being removed from the New Zealand Register and becoming registered in Guernsey the existing constitution will be revoked and the New Guernsey Articles adopted by the shareholders will take effect.

STATUS OF PGC FOLLOWING THE MIGRATION

The removal of PGC from the New Zealand Register and its registration under the Guernsey Companies Law will not prejudice or affect the identity of PGC or its continuity as a legal person. Following the migration, PGC will continue as the same legal entity, with the same name and under the control of its Board. In addition, following the migration to Guernsey:

- PGC's registered office will move from Auckland, New Zealand to Guernsey;

- PGC will continue to maintain its listing on the NZX Main Board, and accordingly, PGC will remain subject to the NZX Main Board Listing Rules. Once a LSE Listing has been achieved, the Board will assess whether the listing on the NZX Main Board remains in the best interests of PGC and its shareholders as a whole;

- While it maintains NZX as its Home Exchange, PGC will continue to have at least two directors who are ordinarily resident in New Zealand;

- In the absence of a waiver from NZX, in accordance with Rule 5.5.1(b) of the NZX Main Board Listing Rules, all shareholder meetings will be held in New Zealand while NZX continues to be PGC's Home Exchange (as that term is defined in the NZX Main Board Listing Rules);

- The Board will consider, in due course, adopting pound sterling as PGC's functional currency. A functional currency is the currency of the primary economic environment in which an entity operates. The primary economic environment is the one in which the entity primarily generates and expends cash. All entities are required to adopt a functional currency for accounting purposes under International Financial Reporting Standards. In taking any decision to adopt pound sterling as PGC's functional currency, the Board will have regard to a number of indicators, including the nature of PGC's investments at the relevant time, whether pound sterling is the currency that influences prices for goods and services and influences costs, and in which funds are generated and receipts from operating activities are maintained. A change in functional currency will require the Board to implement certain accounting changes. A change in functional currency to pound sterling may also result in PGC's financial statements being presented in pound sterling, because the currency in which the financial statements are presented (known as the presentation currency) is usually the same as the functional currency. A change to pound sterling as PGC's functional currency, if adopted, may impact on the returns to shareholders due to exchange rate fluctuations;

- The Board intends to manage the affairs of PGC in such a way as to ensure that PGC will not be tax resident in New Zealand;

- Shareholder services (including the share register administration services) will continue to be operated by a service provider in New Zealand in addition to the services provided from Guernsey (at least whilst PGC is listed on NZX);

- PGC will continue to maintain the "Shareholder Centre" webpage (or equivalent) on its website www.pgc.co.nz, which is accessible to all PGC shareholders and contains information relevant to their investment in PGC. PGC will update shareholders if there is a change to the relevant webpage address or URL;

- Immediately upon being removed from the New Zealand Register and registering as a Guernsey company, PGC will apply to the New Zealand Registrar of Companies under Part 18 of the NZ Companies Act to become registered as an overseas company carrying on business in New Zealand. The implication of such registration is that PGC will be required, as a Guernsey company, to give notice to the New Zealand Registrar of Companies of any changes to its articles, names and residential addresses of its directors or company addresses. PGC will also be required to file an annual return;

- In the absence of any relevant exemption, PGC's obligation under the New Zealand Financial Reporting Act 1993 (**FRA**) to prepare and file audited financial statements on an annual basis in New Zealand will continue even if PGC migrates to Guernsey. This is because PGC will continue to constitute an "issuer" under the FRA, having previously allotted securities pursuant to an offer for which an investment statement or registered prospectus was required under the New Zealand Securities Act 1978; and

- PGC will no longer be a company under the NZ Companies Act. New laws will apply to PGC and its shareholders (in relation to PGC) and the laws that currently apply to PGC and its shareholders (in relation to PGC) will cease to apply (one exception is that while PGC maintains its listing on the NZX Main Board, it will be required to comply with the sections 116 to 117 of the NZ Companies Act). PGC will be required to comply with the Guernsey Companies Law and the other laws of Guernsey. The Guernsey Companies Law differs in many respects from the NZ Companies Act. A number of key differences are described below.

KEY DIFFERENCES BETWEEN NEW ZEALAND AND GUERNSEY COMPANY LAW

As a result of the migration of PGC from New Zealand to Guernsey, PGC will cease to be governed by the NZ Companies Act and its existing constitution. Instead, PGC will be governed by Guernsey law, the primarily applicable legislation being the Guernsey Companies Law, and the provisions of the New Guernsey Articles (further information in relation to which is set out in Special Business – Explanatory Note 2). PGC will not be regulated by the Guernsey Financial Services Commission or any other regulatory body in Guernsey. It will be for the directors to act in accordance with their duties as directors of a Guernsey company and to ensure that PGC complies with the requirements of the Guernsey Companies Law (in addition to the NZX Main Board Listing Rules).

Set out below is a summary of what the Board believes to be the most important differences between the legal regime that currently applies to PGC pursuant to the NZ Companies Act and PGC's existing constitution and the regime that will apply to PGC pursuant to Guernsey law and the New Guernsey Articles following PGC's migration to Guernsey. Shareholders should note that this information does not purport to be exhaustive and that there are other differences, some of which may be considered by shareholders to be material, between the New Zealand and Guernsey regimes.

Shareholders may obtain a copy of the New Guernsey Articles on request from Pyne Gould Corporation Limited, c/- Deloitte, 80 Queen Street, Auckland, 1010, New Zealand, or by downloading them from the "Shareholder Centre" webpage on PGC's website www.pgc.co.nz.

Major transactions

The NZ Companies Act requires shareholder approval by way of a special resolution (being a resolution passed by 75% of the votes of those shareholders entitled to vote and voting in favour) to be obtained before a company acquires or disposes of assets, or incurs obligations or liabilities, the value of which is more than half the value of the company's assets before the transaction.

The Guernsey Companies Law does not contain any similar restrictions on major transactions.

Pre-emptive rights on issue of new shares

The NZ Companies Act includes a regime under which new shares that are proposed to be issued are required to be offered first to the holders of the shares already issued in a manner and on terms that would, if accepted, maintain the existing voting or distribution rights, or both, of those holders. However, as is permitted under the NZ Companies Act, these pre-emptive provisions have been disapplied pursuant to PGC's existing constitution. Therefore, the Board may currently issue new shares or securities without restriction and PGC's shareholders do not have any pre-emptive rights in respect of such new issues.

Neither the Guernsey Companies Law nor the New Guernsey Articles contain or require any pre-emption provisions.

Minority buy out rights

The NZ Companies Act provides that if a shareholders' special resolution is passed to approve a major transaction, an amalgamation, or certain changes to a company's constitution, or to approve the taking of action which affects the rights attaching to shares, a shareholder who voted against the resolution can require the company to buy all of that shareholder's shares (or arrange for a third party to buy the shares) at a price agreed or determined by arbitration.

The Guernsey Companies Law does not contain any similar minority buy-out rights.

Alteration of shareholder rights

Under the NZ Companies Act a company must not take action that affects the rights attached to shares unless that action has been approved by a special resolution of each interest group (an interest group means a group of shareholders whose affected rights are identical and whose rights are affected by the action or proposal in the same way). While PGC maintains its listing on the NZX Main Board, it is required under the NZX Main Board Listing Rules to comply with these provisions, which are set out in sections 116 to 117 of the NZ Companies Act.

The Guernsey Companies Law provides that, without prejudice to any other restrictions on their variation, the rights of a class of shareholders in a Guernsey company may only be varied in accordance with any provisions in that company's articles of incorporation for the variation of those rights or, where those articles contain no such provision, with the written consent of at least 75% of the members of that class or if a special resolution passed at a separate general meeting of the members of that class sanctions the variation. Where the rights of a class of shareholders are so varied, the Guernsey Companies Law provides that holders of not less than 15% of the issued shares of the class in question (being persons who did not consent to or vote in favour of the resolution for the variation) may apply to the Royal Court in Guernsey to have the variation cancelled. If the Royal Court is satisfied that such a variation would unfairly prejudice the members of the class represented by the applicant then it will disallow the variation or, if not so satisfied, then the Royal Court will confirm it.

The New Guernsey Articles provide that the rights attaching to a class of shares may only be varied with the written consent of more than 75% in number of the issued shares of that class or the consent of an extraordinary resolution passed by a majority of not less than 75% of the votes cast at a separate general meeting of the holders of shares of that class.

Requisitioning a shareholder meeting

Under the NZ Companies Act a special meeting of shareholders entitled to vote on an issue must be called by the Board on the written request of shareholders holding shares carrying together not less than 5% of the voting rights entitled to be exercised on the issue.

The Guernsey Companies Law requires the board of directors of a Guernsey company to call a general meeting of shareholders once the company has received requests to do so from members who hold more than 10% of such of the capital of the company as carries the right of voting at general meetings of the company (excluding any capital held as treasury shares). Such a request to call a meeting must state the general nature of the business to be dealt with at the meeting and may include the text of a resolution that may properly be moved and is intended to be moved at the meeting.

In addition, the Guernsey Companies Law requires the board of directors of a Guernsey company to circulate a resolution that may properly be moved and is proposed to be moved as a written resolution once it has received requests to do so from members representing not less than 5% of the total voting rights of all members entitled to vote on the resolution. Any resolution may be properly moved as a written resolution unless: (a) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the company's memorandum and articles or otherwise), (b) it is defamatory of any person, or (c) it is frivolous or vexatious. Where the members require a company to circulate a resolution they may require the company to circulate with it a statement of not more than 1,000 words on the subject matter of the resolution.

Shareholder proposals

Under the NZ Companies Act, a shareholder may give written notice to the board of a matter the shareholder proposes to raise for discussion or resolution at the next meeting of shareholders at which the shareholder is entitled to vote. If such notice is received from a shareholder before a prescribed time, the board must give notice of the shareholder proposal and the text of any proposed resolution to all shareholders entitled to receive notice of the meeting, at the expense of either the company or the shareholder. Whether the company or the shareholder bears the expense of giving notice is determined by when the shareholder notice is received.

Other than as described above in relation to resolutions that are to be proposed at a meeting called on the requisition of the shareholders or that are to be contained in a written resolution to be circulated on the requisition of the shareholders, the Guernsey Companies Law does not contain any provisions allowing shareholders to propose matters for discussion at general meetings of shareholders.

Financial assistance

The NZ Companies Act specifies the circumstances in which a company may give financial assistance, directly or indirectly, for the purchase of its own shares or shares in its holding company. Those circumstances are where the company will satisfy the solvency test after the assistance is given and:

(a) where all shareholders give their written consent to the giving of the assistance; or

(b) where the board approves the giving of the assistance and certain procedures are followed; or

(c) where the assistance does not exceed 5% of the company's capital and reserves; or

(d) where all shareholders and any other entitled persons agree to the giving of the assistance.

The NZ Companies Act also specifies certain other procedural requirements that must be complied with in relation to the giving of financial assistance including requirements for board resolutions, directors' certificates (including as to solvency) and disclosure documents to be sent to shareholders.

The Guernsey Companies Law permits a Guernsey company to give financial assistance directly or indirectly for the purpose of or in connection with a person acquiring or proposing to acquire shares in that company or any of its subsidiaries provided that its board of directors are satisfied on reasonable grounds that the Guernsey company will, immediately after giving the financial assistance, satisfy the solvency test under the Guernsey Companies Law and provided that the Guernsey company satisfies any other requirement in its memorandum and articles of incorporation. The New Guernsey Articles do not impose any additional restrictions on the Company's ability to give financial assistance.

Financial reporting

The New Zealand Financial Reporting Act 1993 (**FRA**) sets out obligations for "reporting entities" to prepare and file audited financial statements and group financial statements in New Zealand. A "reporting entity" includes an "issuer" and an "issuer" includes any person who has allotted securities pursuant to an offer for which an investment statement or registered prospectus, or both, is or was required under the New Zealand Securities Act 1978. PGC is an "issuer" for these purposes and will continue to be required to comply with the FRA following the migration. These requirements include:

- The directors of every reporting entity (other than a non-active entity) must ensure that within five months after its balance date, financial statements that comply with the FRA are prepared, and are dated and signed on behalf of the directors by two directors of the entity or, if the entity has only one director by that director.
- Issuers, certain overseas owned companies and subsidiaries of overseas companies must ensure that the financial statements and group financial statements (if any) are audited by a qualified auditor.
- Issuers, certain overseas owned companies and subsidiaries of overseas companies are required to file audited financial statements with the New Zealand Registrar of Companies within 20 working days after the financial statements are required to be signed.

Changes are proposed to the FRA under the Financial Reporting Bill that is currently before Parliament. When enacted and in force, the obligations of an issuer to prepare and register audited financial statements will be replaced by a new regime for "FMC reporting entities" that will be contained in the Financial Markets Conduct Act 2013. One proposed change to the above requirements is reducing the financial statement preparation and filing time from five months and 20 working days to four months.

In addition, under the NZ Companies Act, the board of a company must send to every shareholder of the company not less than 20 working days before the date fixed for holding the annual meeting of shareholders, a copy of an annual report (including financial statements) or a notice stating that the annual report is available and how it may be obtained.

Under the Guernsey Companies Law, the directors of a Guernsey company are responsible for preparing financial statements each financial year. Such financial statements must be approved by the company's board of directors and must be signed on behalf of the board by at least one director. The directors of a Guernsey company must also prepare a directors' report for each financial year stating the principal activities (if any) of the company in the course of the financial year, and if the company is audited, make certain statements about audit information. A Guernsey company's financial statements for a financial year must be audited unless the company's members have passed a waiver resolution (of not less than 90%) exempting it from this requirement.

Every Guernsey company must send a copy of its financial statements, its directors' report, and its auditor's report to each member of the company within 12 months after the end of the financial year to which they relate, or if requested by a member of the company, within 7 days of the date of that request. A Guernsey company must also present its most recent financial statements, directors' report, and auditor's report before its annual general meeting.

No Guernsey regulatory agencies monitor the compliance by Guernsey companies (such as PGC will be) with relevant Guernsey law. A Guernsey company's board of directors must act in accordance with their duties as directors of a Guernsey company which include ensuring that the company complies with the requirements of the Guernsey Companies Law.

While PGC remains listed on the NZX Main Board, financial statements that comply with the FRA will be prepared, as required under the NZX Main Board Listing Rules.

NZX Main Board Listing Rules

Shareholders should note that while PGC remains listed on the NZX Main Board, the NZX Main Board Listing Rules will apply to PGC. The NZX Main Board Listing Rules contain restrictions on PGC's ability to undertake various transactions, including share issues, buybacks and the giving of financial assistance and undertaking major transactions or transactions with "Related Parties". In addition, PGC will remain subject to the "continuous disclosure" rules set out in the NZX Main Board Listing Rules.

New Zealand Takeovers Code will cease to apply

Once PGC has migrated to Guernsey, it will no longer be a New Zealand incorporated company for the purposes of the Companies Act, and will therefore not be a "Code Company" subject to the rules under the Takeovers Code Approval Order 2000.

However, the NZX Main Board Listing Rules require that the constitution of each issuer on NZX which is not a Code Company to either contain or incorporate by reference Notice and Pause Provisions, Enforcement Provisions, and Compulsory Acquisition Provisions. PGC does not intend to adopt the Minority Veto Provisions. The Notice and Pause Provisions, Enforcement Provisions, and Compulsory Acquisition Provisions are contained within the New Guernsey Articles. The Notice and Pause Provisions are the standard provisions and have not been modified in accordance with the NZX Main Board Listing Rules. The Notice and Pause Provisions, Enforcement Provisions, and Compulsory Acquisition Provisions provisions include certain restrictions on transfers of securities that will apply to any takeover type transaction. The key implications of these provisions is that:

- a takeover to all shareholders is not required to be made for a party to cross the 20% threshold or increase its stake which is already greater than 20%;
- a party can cross the 20% threshold or increase its stake which is already greater than 20% by more than 5% in any 12 month period by giving a notice to the market and not acquiring for 3 Business Days or, if the party is an "insider", 15 Business Days (and within that 15 Business Day period the issuer's directors must, except in certain circumstances, commission an Appraisal Report in respect of the relevant transfer);
- following non-compliance by a shareholder (the **Defaulting Shareholder**) with the Notice and Pause Provisions or by a Majority Holder with the Compulsory Acquisition Provisions, an issuer may exercise certain powers in respect of shares in which the Defaulting Shareholder has a relevant interest. For example, the issuer may sell the Defaulting Shareholder's shares if the default has not been remedied within one month, or the chairperson of any meeting of shareholders may rule that the Defaulting Shareholder is not entitled to vote at that meeting; and
- when a party or group of associated parties (the **Majority Holder**) acquires beneficial ownership of 90% or more of a "Class of Quoted Equity Securities", the Majority Holder can compulsorily acquire securities held by other shareholders in the same class. In summary, this involves the Majority Holder giving a notice (**Acquisition Notice**) to all remaining shareholders of securities of that class, the company and NZX within the following 20 business days as from reaching the 90% threshold. The Acquisition Notice must state either that (a) the Majority Holder intends to acquire all securities held by the remaining shareholders; or (b) any remaining shareholder may require the Majority Holder to acquire the securities held by them by giving notice to the Majority Holder within one month as from the date of the Acquisition Notice. The Acquisition Notice must also specify the consideration which the Majority Holder is prepared to provide, and prior to giving the Acquisition Notice, the Majority Holder must provide to NZX an independent report from an NZX-approved person which confirms that the consideration is fair to the remaining shareholders. There is a mechanism for the remaining shareholders to dispute the price offered by the Majority Holder.

Takeovers under the Guernsey Companies Law

In addition, the Guernsey Companies Law provides that shares in a Guernsey company may be subject to compulsory acquisition in the event of a takeover offer which satisfies the requirements of Part XVIII of that Law or in the event of a scheme of arrangement under Part VIII of that Law.

In order for a takeover offer to satisfy the requirements of Part XVIII of the Companies Law, the prospective purchaser must prepare a scheme or contract (the **Offer**) relating to the acquisition of the shares and make the Offer to some or all of the shareholders. If, at the end of a four month period following the making of the Offer, the Offer has been accepted by shareholders holding 90% in value of the shares affected by the Offer, the purchaser has a further two months during which it can give a notice (a **Notice to Acquire**) to any shareholder to whom the Offer was made but who has not accepted the Offer (the **Dissenting Shareholders**) explaining the purchaser's intention to acquire their shares on the same terms. The Dissenting Shareholders have a period of one month from the Notice to Acquire in which to apply to the Royal Court in Guernsey for the cancellation of the Notice to Acquire. Unless, prior to the end of that one month period the Royal Court has cancelled the Notice to Acquire or granted an order preventing the purchaser from enforcing the Notice to Acquire, the purchaser may acquire the shares belonging to the Dissenting Shareholders by paying the consideration payable under the Offer to the Guernsey company, which it will hold on trust for the Dissenting Shareholders.

A scheme of arrangement is a proposal made to the Royal Court in Guernsey by a Guernsey company in order to effect an "arrangement" or reconstruction, which may include a corporate takeover in which the shares are acquired in consideration for cash or shares in another company. A scheme of arrangement is subject to the approval of a majority in number representing at least 75% (in value) of the members (or any class of them) present and voting in person or by proxy at a meeting convened by the Royal Court and subject to the approval of the Royal Court. If approved, the scheme of arrangement is binding on all shareholders.

The provisions of the UK City Code on Takeovers and Mergers (the UK Code) are expected to apply to PGC from the date of the LSE Listing but not before

The UK Code applies to all offers for companies which have their registered offices in the United Kingdom, the Channel Islands or the Isle of Man if any of their securities are admitted to trading on a regulated market or a multilateral trading facility in the United Kingdom or on any stock exchange in the Channel Islands or the Isle of Man.

The UK Code also applies to all other offers for companies which have their registered offices in the United Kingdom, the Channel Islands or the Isle of Man and which are considered by the United Kingdom Takeover Panel (the **Panel**) to have their place of central management and control in the United Kingdom, the Channel Islands or the Isle of Man but only when (amongst other things) dealings and/or prices at which persons were willing to deal in any of their securities have been published on a regular basis for a continuous period of at least six months in the 10 years prior to the relevant date, whether via a newspaper, electronic price quotation system or otherwise.

It is the current intention of the Board that, for the period following PGC's migration to Guernsey and prior to the completion of the LSE Listing, PGC's place of central management and control is outside of the United Kingdom, the Channel Islands and the Isle of Man. This means that the UK Code will not apply to PGC during this period.

Irrespective of the place of PGC's central management and control, the UK Code is expected to apply to PGC as soon as the LSE Listing is completed.

TRANSFER OF SHARE REGISTER

The arrangements in relation to PGC's share register (for example, with regard to the mechanism for shareholders accessing information in relation to their shareholding in the Company and the procedure for the registration of share transfers) may change in some respects with effect from the migration of PGC. However, the Board will seek to replicate, as nearly as possible, the current arrangements. The Board will advise shareholders after the new arrangements are finalised.

PRINCIPAL TAX CONSEQUENCES

The following summary addresses the material New Zealand and Guernsey tax issues associated with the proposed migration of PGC from New Zealand to Guernsey.

The comments below are general in nature, are based upon the tax law applying as at the date of this Notice of Annual Meeting and do not constitute tax advice to any shareholder or any other person. The taxation consequences for shareholders of holding shares in a New Zealand company, the migration, and of holding shares in a Guernsey company will vary depending on the circumstances of the individual shareholders. Non-residents of New Zealand should consider their domestic tax consequences associated with the proposed migration. Shareholders in doubt as to the taxation consequences relevant to them are advised to seek their own professional advice regarding the tax implications for their own specific circumstances. Shareholders owning 10% or more of the PGC shares and any shareholders that are portfolio investment entities should also seek their own professional advice.

Set out below are some principal issues which are likely to be of relevance to many shareholders.

New Zealand Tax Implications

Current tax treatment

New Zealand resident shareholders are generally required to include in their assessable income the amount of any dividend received from PGC in the income year in which it is received (including any imputation credits). Such shareholders are subject to tax at their applicable tax rate on the gross dividend (inclusive of imputation credits).

Imputation credits attached to a dividend generally give rise to a non-refundable tax credit and may generally be used against the shareholder's tax liability for the year in which the dividend is received, depending on the shareholder's specific circumstances. The maximum ratio at which PGC can attach imputation credits to dividends is 28:72 (i.e. $28 of imputation credits to $72 of cash dividend).

Unless the shareholder has notified PGC that it holds a valid certificate of exemption from resident withholding tax and has provided PGC with a copy of the certificate, resident withholding tax is deducted from any dividend at the rate of 33%, less the amount of imputation credits attached to the dividend. Accordingly where imputation credits are attached to the dividends at the maximum permitted ratio (i.e. fully imputed), resident withholding tax equal to 5% of the gross dividend (i.e. cash plus imputation credits) will be deducted. Resident withholding tax credits are refundable to the extent that they exceed the shareholder's tax liability for the year the dividend is paid.

Amounts derived by New Zealand resident shareholders from the sale, or other disposal, of shares in PGC should not be included in assessable income if they hold their shares on capital account. However assessable income could arise from gains on sale if the shareholder is in the business of dealing in shares, acquired the shares as part of a profit-making undertaking or scheme, or with the dominant purpose of selling the shares.

Migration

PGC's migration to Guernsey will not in itself give rise to a change in tax residency. PGC will only become non-resident for New Zealand tax purposes if its directorial control, centre of management and head office is also outside New Zealand. The Board intends to manage the affairs of PGC in such a way as to ensure that PGC will not be tax resident in New Zealand or Guernsey.

If PGC ceases to be New Zealand tax resident, then for New Zealand tax purposes there will be a deemed sale and reacquisition of PGC's assets at market value followed by a deemed distribution to shareholders as if PGC had been liquidated. No adverse tax implications should arise for PGC shareholders holding their shares on capital account on the deemed liquidation on the basis that the market value of PGC's assets should be less than its available subscribed capital (**ASC**) and qualifying capital gains. ASC broadly comprises paid up capital. Accordingly no deemed dividend should arise at the time of migration for those shareholders. However if a shareholder is in the business of dealing in shares, acquired the shares as part of a profit-making undertaking or scheme, or with the dominant purpose of selling the shares, then a taxable gain could arise to the extent that the deemed distribution exceeded the cost of the shares to that shareholder.

As a non-resident PGC will be taxed in New Zealand only on any New Zealand sourced income it derives.

Holding shares in a Guernsey company

If PGC ceases to be a New Zealand tax resident, the New Zealand tax treatment of holding PGC shares for New Zealand resident shareholders will depend on whether the foreign investment fund rules (**FIF Rules**) apply to them.

As noted above, New Zealand resident shareholders will be deemed to have disposed of, and repurchased, their shares in PGC at market value immediately after PGC ceases to be New Zealand tax resident.

For natural person New Zealand resident shareholders whose deemed market value cost of their shares in PGC and other foreign investment funds (**FIFs**) is NZ$50,000 or less (de minimis shareholders), the FIF Rules will not apply. De minimis shareholders will be taxed on any dividends received from PGC as they arise. Amounts derived by de minimis shareholders from the sale, or other disposal, of PGC shares should not be included in their assessable income unless the shareholder is in the business of dealing in shares, acquired the shares as part of a profit-making undertaking or scheme, or with the dominant purpose of selling the shares (i.e. holds their shares on revenue account).

New Zealand resident shareholders who are not de minimis shareholders (whether holding their shares on capital or revenue account), who hold less than 10% of the PGC shares and are not portfolio investment entities, will be taxed on an annual basis in respect of their investment in PGC under the FIF Rules. The method which is generally used for calculating income under the FIF Rules is the "fair dividend rate" method. Under the fair dividend rate method New Zealand resident shareholders will be subject to New Zealand tax at their applicable tax rate on 5% of the opening market value of all investments in non-New Zealand companies held by them on 1 April each year (including PGC for years from 1 April 2014). Dividends and any gains on sale will not separately be subject to New Zealand tax (except where the "quick sale" rules apply, as discussed below). No tax deduction is available to a shareholder under the fair dividend rate method if the PGC shares decline in value during a tax year. "Quick sale" rules apply under the fair dividend rate method where shares are acquired and sold in the same income year. For existing shareholders at the date of this Notice of Annual Meeting the quick sale rules might apply if PGC shares are sold before 31 March 2014 or for subsequent years if shares in PGC are bought and sold in the same income year. The quick sale rules result in non de minimis shareholders being taxed on the lesser of (i) disposal proceeds and distributions less the (deemed market value, where applicable) cost of shares acquired and sold; and (ii) 5% of the (deemed market value, where applicable) cost of the shares acquired and sold. The cost of shares is determined on an average cost basis for all shares acquired in an income year.

Instead of using the fair dividend rate method, New Zealand natural person and family trust shareholders can elect to be taxed on their actual gain (i.e. aggregate gains and losses in market value over the year, distributions and net sale proceeds) under the comparative value method, if the actual return is less than the deemed 5% return under the fair dividend rate method for the particular year. However, net portfolio losses are not deductible where the comparative value method is applied. Where the comparative value method is applied for the period in which a disposal of PGC shares occurs, proceeds derived from the disposal of the shares will be taken into account in the comparative value method calculation.

If a natural person or family trust shareholder elects to use the comparative value method for their shares in PGC, then that method must be applied (with limited exceptions) to all offshore portfolio share investments held by the shareholder for that income year which are subject to the FIF Rules. That is, the shareholder must choose between the comparative value method and the fair dividend rate method for the shareholder's whole portfolio.

New Zealand resident shareholders who are not de minimis shareholders (whether holding their shares on capital or revenue account) holding less than 10% of the PGC shares are required to file a tax return and a FIF disclosure form with the New Zealand Inland Revenue Department (the **IRD**).

New Zealand has entered into a Tax Information Exchange Agreement with Guernsey that allows the tax authorities of both countries to request bank records, business books and accounts, ownership information and other tax related information from each other in order to prevent tax avoidance and evasion. Practically, this means that the IRD can ask for information relating to any New Zealand resident PGC shareholders.

Guernsey Tax Implications

The Company

The Company will apply for and expects to be granted and to maintain exempt status for Guernsey tax purposes. In return for the payment of a fee, currently £600, an investment company, such as the Company, is able to apply annually for exempt status for Guernsey tax purposes.

If exempt status is granted, the Company will not be considered resident in Guernsey for Guernsey income tax purposes. A company that has exempt status for Guernsey tax purposes is exempt from tax in Guernsey on both bank deposit interest and any income that does not have its source in Guernsey. It is not anticipated that any income other than bank interest will arise in Guernsey and therefore the Company is not expected to incur any additional liability to Guernsey tax.

In the absence of exempt status, the Company would be treated as resident in Guernsey for Guernsey tax purposes and would be subject to the standard company rate of tax, currently 0%.

Guernsey currently does not levy taxes upon capital inheritances, capital gains, gifts, sales or turnover (unless the varying of investments and the turning of such investments to account is a business or part of a business), nor are there any estate duties (save for registration fees and ad valorem duty for a Guernsey Grant of Representation where the deceased dies leaving assets in Guernsey which require presentation of such a Grant).

No stamp duty or other taxes are chargeable in Guernsey on the issue, transfer, disposal, conversion or redemption of shares.

In keeping with its ongoing commitment to meeting international standards, the States of Guernsey has completed a review of its corporate income tax regime. During the course of the review an announcement was made in relation to the removal of certain "deemed distribution" provisions which are not relevant to tax exempt companies. In addition, although the standard rate for corporate income tax remains at 0%, with effect from 1 January 2013, the company intermediate income tax rate of 10% has been extended to income arising from the carrying on of business as a licensed fiduciary (in respect of regulated activities), a licensed insurer (in respect of domestic insurance business) and a licensed insurance intermediary and a licensed insurance manager. No changes that would impact the Company are expected to the exempt company regime.

Shareholders

Shareholders, other than those resident in Guernsey for tax purposes, will receive dividends without deduction of Guernsey income tax. Any shareholders who are resident for tax purposes in the Islands of Guernsey, Alderney or Herm incur Guernsey income tax on any dividends paid on shares owned by them but will suffer no deduction of tax by the Company from any such dividends payable by the Company where the Company is granted exempt status.

The Company will be required to provide the Director of Income Tax in Guernsey with such particulars relating to any distribution paid to Guernsey resident shareholders as the Director of Income Tax may require, including the names and addresses of the Guernsey resident shareholders, the gross amount of any distribution paid and the date of the payment. Shareholders resident in Guernsey should note that where income is not distributed but is accumulated, then a tax charge will not arise until the holding is disposed of. On disposal the element of the proceeds relating to the accumulated income will have to be determined.

The Director of Income Tax can require the Company to provide the name and address of every Guernsey resident who, on a specified date, has a beneficial interest in shares in the Company, with details of the interest.

Shareholders are not subject to tax in Guernsey as a result of purchasing, owning or disposing of shares or either participating or choosing not to participate in a redemption of shares.

Implementation of the EU Savings Directive in Guernsey

Although not a Member State of the European Union, Guernsey, in common with certain other jurisdictions, entered into bilateral agreements with EU Member States on the taxation of savings income. From 1 July 2011 paying agents in Guernsey must automatically report to the Director of Income Tax in Guernsey any interest payment to individuals resident in the contracting EU Member States which falls within the scope of the EU Savings Directive (2003/48/EC) (the **EU Savings Directive**) as applied in Guernsey. However, whilst such interest payments may include distributions from the proceeds of shares or units in certain collective investment schemes which are, or are equivalent to, UCITS, in accordance with EC Directive 85/611/EEC (as recast by EC Directive 2009/65/EC (recast)) and guidance notes issued by the States of Guernsey on the implementation of the bilateral agreements, the Company should not be regarded as, or as equivalent to, a UCITS. Accordingly, any payments made by the Company to Shareholders will not be subject to reporting obligations pursuant to the agreements between Guernsey and EU Member States to implement the EU Savings Directive in Guernsey.

The operation of the EU Savings Directive is currently under review by the European Commission and a number of changes have been outlined which, if agreed, will significantly widen its scope. These changes could lead to the Company being required to comply with the EU Savings Directive in the future.

Future Changes

The application of the Foreign Account Tax Compliance Act (**FATCA**) to Guernsey companies is not currently clear and its application may be affected by any intergovernmental agreement relating to the implementation of FATCA in Guernsey, into which Guernsey and the United States may enter. Different and potentially obligatory disclosure and withholding tax requirements may be imposed in respect of investors in a Guernsey company and their beneficial owners as a result of either local implementing legislation and/or domestic legislation similar to FATCA.

United States-Guernsey Intergovernmental Agreement

On 29 May 2013, the Chief Minister of Guernsey made a statement to Guernsey's parliament that the States of Guernsey is engaged in final negotiations with the US to conclude an intergovernmental agreement regarding the implementation of FATCA and that it was at that stage anticipated that the agreement would be ready to sign in June 2013. Once signed, an intergovernmental agreement would be subject to ratification by Guernsey's parliament and implementation of the agreement would be through Guernsey's domestic legislative procedure. It is currently anticipated that any such legislation will not come into effect until 2015 at the earliest. On 12 July 2013, the United States Department of Treasury and the Internal Revenue Service issued Notice 2013-43 (the **Notice**) which, inter alia, refers to the treatment of financial institutions operating in jurisdictions that have signed an intergovernmental agreement to implement FATCA. According to the Notice, a jurisdiction will be treated as having in effect an intergovernmental agreement if the jurisdiction is listed on the US Treasury website as a jurisdiction that is treated as having an intergovernmental agreement in effect. In general, the US Treasury and the Internal Revenue Service intend to include on this list jurisdictions that have signed but have not yet brought into force an intergovernmental agreement. A financial institution resident in a jurisdiction that is treated as having an intergovernmental agreement in effect will be permitted to register on the FATCA registration website as a registered deemed-compliant financial institution (which would include all reporting Model 1 foreign financial institutions) or participating foreign financial institution (which would include all reporting Model 2 foreign financial institutions). The proposed United States-Guernsey Intergovernmental Agreement is based on Model 1. The full impact of such an agreement on the Company and the Company's reporting responsibilities (if any) pursuant to FATCA as implemented in Guernsey is not currently known.

United Kingdom-Guernsey Intergovernmental Agreement

On 22 October 2013, the Chief Minister of Guernsey signed an intergovernmental agreement with the United Kingdom (the **UK-Guernsey IGA**) under which certain disclosure requirements will be imposed in respect of certain investors in the Company who are resident in the United Kingdom. The UK-Guernsey IGA is subject to ratification by Guernsey's parliament and implementation of the agreement would be through Guernsey's domestic legislative procedure in accordance with regulations and guidance yet to be published. Accordingly, the full impact of the UK-Guernsey IGA on the Company and the Company's reporting responsibilities pursuant to the UK-Guernsey IGA are currently uncertain.

SPECIAL BUSINESS – EXPLANATORY NOTE 2
ADOPTION OF NEW GUERNSEY ARTICLES

INTRODUCTION

As part of its migration to Guernsey, PGC will be required to adopt articles that comply with the Guernsey Companies Law. Special Resolution 2 proposes the revocation of PGC's existing New Zealand constitution (the **Existing Constitution**) and the adoption of the New Guernsey Articles which are consistent with the requirements of the Guernsey Companies Law and the NZX Main Board Listing Rules (as PGC will remain listed on the NZX Main Board following its migration to Guernsey). The New Guernsey Articles have been approved by NZX.

To revoke the Existing Constitution and adopt the New Guernsey Articles, a special resolution of shareholders is required under the NZ Companies Act. A special resolution is a resolution approved by 75% or more of the eligible votes cast on the resolution.

If approved, this resolution will take effect immediately upon PGC becoming registered as a Guernsey company under the Guernsey Companies Law. Accordingly, PGC will retain its Existing Constitution until the migration and will at all times have either a valid and binding constitution or articles governing its activities.

If PGC's migration to Guernsey is not approved, the adoption of the New Guernsey Articles will not take effect.

A copy of the proposed New Guernsey Articles is available on request from Pyne Gould Corporation Limited, C/- Deloitte, 80 Queen Street, Auckland, 1010, New Zealand, or can be downloaded on the "Shareholder Centre" webpage on PGC's website www.pgc.co.nz.

Set out below is a summary of the main areas of difference between the Existing Constitution and the New Guernsey Articles and a summary of certain provisions of the New Guernsey Articles. These summaries are not a complete statement of the contents of the New Guernsey Articles or of the changes from the Existing Constitution. Shareholders wishing to have a complete understanding should review the New Guernsey Articles themselves.

It is likely that amendments to the New Guernsey Articles (or adoption of a new set of Articles), to be approved by way of a special resolution of shareholders under Guernsey law, will be required in connection with PGC seeking a LSE Listing.

MAIN AREAS OF DIFFERENCE BETWEEN PGC'S EXISTING NEW ZEALAND CONSTITUTION AND THE NEW GUERNSEY ARTICLES

The New Guernsey Articles are similar to the Existing Constitution. This is because the Guernsey Companies Law is similar to the NZ Companies Act, and PGC's Guernsey legal advisers have had regard to the Existing Constitution in drafting the New Guernsey Articles. However, the principal differences between the New Guernsey Articles and the Existing Constitution are as follows:

- The New Guernsey Articles explicitly provide for how the capital of PGC is divided into different classes of shares (for example, requiring consent in writing of the holders of more than 75% in number of the issued shares of the class to be varied). The Existing Constitution does not contain such a provision, although there are similar protections under the NZ Companies Act as set out on page 23 of this Notice of Annual Meeting.
- Under the New Guernsey Articles, the Company's resident agent in Guernsey, if any, may by notice in writing require a Shareholder to disclose whether they are holding their interest in the Company for their own benefit or the benefit of another person and, if for the benefit of another person, the required details in respect of that other person. The Existing Constitution does not contain such a provision.
- Under the New Guernsey Articles, a quorum for a general meeting of shareholders is two holders. Under the Existing Constitution, a quorum for a meeting of shareholders is 12 shareholders.
- Under the New Guernsey Articles, unless the Board otherwise decides, no shareholder shall be entitled to vote at any general meeting or at any separate meeting of the Shareholders in the Company, either in person or by proxy, in respect of any Share held by him unless all calls and other sums presently payable by him in respect of that Share have been paid. The Existing Constitution contains no such provision.
- Under the Existing Constitution, the maximum number of directors is 10. Under the New Guernsey Articles, there is no maximum.
- Under the New Guernsey Articles, a Director can be removed from office as a director by resolution of the Directors in writing signed by all his co-Directors (being not less than two in number). There is no equivalent provision in the Existing Constitution.

- The New Guernsey Articles note that PGC is not obliged to recognise any person holding any share in PGC on trust. The Existing Constitution contains no such provision.
- The Existing Constitution prescribes a procedure entitling PGC, after giving not less than three months' prior written notice to holders of PGC shares of less than a specified Minimum Holding (as defined in the NZX Main Board Listing Rules), to sell such shares. The New Guernsey Articles do not contain such a provision, however, they entitle the Board to refuse to register a transfer of shares if the transfer would result in the transferee holding less than the same specified Minimum Holding.
- The Existing Constitution contains a mandatory retirement age of 70 years and no person who is 70 years of age or more is eligible for appointment or re-election as a director. Under the New Guernsey Articles, no person shall be or become incapable of being appointed a Director, and no Director shall be required to vacate that office, by reason only of the fact that he has attained the age of 70 years or any other age.

SUMMARY OF THE NEW GUERNSEY ARTICLES

The following is a summary of certain provisions of the New Guernsey Articles that are proposed to be adopted by PGC.

Objects

The Memorandum of the Company provides that the objects of the Company are unrestricted.

Dividends and other distributions

The Directors may from time to time authorise dividends and distributions to be paid to Shareholders in accordance with the procedure set out in the Companies Law and subject to any Shareholders' rights attaching to their Shares. The declaration of the Directors as to the amount of the dividend or distribution shall be final and conclusive.

All dividends and distributions unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. Any dividend unclaimed for a period of six years from the date of declaration shall, if the Board so resolves, be forfeited and cease to remain owing by the Company and shall belong to the Company absolutely.

Voting

Subject to any special rights, restrictions or prohibitions as regards voting for the time being attached to any Shares, holders of Shares shall have the right to receive notice of and to attend and vote at general meetings of the Company.

Each Shareholder being present in person or by proxy or by a duly authorised representative (if a corporation) at a meeting shall upon a show of hands have one vote and upon a poll each such holder present in person or by proxy or by a duly authorised representative (if a corporation) shall have one vote in respect of each Share held by him. In the case of a general meeting of all Shareholders, each Shareholder shall have one vote in respect of each Share held by him.

Capital

As to a winding up of the Company or other return of capital (other than by way of a repurchase or redemption of Shares in accordance with the provisions of the Articles and the Companies Law), the surplus assets of the Company attributable to the Shares remaining after payment of all creditors shall, subject to the rights of any Shares that may be issued with special rights or privileges, be divided pari passu among the Shareholders in proportion to the number of Shares held by them.

Variation of rights

Whenever the capital of the Company is divided into different classes of shares, the rights attached to any class of shares may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated:

(a) with the consent in writing of the holders of more than 75% in number of the issued shares of that class; or

(b) with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of that class.

The necessary quorum at any separate class meeting shall be two persons present holding or representing by proxy at least one-third in number of the issued shares of that class (provided that if any such meeting is adjourned for lack of a quorum, the quorum at the reconvened meeting shall be one person present holding shares of that class or his proxy) provided always that where the class has only one member, that member shall constitute the necessary quorum and any holder of shares of the class in question may demand a poll.

The special rights conferred upon the holders of any shares or class of shares issued with preferred, deferred or other rights shall (unless otherwise expressly provided by the conditions of issue of such shares) be deemed not to be varied by (a) the creation or issue of further shares ranking pari passu therewith or (b) the purchase or redemption by the Company of any of its shares (or the holding of such shares as treasury shares).

Disclosure of beneficial interests

The Company's resident agent in Guernsey, if any, may by notice in writing require a Shareholder to disclose whether they are holding their interest in the Company for their own benefit or the benefit of another person and, if for the benefit of another person, the required details in respect of that other person. If in the opinion of the resident agent, a Shareholder fails without excuse to disclose the required details or makes a statement which is false, deceptive or misleading in a material particular then the resident agent shall notify the Company. On receipt of such notice, the Board may place such restrictions as they think fit on the rights attaching to that Shareholder's interest in the Company including any right to transfer the interest, any voting rights, any rights to further shares, any right to payment due to the Shareholder whether in respect of capital or otherwise and may forfeit or cancel the Shareholder's interest in the Company.

Transfer of Shares

Subject to the Articles (and the restrictions on transfer contained therein), a Shareholder may transfer all or any of his Shares by instrument in writing in the usual or common form or in any other form which the Board may approve.

The Board may, to the extent permitted by the NZX Main Board Listing Rules, refuse to register a transfer of any share on which the Company has a lien or any share if such registration would result in the proposed transferee holding less than the Minimum Holding (as defined in the NZX Main Board Listing Rules).

While the Company is listed on NZX, Shares may be transferred under a settlement system approved under a designation made under Part 5C of the Reserve Bank of New Zealand Act 1989 and implemented by NZX. In participating under any such settlement system the Company shall comply with the requirements of NZX. The Board may register any transfer of Shares presented for registration in accordance with the requirements of any such settlement system and will not be obliged to enquire as to the due execution of any transfer effected by reason of such settlement system.

General meetings

The notice must specify the date, time and place of any general meeting and the text of any proposed special and ordinary resolution. Any general meeting shall be called by at least ten clear days' notice. A general meeting may be deemed to have been duly called by shorter notice if it is so agreed by all the members entitled to attend and vote thereat. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the proceedings at the meeting.

The Shareholders may require the Board to call an extraordinary general meeting in accordance with the Companies Law.

Restrictions on voting

Unless the Board otherwise decides, no member shall be entitled to vote at any general meeting or at any separate meeting of the Shareholders in the Company, either in person or by proxy, in respect of any Share held by him unless all calls and other sums presently payable by him in respect of that Share have been paid.

Appointment, retirement and disqualification of Directors

While the Company is listed on NZX:

(a) the minimum number of Directors shall be three;

(b) at least two Directors shall be ordinarily resident in New Zealand; and

(c) the minimum number of independent Directors shall be two or, if there are eight or more Directors, three or one-third (rounded down to the nearest whole number of Directors) of the total number of Directors, whichever is the greater.

A Director need not be a Shareholder. A Director who is not a Shareholder shall nevertheless be entitled to receive notice of and attend at Shareholders' meetings.

Subject to the Articles, Directors may be appointed by the Board (either to fill a vacancy or as an additional Director). No person other than a Director retiring at a general meeting shall, unless recommended by the Directors, be eligible for election by the Company to the office of Director unless not less than three and not more than twenty one days before the date appointed for the meeting there shall have been left at the Company's registered office notice in writing signed by a Shareholder who is duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election together with notice in writing signed by that person of his willingness to be elected and containing a declaration that he is not ineligible to be a Director in accordance with the Companies Law.

Subject to the Articles, at each annual general meeting of the Company, any Director who has been appointed by the Board since the last annual general meeting shall retire from office and may offer himself for election or re-election by the Shareholders.

The office of a Director shall be vacated: (i) if he resigns his office by written notice signed by him sent to or deposited at the Company's registered office; (ii) if he dies; (iii) if he shall have absented himself (such absence not being absence with leave or by arrangement with the Board on the affairs of the Company) from meetings of the Board for a consecutive period of six months and the Board resolves that his office shall be vacated; (iv) if he becomes bankrupt, suspends payment or compounds with his creditors or is adjudged insolvent or has his affairs declared *en désastre* or has a preliminary vesting order made against his Guernsey realty; (v) if he is removed by resolution of the Directors in writing signed by all of his co-Directors (being not less than two in number); (vi) if the Company by ordinary resolution shall declare that he shall cease to be a Director; or (vii) if he becomes ineligible to be a Director in accordance with the Companies Law.

Any Director may by notice in writing under his hand and deposited at the registered office of the Company or delivered at a meeting of the Board, appoint any person, who is willing to act, provided that the alternate director in question has provided notice in writing of his willingness and eligibility to act, as his alternate and may remove his alternate from that office.

Proceedings of the Board

The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. The quorum necessary for the transaction of the business of the Board may be fixed by the Board and unless so fixed shall be two. Subject to the Articles, a meeting of the Board at which a quorum is present shall be competent to exercise all the powers and discretions exercisable by the Board.

The Board may elect one of their number as chairman. If no chairman is elected or if at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairman of the meeting.

Questions arising at any meeting shall be determined by a majority of votes and in the case of an equality of votes and other than at any meeting at which only two Directors are present, the chairman shall have a casting or second vote.

The Board may delegate any of its powers to committees consisting of such member or members of their body as they think fit. Any committee so formed shall be governed by any regulations that may be imposed on it by the Board and (subject to such regulations) by the provisions of the Articles that apply to meetings of the Board.

Remuneration of Directors

No remuneration shall be paid to a Director by the Company or any of its subsidiaries in his or her capacity as a Director of the Company or any of its subsidiaries unless that remuneration has been authorised by an ordinary resolution. The Directors may be paid all travelling, hotel and other out of pocket expenses properly incurred by them in attending and returning from board or committee meetings or general meetings or in connection with the business of the Company. If, by arrangement with the Board, any Director shall perform or render any special duties or services outside his ordinary duties as a Director, he may be paid such additional remuneration as the Board may determine.

Interests of Directors

Subject to and in accordance with the Companies Law, a Director must, immediately after becoming aware of the fact that he is interested in a transaction or proposed transaction with the Company, disclose to the Board (i) if the monetary value of the Director's interest is quantifiable, the nature and monetary value of that interest, or (ii) if the monetary value of the Director's interest is not quantifiable, the nature and extent of that interest, in each case unless the transaction or proposed transaction is between the Director and the Company, and is to be entered into in the ordinary course of the Company's business and on usual terms and conditions. A failure by a Director to comply does not affect the validity of a transaction entered into by the Company or the Director.

Subject to the provisions of the Companies Law, and provided that he has disclosed to the Directors the nature and extent of any interests of his, a Director notwithstanding his office:

(a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;

(b) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, a shareholder of or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested;

(c) shall not, by reason of his office, be accountable to the Company for any remuneration or benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit; and

(d) may act by himself or his firm in a professional capacity for the Company, other than as auditor, and he or his firm shall be entitled to remuneration for professional services as though he were not a Director of the Company.

Winding up

If the Company shall be wound up, the liquidator may, with the sanction of an extraordinary resolution and any other sanction required by the Companies Law, divide the whole or any part of the assets of the Company among the members entitled to the same in specie and the liquidator or, where there is no liquidator, the Directors may for that purpose value any assets as he or they deem fair and determine how the division shall be carried out as between the members or different classes of members and, with the like sanction, may vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he or they may determine, but no member shall be compelled to accept any assets upon which there is a liability.

Where the Company is proposed to be or is in the course of being wound up and the whole or part of its business or property is proposed to be transferred or sold to another company, the liquidator may, with the sanction of an ordinary resolution, receive in compensation shares, policies or other like interests for distribution or may enter into any other arrangements whereby the members may, in lieu of receiving cash, shares, policies or other like interests, participate in the profits of or receive any other benefit from the transferee.

Borrowing powers

The Directors may exercise all the powers of the Company to borrow money and to give guarantees, mortgage, hypothecate, pledge or charge all or part of its undertaking, property (present or future) or assets or uncalled capital and to issue debentures and other securities whether outright, or as collateral security for any debt, liability or obligation of the Company or of any third party.

NZX Main Board Listing Rules

While the Company is listed on NZX, those provisions of the NZX Main Board Listing Rules which are required to be contained or incorporated by reference into the Articles will be deemed to be so incorporated and will have the same effect as though they were set out in full with any necessary modification. If there is any provision in the Articles that is inconsistent with the NZX Main Board Listing Rules relevant to the Company then the NZX Main Board Listing Rules shall prevail.

Buy-back authority

As noted in PGC's announcement dated 14 November 2013, PGC is proposing to undertake an on-market buy-back of its shares during the period before and following the proposed migration. The authority for PGC to carry out the buy-backs following the proposed migration is incorporated into the New Guernsey Articles. The authority to carry out on-market buy-backs of up to 15% of the issued share capital at a price between NZ$0.01 and NZ$5.00, expires at the conclusion of the first annual meeting of PGC after the migration.

Pyne Gould Corporation