

PARTNERS GROUP HOLDINGS LIMITED

Notice of Annual Meeting of Shareholders

Dated 1 September 2015

Notice is given to all shareholders, the directors and the auditor of Partners Group Holdings Limited (the *Company*) pursuant to section 120 of the Companies Act 1993 that the annual meeting of the Company's shareholders will be held at 1pm on Wednesday 16 September 2015 at the Company's offices, Level One, 33-45 Hurstmere Road, Takapuna, Auckland.

Agenda

- 1 **Introduction**
- 2 **Chairman's Report**
- 3 **Managing Director's Report**
- 4 **Resolution 1 – Reappointment of Auditor**

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

"That the reappointment of KPMG to hold office from the conclusion of the meeting until the conclusion of the next annual meeting as the Company's auditor be confirmed and that the Company's directors be authorised to fix the auditor's fees and expenses for that period."

- 5 **Resolution 2 – Approval for the purposes of the Takeovers Code**

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

"That the allotment of up to 2,307,692 shares in the Company to MCAF PLL Nominee Limited on the terms and conditions set out in the explanatory notes to the notice of annual meeting dated 1 September 2015 is approved for all purposes, including for the purposes of Rule 7(d) of the Takeovers Code."

- 6 **Other Business**

To consider any other business which may be properly brought before the meeting.

Explanatory notes regarding the resolutions are attached to this Notice of Annual Meeting.

By order of the board of directors of the Company



Sam Knowles

Chairman
Partners Group Holdings Limited

EXPLANATORY NOTES

Resolution 1

- 1 KPMG is automatically reappointed as auditor of the Company under section 207T of the Companies Act 1993. The first resolution being put to shareholders seeks shareholder confirmation of this and empowers the directors to set the remuneration of the auditors. This resolution will be put as an ordinary resolution and, if passed, will be binding on all shareholders.
- 2 An ordinary resolution is a resolution passed by a simple majority of the votes cast of the shareholders entitled to vote and voting.

Resolution 2

- 3 The second resolution being put to shareholders seeks approval for the issue of up to 2,307,692 ordinary shares (the *New Shares*) to MCAF PLL Nominee Limited (*Maui Capital*) (which holds shares as nominee for the investment funds Maui Capital Aqua Fund Limited and Maui Capital Aqua Limited Partnership) on the terms set out in these explanatory notes as part of a capital raising by the Company described below (the *Offer*). This resolution will be put as an ordinary resolution and, if passed, will be binding on all shareholders.
- 4 The Company is a "code company" for the purposes of the Takeovers Code Approval Order 2000 (the *Code*) by virtue of having more than 50 shareholders and more than 50 share parcels. Maui Capital currently holds 19.72% of the voting rights in the Company and intends to subscribe for up to 2,307,692 New Shares (being approximately \$7.5 million). Maui Capital's intended subscription amount is expected to increase its shareholding in the Company to more than 20% of the total shares on issue in the company (20.42% based on the maximum Offer size and 21.36% based on the minimum Offer size). Accordingly, approval of the Company's shareholders by ordinary resolution is required under Rule 7(d) of the Code to the allotment of New Shares to Maui Capital above 20%.
- 5 An ordinary resolution is a resolution passed by a simple majority of the votes cast of the shareholders entitled to vote and voting. Under Rule 17(2) of the Code, Maui Capital may not vote on Resolution 2.

Proposed Offer

- 6 The Offer is a "business as usual" sized capital raising by the Company to existing shareholders and certain new investors who qualify as wholesale investors or close business associates in accordance with the Financial Markets Conduct Act 2013 or who the board otherwise determines as eligible to participate.
- 7 The targeted size of the Offer is \$20 million to \$25 million, but the Company will accept subscriptions for up to 9,230,769 shares (being approximately \$30 million). If the Company receives valid applications (being applications from subscribers to whom the Company is legally able to issue shares) for less than 6,153,846 shares (being approximately \$20 million), the Offer will not be completed and no shares will be allotted.
- 8 If Resolution 2 is not passed, Maui Capital will subscribe for, and be allotted, as many New Shares as it is legally able to (i.e. such number of New Shares as does not result in Maui Capital holding more than 20% of the total shares on issue in the Company).

- 9 The Offer provides the Company with the opportunity over the coming months to engage with private capital providers who have the credentials and capability to support the Group’s long term growth aspirations.
- 10 The funds raised will allow the Company and its subsidiaries (the *Group*) to continue its current growth trajectory and meet the solvency requirements of the Reserve Bank of New Zealand and the Group’s reinsurer while the process of engaging with private capital providers proceeds.
- 11 The shares to be issued under the Offer, including the New Shares to be issued to Maui Capital (together, the *Shares*), are ordinary shares and have the same rights, terms and entitlements as, rank equally with, and are to be treated the same as, all other ordinary shares in the Company, provided that the Shares shall have the benefit of the anti-dilution provision set out below for so long as that provision remains applicable.

Anti-dilution

- 12 Subsequent to this Offer, the Company intends to undertake a further capital raising of at least \$50 million (*Additional Capital Raise*).
- 13 If the weighted average price for which shares are issued in the Additional Capital Raise is less than \$3.90 per share, the Shares will be subdivided so that each holder of Shares recorded in the share register as at the date on which shares are issued under the Additional Capital Raise will hold a total of “X” Shares, where:

$$X = \frac{S}{\left(\frac{P}{1.2}\right)}$$

S = \$3.25 multiplied by the number of originally allotted Shares (i.e. disregarding any subdivision of those Shares on any prior application of this anti-dilution provision) held by that holder as at the date on which shares are issued under the Additional Capital Raise; and

P = the weighted average price per share achieved in the Additional Capital Raise, provided that “X” shall be rounded to the nearest whole number.

- 14 It is the board’s intention to undertake the Additional Capital Raise in a single tranche. However if the Additional Capital Raise is undertaken in more than one tranche, this anti-dilution provision will apply in respect of each tranche provided that:
 - 14.1 “P” shall be the weighted average price per share achieved for all tranches of the Additional Capital Raise completed to date (for example, if 10 million Shares are issued in tranche 1 at an average price of \$3.70 per share and 2 million Shares are issued in tranche 2 at an average price of \$3.50 per share, “P” shall be \$3.67 for tranche 2); and
 - 14.2 where “P” for any tranche is more than “P” for any earlier tranche this anti-dilution provision will not apply and no further subdivision of Shares shall occur for that tranche (for example, if “P” for tranche 1 was \$3.50 and “P” for tranche 2 is \$3.80 the anti-dilution provision shall not apply to tranche 2).

- 15 This anti-dilution provision will not apply to any new capital raising once the Additional Capital Raise has been completed.
- 16 This anti-dilution provision will cease to apply if waived by the holders of at least 75% of the Shares.
- 17 The Company will do all things necessary to obtain any Code or other approvals required for the application of this anti-dilution provision and may not undertake an Additional Capital Raise at less than \$3.90 per share unless such approvals have been obtained.
- 18 For these purposes, the Additional Capital Raise will not include:
 - 18.1 the issue of Shares under this Offer;
 - 18.2 a pro rata bonus issue of securities;
 - 18.3 the issue of securities on the exercise of any option, convertible security or other similar arrangement on issue or existing as at the date on which the Shares are issued;
 - 18.4 the issue of securities in lieu of dividends, in accordance with the Company's constitution;
 - 18.5 the issue of securities under any executive, director or employee share or option scheme;
 - 18.6 reclassification or conversion of any mandatory convertible shares (including the application of any anti-dilution provision in such securities); or
 - 18.7 nominal price setting under the existing shadow share scheme (but not the issue of any securities to fund the shadow share scheme).

Takeovers Code – Rule 16

- 19 Pursuant to Rule 16 of the Code (with sub-paragraphs below corresponding to sub-paragraphs in Rule 16), the Company advises as follows:
 - (a) MCAF PLL Nominee Limited is the proposed allottee of shares carrying voting rights (being the New Shares) and Maui Capital Aqua Fund Limited and Maui Capital Aqua Limited Partnership, being the investment funds on whose behalf MCAFF PLL Nominee Limited holds shares as nominee, will become the controller of an increased percentage of voting securities in the Company as a result of the proposed allotment.
 - (b) Depending on the take up of the Shares under the Offer and subject to the assumptions below:
 - (i) the maximum number of voting securities that could be allotted to Maui Capital is 2,307,692 (the *approved maximum number*);
 - (ii) the approved maximum number represents 3.309% of the aggregate of all existing voting securities together with all voting securities that could be allotted under the Offer;

- (iii) the maximum percentage of all voting securities that could be held or controlled by Maui Capital after completion of the allotment of the Shares is 21.36%;
- (iv) Maui Capital does not have any associates for the purposes of the Code and accordingly the maximum aggregate of the percentages of all voting securities that could be held or controlled by Maui Capital and its associates is 21.36%;
- (v) the date used to determine the particulars in this paragraph (b) is 1 September 2015 (the *calculation date*); and
- (vi) the assumptions on which the particulars in this paragraph (b) are based are as follows:
 - (A) that the number of voting securities is the number of voting securities on issue on the calculation date;
 - (B) that there is no change in the total number of voting securities on issue between the calculation date and the end of the allotment period (other than as a result of the allotment of the Shares);
 - (C) that, in relation to paragraphs (i) to (iii) above, Maui Capital is allotted the approved maximum number under the allotment of the New Shares; and
 - (D) that, in relation to paragraph (iii) above, the minimum number of Shares that can be allotted under the Offer (being 6,153,846 Shares) are allotted.
- (c) Rule 16(c) is not applicable (as the voting securities to be allotted (being the New Shares) are not securities of a body corporate other than a code company).
- (d) The voting securities to be allotted (being the New Shares) will be allotted for \$3.25, which will be payable in full when application is made for the New Shares.
- (e) The Company's reasons for the proposed allotment of the New Shares are described below.
- (f) The potential allotment of the Shares, if approved, will be permitted under Rule 7(d) of the Code as an exception to Rule 6 of the Code.
- (g) The Company has been advised by Maui Capital that no agreements or arrangements have been, or are intended to be, entered into between Maui Capital and any other person (other than between Maui Capital and the Company in respect of the matters referred to in sub-paragraphs (a) to (e) above) relating to:
 - (i) the allotment, holding or control of the New Shares to be allotted to Maui Capital; or

- (ii) the exercise of voting rights in the Company.
- (h) As required by Rule 18 of the Code, this Notice of Annual Meeting is accompanied by an independent adviser's report from KordaMentha on the merits of the allotment of the New Shares to Maui Capital.
- (i) The directors of the Company, other than Paul Chrystall, recommend approval of the proposed allotment of the New Shares to Maui Capital on the following grounds:
 - (i) the directors of the Company are of the opinion that the consideration for, and terms of issue of, Shares are fair and reasonable to the Company and all existing shareholders;
 - (ii) the issue of New Shares to Maui Capital will not result in Maui Capital significantly increasing its control of the Company;
 - (iii) all eligible existing shareholders have been given the opportunity to subscribe for Shares;
 - (iv) Maui Capital is a supportive shareholder of the Company and the board of directors supports Maui Capital's continued investment in the Company; and
 - (v) Maui Capital's participation in the Offer will assist the Company to reach its targeted minimum Offer size of 6,153,846 Shares (being approximately \$20 million) and the funds raised will allow the Group to continue its current growth trajectory and meet the solvency requirements of the Reserve Bank of New Zealand and the Group's reinsurer while the process of engaging with private capital providers proceeds.

Paul Chrystall abstained from the directors' recommendation above because he is also a director of Maui Capital and therefore is interested in the proposed allotment of the New Shares to Maui Capital.

Entitlement to vote

- 20 The only persons entitled to vote at the annual meeting are registered shareholders as at 5:00 pm on Monday 14 September 2015 and only the shares registered in those shareholders' names may be voted at the annual meeting.
- 21 Under Rule 17(2) of the Code, Maui Capital may not vote on Resolution 2.

Quorum

- 22 The quorum for the annual meeting is five shareholders having the right to vote at the annual meeting, present in person or by proxy or who have cast postal votes.
- 23 If within 30 minutes after the time appointed for the annual meeting a quorum is not present, the annual meeting shall be adjourned to the same day in the following week at the same time and place (or to such other date, time and place as the board may appoint). If at the adjourned meeting a quorum is not present within 30 minutes after the time appointed for the meeting, the shareholders or their proxies present will constitute a quorum.

Voting

- 24 It is intended that voting at the annual meeting will occur by way of a poll. The Chairman will demand a poll at the start of the annual meeting.
- 25 Every shareholder entitled to vote who is present at the annual meeting in person or by proxy or representative shall have one vote in respect of every fully paid share in the Company held by that shareholder as at 5:00 pm on Monday 14 September 2015. Under Rule 17(2) of the Code, Maui Capital may not vote on Resolution 2.
- 26 Where two or more persons are registered as the holder of a share in the Company, the votes of the person named first in the share register and voting on the matter will be accepted to the exclusion of the votes of the other joint holders.
- 27 A shareholder who is an individual may vote personally or by his/her representative (being a person appointed by an instrument by way of proxy or by power of attorney). A shareholder that is a body corporate may vote by its representative (being a person appointed by an instrument by way of proxy or power of attorney or a person authorised by the directors of that body corporate).
- 28 A proxy does not need to be a shareholder and will be entitled to attend and be heard at the annual meeting, as if the proxy were the shareholder by whom the proxy was appointed. A representative need not be a shareholder and shall have the right to speak at the annual meeting.
- 29 Instead of voting in person or by proxy, you may cast a postal vote on the resolutions to be voted on at the annual meeting. The Company has authorised Computershare Investor Services Limited to receive and count postal votes in relation to the annual meeting, or at any adjourned meeting. If you vote by casting a postal vote in respect of a resolution set out in this Notice of Annual Meeting and a different resolution is submitted to the annual meeting, then your postal vote is invalid in respect of that different resolution, but you may vote in respect of that different resolution either by being present in person or by proxy.
- 30 A voting/proxy form is enclosed with this Notice of Annual Meeting. See the instructions below and on the voting/proxy form for an explanation of how to use the voting/proxy form. You should bring the voting/proxy form to the annual meeting as it also constitutes your voting paper.
- 31 If the annual meeting is adjourned, a voting/proxy form received from a shareholder for the annual meeting will stand, unless a further voting/proxy form is received from that shareholder which directs their proxy to vote in a different manner at the adjourned meeting.
- 32 If you have decided how you will vote on the resolutions and do not intend to attend the meeting, you should complete and sign the voting/proxy form, either casting a postal vote or appointing a proxy to attend and vote on your behalf. Completed voting/proxy forms should be sent to the Company in accordance with the instructions on the voting/proxy form so as to be received by the Company by no later than 1pm on Monday 14 September 2015.
- 33 If you direct your proxy how to vote, the person you appoint as proxy will be entitled to attend the meeting to represent your interests and your proxy vote will be automatically counted.

- 34 If you appoint your proxy with discretion on how to vote, your proxy will need to cast your vote at the meeting. If your proxy does not attend the meeting your vote will not be counted. The persons identified above at Note 21 as being restricted from voting on Resolution 2 may only act as proxies in relation to Resolution 2 if they are given express instructions from the shareholder(s) on how to vote on Resolution 2 (they cannot be appointed as discretionary proxies in relation to Resolution 2).
- 35 You may name the Chairman as your proxy if you wish. The Chairman intends to vote Proxies marked "Discretion" in favour of the resolutions.