

ANNUAL MEETING

03

11 NOVEMBER 2003 AT 2.00PM

**NOTICE OF ANNUAL SHAREHOLDERS'  
MEETING 2003**



NOTICE IS HEREBY GIVEN THAT THE ANNUAL MEETING OF SHAREHOLDERS OF FLETCHER BUILDING LIMITED WILL BE HELD AT THE ASB CLUB LOUNGE, EDEN PARK FUNCTION CENTRE, WALTERS ROAD, MT EDEN, AUCKLAND, NEW ZEALAND, ON TUESDAY, 11 NOVEMBER 2003 COMMENCING AT 2.00 PM.

## NOTICE OF MEETING

This notice constitutes the notice of meeting for the 2003 annual shareholders' meeting of Fletcher Building Limited. You are encouraged to read this notice and the instructions on the Voting Form and the Proxy Form carefully.

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## CASTING YOUR VOTE

You may cast your vote in one of three ways:

1. by making a postal vote by completing the Voting Form; or
2. by completing the Proxy Form and appointing a proxy to attend the annual meeting and vote on your behalf; or
3. by personally attending the annual meeting and voting. You should bring the Voting Form with you to the meeting in case voting is held by way of a poll.

If you do not plan to attend the meeting you should complete either the Voting Form or the Proxy Form, and return it as soon as possible.

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## IMPORTANT DATES

All times are given in New Zealand time unless otherwise specified.

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|---------------------------|--|
| 5.00 pm, 7 November 2003  | Record date for voting entitlements for the annual meeting |
| 2.00 pm, 9 November 2003  | Latest time for receipt of postal votes and proxy forms    |
| 2.00 pm, 11 November 2003 | Annual meeting of shareholders                             |

# business

## 1. APPOINTMENT OF DIRECTORS

Dr Roderick Sheldon Deane and Hugh Alasdair Fletcher retire by rotation in accordance with the constitution. Dr Deane and Mr Fletcher are eligible and offer themselves for re-election.

Geoffrey James McGrath has been appointed as an additional director by the board and, in accordance with the constitution, holds office only until the annual meeting. Mr McGrath is eligible and offers himself for re-election.

A biography of each director offering himself for re-election is contained in Explanatory Note 1.

## 2. AUDITOR'S REMUNERATION

To record the re-appointment of KPMG as the auditor of the company and to authorise, by way of ordinary resolution, the directors to fix KPMG's remuneration for the ensuing year. See Explanatory Note 2.

## 3. PLACEMENT OF FLETCHER BUILDING LIMITED SHARES

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

"That the actions of the directors in connection with the issue on 27 August 2003 of 25,000,000 Fletcher Building Limited ordinary shares by way of private placement for a total consideration of NZ\$102.5 million be approved and ratified in accordance with the listing rules of the New Zealand Exchange Limited and the Australian Stock Exchange Limited." See Explanatory Note 3.

## 4. AMENDMENT OF CONSTITUTION

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

"That the Constitution of the Company be altered with effect from, but excluding, the date of this meeting by:

- (a) amending clause 4.8 by deleting subparagraph (i), deleting the reference to "(i), (ii) or (iii)" in subparagraph (iv), replacing that deleted reference with "(i) or (ii)" and consequently renumbering the remaining subparagraphs;
- (b) amending clause 27.2 by inserting the words "or a related series of transactions" after the words "means a transaction".
- (c) amending clause 2.2 by inserting after paragraph (b):

"Further:

- (c) if the Listing Rules require this Constitution to contain a provision and it does not contain such a provision, this Constitution is deemed to contain that provision;
- (d) if the Listing Rules require this Constitution not to contain a provision and it contains such a provision, this Constitution is deemed not to contain that provision; and
- (e) if any provision of this Constitution is or becomes inconsistent with the Listing Rules, this Constitution is deemed not to contain that provision to the extent of the inconsistency."

See Explanatory Note 4.

## 5. OTHER BUSINESS

To consider any other matter that may properly be brought before the meeting.

# explanatory notes

## EXPLANATORY NOTE 1

### APPOINTMENT OF DIRECTORS

Pursuant to clause 28.5 of the constitution of the company, one-third of the directors, or if their number is not a multiple of three, then the number nearest to one-third, must retire from office at the annual meeting of the company each year. Accordingly, Dr Deane and Mr Fletcher, being among those who have been longest in office since they were last elected or deemed elected, retire by rotation. Each of them is eligible and offers themselves for re-election.

Pursuant to clause 28.3 of the constitution your board may at any time appoint additional directors, to fill casual vacancies, provided that any directors so appointed hold office only until the next annual meeting of the company but shall be eligible for election at that meeting. Mr McGrath was appointed as a director during the year and so holds office only until this meeting. He is eligible and offers himself for election.

All three directors standing for re-election do so with the full support of the board.

Set out below is a biographical background of each of Dr Deane, Mr Fletcher and Mr McGrath.

### RODERICK SHELDON DEANE

PhD, LLD (Hon), BCom (Hons), FACA, FCIS, FNZIM, Independent Chairman of Directors, Chairman of the Nominations Committee

Dr Deane, 62, has had a career in business and in the executive branch of government. He is currently chairman of several organisations in addition to Fletcher Building and Fletcher Building Finance, including Telecom New Zealand

(having retired as chief executive in 1999), ANZ Banking Group (New Zealand), Te Papa Tongarewa (the Museum of New Zealand), Mayoral Business Advisory Board (Wellington) and the New Zealand Seed Fund.

Dr Deane is a director of the Australia and New Zealand Banking Group and Woolworths, both Australian companies. He is also on the Board of Governance of IHC Inc.

Dr Deane has previously been chief executive of the Electricity Corporation of New Zealand, chairman of Fletcher Challenge and the State Services Commission of New Zealand, deputy governor of the Reserve Bank of New Zealand, and alternate executive director of the International Monetary Fund.

### HUGH ALASDAIR FLETCHER

MCom (Hons), MBA (Stanford), BSc, Independent Non-Executive Director, Member of the Audit and Nominations Committees

Mr Fletcher, 55, has had extensive management experience and now holds a number of directorships and advisory positions. He is chairman of the Advisory Board for No 8 Ventures. He is a director of IAG New Zealand, VCU Technology, the Reserve Bank of New Zealand, Rubicon, Ports of Auckland, Fletcher Building Finance and is a member of the Asia Pacific Advisory Committee of the New York Stock Exchange, the Business Advisory Council of the United Nations Office for Project Services and the Council of the University of Auckland. Mr Fletcher was previously a director of Fletcher Challenge, and was its chief executive officer from 1987 until his retirement in 1997.

## **GEOFFREY JAMES MCGRATH**

MII, Independent Non-Executive Director, Member of the Remuneration and Nominations Committees

Mr McGrath, 61, was until his retirement in 2003, managing director of GWA International, an Australian based manufacturer and marketer of consumer and building products. Prior that time he held a number of senior management roles in the Fibreboard and Caroma divisions of United Packages. Following the acquisition of United Packages by GWA International, Mr McGrath was appointed general manager of GWA Manufacturing Divisions. In 1993 GWA International was floated and Mr McGrath was appointed managing director. He is also a director of Campbell Brothers (Brisbane) and Fletcher Building Finance.

### **EXPLANATORY NOTE 2**

#### **AUDITOR'S REMUNERATION**

KPMG is the existing auditor of the company and has indicated its willingness to continue in office. Pursuant to section 200(1) of the Companies Act 1993, KPMG is automatically reappointed at the annual meeting as auditor of the company. The proposed ordinary resolution is to authorise the directors to fix the auditor's remuneration for the following year for the purposes of section 197 of the Companies Act 1993.

### **EXPLANATORY NOTE 3**

#### **PLACEMENT OF FLETCHER BUILDING SHARES**

On 27 August 2003 the board issued, by way of private placement, a further 25,000,000 Fletcher Building ordinary shares (the placement shares) at an issue price of \$4.10 per share. The placement shares rank equally in all respects with the company's existing ordinary shares. The placement was undertaken to provide partial funding for, but was not conditional upon, the acquisition of Tasman Building Products Pty Limited. The allottees were local and off-shore institutional and

habitual investors determined following a global bookbuild led by JBWere (NZ) Limited.

Because the number of shares placed was less than 10 percent of the total number of equity securities on issue as determined under the New Zealand Exchange Limited (NZX) listing rules and also less than 15 percent of the total number of ordinary shares on issue as determined under the Australian Stock Exchange Limited (ASX) listing rules, the placement did not require prior shareholder approval under the NZX or ASX listing rules. However, as is common practice for listed companies, shareholder ratification of the placement is being sought so that the board retains the flexibility to issue further equity securities, such as shares or capital notes, without the expense of calling another meeting of shareholders. The effect of the ratification of the placement by shareholders is that the placement shares will not be included for the purpose of calculating how many shares may be issued under the 10 percent rule under NZX listing rule 7.3.5 or under the 15 percent rule under ASX listing rule 7.1, in the future.

#### **VOTING RESTRICTIONS**

Pursuant to the requirements of the NZX and ASX, any person who participated in the issue of the placement shares, and any person associated with any such person, is not entitled to vote on this resolution. Accordingly, in compliance with the listing rules of the NZX and ASX, Fletcher Building will disregard any vote cast on the resolution by:

- a person who participated in the placement; and
- any associated persons of such participant.

However, Fletcher Building will not disregard a vote if it is cast by a person as proxy for a person entitled to vote, in accordance with the directions on the proxy form; or it is cast by

the person chairing the meeting (other than a person who participated in the issue, or an associated person of such a participant) as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

#### EXPLANATORY NOTE 4

##### AMENDMENTS TO CONSTITUTION

Three amendments are proposed to be made to the constitution to make it consistent with certain changes made to the listing rules of the NZX which came into effect on 1 December 2002 and to obviate the need for such changes in the future.

The first of those changes removes obsolete references in the constitution to the now repealed Companies Amendment Act which has been replaced by the Takeovers Code. The second change widens slightly the definition of a material transaction with a related party.

The third change is of more general application. The effect of the amended clause 2.2 is that in future, any change to a listing rule which is required to be included in the company's constitution will be deemed to have been made without the need for shareholder authorisation for the specific change. The amendment to clause 2.2 will avoid the need for Fletcher Building to seek shareholder approval on every occasion that changes are made to the listing rules, particularly where the company has an obligation to comply with those rules in any event, by virtue of the existing clause 2.2.

The wording of the proposed amendment is consistent with the wording approved last year by the NZX and adopted by Fletcher Building in connection with its change of status to a dual-listed company. Under the ASX listing rules, listing rule changes are deemed to be incorporated into the constitutions of listed

issuers - no further action is required by the company upon a listing rule change. This approach to changes in the ASX listing rules was approved last year by Fletcher Building shareholders, and the company now seeks to extend this approach to changes in the NZX listing rules.

While minor constitutional changes will be deemed to be made as a result of the amendment to clause 2.2 of the constitution, the company anticipates that there may be instances where the NZX and the company itself would wish to ensure that actual wording amendments are made to Fletcher Building's constitution rather than deeming such amendments to have been made, particularly when the changes to the listing rules are substantial in nature. The NZX has approved the amendment to clause 2.2 on the basis that the company will make changes to its constitution in situations where changes are made to the listing rules which are other than minor changes and, the NZX has retained a right to require Fletcher Building to update its entire constitution to incorporate all changes that have not been incorporated in the company's constitution, at its discretion.

The Market Surveillance Panel of the NZX has approved the changes to the constitution in accordance with listing rule 6.1. A copy of the amended constitution is available on request from the company secretary at Fletcher Building Limited, Private Bag 92114, Auckland. You may also inspect a copy of the amended constitution at the registered office of the company at Fletcher House, 810 Great South Road, Penrose, Auckland.

The Market Surveillance Panel of the NZX has granted a waiver from Listing Rule 6.1.3. The waiver removes the requirement for an independent solicitor to review the proposed amendments to the company's constitution.

## PROCEDURAL NOTES

1. Subject to the voting restrictions discussed in Explanatory Note 3 above, the persons who will be entitled to vote on the resolutions at this annual shareholders' meeting are those persons who will be the shareholders of the company at 5.00pm on Friday, 7 November 2003.
2. To assist shareholders wishing to exercise their voting rights at this annual shareholders' meeting, whether in person, by proxy or by post, the voting and proxy forms and shareholder attendance card accompanying this notice of annual meeting have been personalised with individual shareholder details.  
  
The voting form shows your current shareholding. If, at 5.00pm on Friday, 7 November 2003, your shareholding is different from that shown on the voting form, you can update the entitlement on arrival at the meeting.
3. All shareholders entitled to attend and vote at this annual shareholders meeting are entitled to appoint a proxy to attend and vote for them in their place. The proxy need not be a shareholder of the company. A proxy form is enclosed and, if used, must be lodged at the office of the Share Registry, Computershare Investor Services Limited, either at Private Bag 92119, Auckland 1020 or at Level 2, 159 Hurstmere Road, Takapuna, North Shore City, Auckland, New Zealand, or Computershare Investor Services Pty Limited, GPO Box 7045, Sydney, NSW 2001 or at Level 3, 60 Carrington Street, Sydney, NSW 2000, Australia before 2.00 pm, 9 November 2003.
4. Items 1, 2 and 3 are ordinary resolutions and are required to be passed by a simple majority of the votes of those shareholders

entitled to vote and voting on the resolutions. Item 4 is a special resolution and is required to be passed by 75 percent or more of the votes of those shareholders entitled to vote and voting on the resolution.

5. The company secretary has been authorised by the board to receive and count postal votes at the meeting.
6. This notice of meeting has been approved by the NZX in accordance with listing rule 6.1.1, and the ASX has also reviewed this notice of meeting in accordance with listing rule 15.1, and raised no objection to it.

By order of the board  
Auckland  
New Zealand



MARTIN FARRELL  
Company Secretary

## VENUE DIRECTIONS AND CAR PARKING

There are approximately 130 parking spaces in the ASB Bank Stand carpark off Walters Road. In addition, for shareholders and guests who are attending the Shareholders' Meeting, we would like to draw your attention to the car parking facilities.

There is ample parking available behind the South Stand using Reimers Road entrance. Mini vans will be available at Gate 24 of the South Stand carpark to shuttle shareholders to the meeting venue. A covered area will be provided in the South Stand carpark for shelter, in the event of rain. Please wait in the sheltered area for the shuttle buses.

There is a limited number of disabled parking spaces available at the ASB Bank Stand carpark. Enter through Gate A on Walters Road. Refer to the map below for guidance.

Please allow 20 minutes (minimum) to get transferred from the South Stand carpark to the meeting venue and be seated before 2pm.

All shareholders are to enter through Gate 5 of the ASB Bank Stand.

