

30 May 2016

To all Speirs Group Limited Shareholders

Dear Shareholder

Enclosed with this letter are:

- A Notice of Meeting and Explanatory Notes for a Special Meeting of Shareholders to be held at the Palmerston North Convention Centre, 354 Main Street, Palmerston North on Monday 27 June 2016 at 10.00am; and
- A proxy form should you be unable to attend the Special Shareholder Meeting but would still like to vote on the resolutions put to the meeting. A return prepaid envelope is enclosed should you wish to send in a proxy form.

At the foot of this letter is a response form for you to use if you intend coming to the Special Shareholder Meeting. If you intend to come, it will be most helpful to have your response to assist us with seating arrangements. Partners of Shareholders are cordially invited. A return prepaid envelope is enclosed. Alternatively you can scan and email the completed form to lees@speirs.co.nz

Yours sincerely
Speirs Group Limited



Derek Walker
Chairman

The Board Secretary
Speirs Group Limited
P O Box 318
Palmerston North

Special Shareholder Meeting – 10.00am Monday 27 June 2016 to be held at the Palmerston North Convention Centre, 354 Main Street, Palmerston North

I/We intend to be present at the Special Shareholder Meeting. The numbers attending will be

Sincerely

..... **Please print your Name(s) in BLOCK letters**

.....

SPECIAL SHAREHOLDER MEETING – SPEIRS GROUP LIMITED**NOTICE OF MEETING**

Notice is hereby given that a special meeting of shareholders (“Special Meeting”) of Speirs Group Limited (“the Company”) will be held at 10.00am on Monday 27 June 2016 at the Palmerston North Convention Centre, 354 Main Street, Palmerston North.

ITEMS OF BUSINESS

- A. **Resolutions:** To consider, and if thought fit, pass the ordinary resolutions 1 and 2 set out below.
- B. **Other business:** To transact any other business which may be properly submitted to the Special Meeting.

RESOLUTIONS


Please ensure that you read the following Resolutions together with the Explanatory Notes attached to this Notice of Meeting.

1. The shareholders resolve, as an ordinary resolution, to approve:
 - (a) the delisting of the Company with NZX Limited (“NZX”) including that its ordinary shares cease to be quoted on NZX’s Alternative Market, the NZAX; and
 - (b) the taking of all actions and entering into any agreements and other documents that the Board considers necessary to achieve this outcome.

2. The shareholders resolve, as an ordinary resolution, to approve, if Resolution 1 is passed and the Company ceases to be listed with NZX, the listing of the Company with “Unlisted”, and in particular, that the Board may:
 - (a) enter into a listing agreement with Efficient Markets Services Limited (“EMS”) such that the Company will be listed on Unlisted; and
 - (b) request EMS that the Company have its ordinary shares quoted and traded on EMS’ Unlisted trading platform when it ceases to be listed with NZX; and
 - (c) take all actions and enter into any agreements and other documents necessary to achieve this outcome.

The recommendation of the Board is to vote in favour of Resolutions 1 and 2 above.

By order of the Board



Derek Walker, *Chairman*

Palmerston North, New Zealand

30 May 2016

NOTES

- 1 **Voting Rights:** All shareholders are entitled to attend the meeting, and are entitled to one vote on a “show of hands” or by “voice vote”, and to one vote for each share held in the event of a “poll” in each case in accordance with the Company’s constitution.
- 2 **Voting Exclusions:** There are no voting exclusions
- 3 **Proxies:** A shareholder of the Company entitled to attend and vote is entitled to appoint a proxy to attend and vote on that shareholder’s behalf. A proxy need not be a shareholder of the Company. If you wish you may appoint as your proxy the Chairman of the meeting. A proxy form is enclosed for each ordinary shareholder. For a proxy form to be valid, it must be completed and lodged at the Company’s registered office, mailed to the Company, or scanned and emailed to the Company no later than Saturday 25 June 2016 at 10.00am (being 48 hours before the time of the meeting). If the proxy form is being signed under a power of attorney a copy of the power of attorney (unless already deposited with the Company) and a signed certificate of non-revocation of power of attorney must be provided to the Company along with the proxy form.

The meeting will be held at 10.00am on Monday 27 June 2016

If lodging the proxy form at the Company’s registered office, the address is:

4 Lower High Street
Marton.

If mailing the proxy form, within New Zealand, a reply paid envelope is provided for the reply

If mailing the proxy form from outside New Zealand, the mailing address is:

Speirs Group Limited
PO BOX 318
Palmerston North
New Zealand

If emailing the proxy form, the email address is:

lees@speirs.co.nz
- 4 **Resolution Requirements:** The Resolutions set out on page 1 are required to be passed by an ordinary resolution. An ordinary resolution is a resolution passed by a simple majority of votes of shareholders who are entitled to vote at the Special Meeting and who exercise their right to vote.

EXPLANATORY NOTES

If the shareholders approve both Resolutions 1 and 2, it is expected that the Company will delist the trading of its ordinary shares on NZAX on close of business 29 July 2016, with a trading halt commencing on close of business 27 July 2016 to ensure all trades are settled prior to delisting. The Company will list and commence trading of its ordinary shares on Unlisted on or about 1 August 2016.

Should shareholders approve the delisting, the Company will send a notice to all ordinary shareholders outlining:

- i. the process for the delisting and if approved, the move to Unlisted;
- ii. if approved, details of how shareholders will be able to trade their shares on Unlisted;

- iii. options for shareholders in terms of trading prior to and after delisting, and any costs to shareholders; and
- iv. the timetable for the delisting and, if approved, the move to Unlisted.

If Resolution 1 is passed and Resolution 2 is not passed the directors will keep the company's shares listed on NZAX and seek further alternatives. Any future alternatives will be put to the shareholders as an ordinary resolution for their consideration at a meeting of shareholders.

Resolution 1 – Delisting from NZAX

Background

The Company is currently listed with NZX and its ordinary shares are quoted on the NZAX.

At the Company's 2015 annual meeting, held on 30 November 2015, the Board of Directors advised shareholders that:

“The NZX has advised that it is not accepting any new entrants to the NZAX market and is encouraging NZAX participants to migrate to either its main board or its new NXT market. The Board is evaluating the options for maintaining a future market for trading shares and will keep shareholders updated if any changes are proposed.”

NZX has advised that they intend to wind up the NZAX Market.

NZX has advised that the Company does not qualify for migration to either the NZX Main Board or the NXT Market.

On 13 May 2016 the Company made an announcement on NZX entitled "[Intention to Delist from NZAX](https://www.nzx.com/companies/SGL/announcements/282347)" at <https://www.nzx.com/companies/SGL/announcements/282347>.

NZX conditional approval

Listing Rule 5.4.1 enables the Company to make a written request to NZX that it cease to be listed on the NZAX. NZX may then cancel the listing on NZAX on or subject to compliance with certain conditions. NZX has conditionally approved the delisting of the Company from the NZAX. One of the conditions imposed by NZX is that the Company obtain the prior approval of shareholders for the delisting.

Accordingly, to facilitate a delisting, approval of the shareholders is sought for the delisting.

The resolution being put to shareholders will have the effect of authorising the delisting from the NZAX. The Company will need to complete its delisting from the NZAX before

listing the Company's ordinary shares with the Unlisted market as contemplated by Resolution 2.

Impact on shareholders

A consequence of delisting from the NZAX is that certain provisions of the Financial Markets Conduct Act 2013 (FMCA) will no longer apply to the Company, except in respect of an action, event or circumstance that occurred prior to delisting from the NZAX.

In particular, the following rules will no longer apply to the Company when it is listed on Unlisted:

- insider trading; and
- disclosure of interests of substantial product holders and directors and senior managers.

Further, the Company will no longer be subject to the NZAX Listing Rules. The NZAX Listing Rules contain a number of rules designed to protect the interests of shareholders including:

- rules on approvals for certain transactions;
- rules governing related party transactions; and
- continuous disclosure.

However, the Company will still be subject to disclosure obligations under the FMCA and the ongoing reporting and disclosure obligations of the Companies Act 1993, Financial Reporting Act 2013, its own constitution and the Takeovers Code. The Unlisted Market Rules specifically apply a number of those rules to the Company regardless of its size. The disclosure obligations of the Company include, but are not limited to, posting to the Unlisted announcement platform as soon as available:

- changes to details or information including:
 - (i) in its directors and senior managers;
 - (ii) corporate actions, both when approved and when actioned;
 - (iii) changes to basic company information (address, contact details, registrar, auditors and legal);
- any disclosures required by the Financial Markets Authority; and
- such other events, actions or new information that the Company at its sole discretion may consider to have a material impact upon the market price of its ordinary shares if such event or action was known to investors provided that such disclosure is considered by the Company to be in the interests of all shareholders generally.

The Companies Act 1993 contains specific provisions applicable to all companies which require the directors to act in good faith and in the best interests of the Company. Further, the Company will continue to maintain an Interests Register (as required by

law), and include all entries in the Interests Register within the Annual Report. The Board of the Company is of the view that the continuing obligations under applicable law will provide shareholders with sufficient comfort and transparency in the absence of the obligations applicable while listed on the NZAX.

Resolution 2 – Quotation and Trading on Unlisted

Background

If Resolution 1 is approved, then shareholders will be asked to consider and vote on Resolution 2.

The Board of the Company considers that, if the Company delists with NZX, shareholders should be provided with an alternative platform on which to trade their shares. The Board believes that Unlisted provides an appropriate option for shareholders.

Resolution 2 being put to shareholders will have the effect of authorising the listing and quotation of the ordinary shares of the Company on the Unlisted financial product market. Further information on Unlisted can be obtained online at www.unlisted.co.nz

Listing on Unlisted

Unlisted is not a Licensed Financial Product Market under the FMCA. Unlisted is a financial product market that operates pursuant to an exemption from subpart 7 of Part 5 of the FMCA. Investors trading in securities quoted on Unlisted trade at their own risk and do not have the protections provided by Part 5 of the FMCA, in relation to: insider trading, market manipulation, continuous disclosure, substantial holding disclosure, relevant interest disclosures, and the monitoring of market obligations by the Financial Markets Authority. Efficient Market Services Limited (“EMS”), which operates Unlisted, accepts no responsibility for any statement in this notice of meeting or accompanying correspondence.

If Resolution 2 is approved, the Board expects to finalise arrangements for the ordinary shares of the Company to be quoted on the Unlisted financial product market). EMS has conditionally accepted the Company’s listing application. The Company’s listing on Unlisted is conditional on the Company entering into a listing agreement with EMS, which will occur once the Company has effected its delisting from the NZX.

Unlisted is a well-established facility which provides a cost effective share trading platform for shareholders that is public, transparent and centralised. The Board also believes that the less formal Unlisted market structure is more appropriate for the Company considering its size and business.

Unlisted fees

Unlisted has no additional direct costs over and above the annual listing fee, no service charges, and no requirement for a security bond. On an ongoing basis, total compliance costs will be lower than those of the NZAX. In addition, a \$15,000 security bond held by NZX will be released on delisting.

a) **Buying and Selling Shares on Unlisted**

Buying and selling the Company's ordinary shares on the Unlisted market is conducted using brokers who trade on Unlisted. A listing of brokers who trade on Unlisted can be found at www.unlisted.co.nz/uPublic/unlisted.mt_public.brokers. The brokers who trade on Unlisted will require shareholders to sign an Unlisted Investor Informational and Disclaimer Form prior to entering a trade into the market. This is a once only process to confirm you understand the regulatory position on the Unlisted market.

To trade shares on Unlisted, a shareholder will need to place an order to buy or sell shares with the Unlisted broker. The broker will put the 'buy or sell order' into the market. Upon the matching of an order, the broker is advised by Unlisted of such order being matched. The broker will be in touch with the shareholder in respect of arranging share transfer and settlement and will send the shareholder a 'share transfer form'.

The shareholder then needs to execute the share transfer form and send it back to the broker, who will arrange the share transfer and settlement. This may take several days longer than the two day electronic settlement process currently used with NZAX based trades.

Most Unlisted brokers charge the same fee as for an NZX trade. No other fees are payable by the investor.

b) **Obtaining Data on the Shares You Hold in SGL**

On Unlisted's website you can view market information and the current bids and offers listed on the market and recent company announcements.

Disadvantages and advantages of delisting from the NZAX and listing on Unlisted

The Company has proposed the delisting from NZAX and listing with Unlisted because the NZX has announced that they intend to wind up the NZAX Market. Notwithstanding that, the Company considers it appropriate to provide the

information below to assist shareholders in making their decisions to vote in favour of, or against the Resolutions set out in this notice.

Disadvantages

1. Shareholders will no longer have the benefit of *“Section 10: Disclosure Information”* of the NZAX Rules. For example:
 - shareholders will not be provided with half-yearly reports of the Company containing the information prescribed by the NZAX Rules;
 - shareholders will not have the benefit of Pre Break Disclosure (as required by NZAX Rule 10.2);
 - shareholders will not have the benefit of NZAX Rule 10.1 requiring the Company to immediately release Material Information (as defined in the NZAX Rules) to NZX.

However, the Unlisted Market Rules require the Company to keep the market fully informed at all times and require the Company to comply with the Financial Reporting Act 2013 and other general and ongoing disclosure obligations. For example, the Unlisted Market Rules provide that the Company is required to announce information that it considers to be in the interests of shareholders generally on the Unlisted platform. See page 4 under the heading ***“Impact on shareholders”*** for more information.

2. The Company incurs delisting fees from the NZX (including legal, NZX fees, NZXR reviewing fees, costs incurred from special meeting). However, as the NZX has advised that they intend to wind up the NZAX Market, the Company is likely to incur these delisting fees regardless.
3. By listing on Unlisted, shareholders do not have the benefit of certain protections under the FMCA and the NZAX Listing Rules. See ***“Impact on shareholders”*** on page 3.
4. Once delisted with NZAX, the Company will no longer be able to take advantage of the exemption set out in section 19 of Schedule 1 of the FMCA, which allows listed companies to issue quoted financial products without full regulated disclosure (sometimes known as “same class offers”). However, the Company’s ability to raise capital via other concessions in the FMCA is unaffected. Given current expectations, the Company does not expect that this will have any material impact on shareholders.

Advantages

1. The listing with Unlisted is expected to require less administrative time, and give rise to lower compliance costs, for the Company (for example, lower costs associated with financial reporting as the Company is not required to prepare half-yearly reports).
2. The fees associated with listing on Unlisted are much lower than the listing fees on the NZAX.
3. By listing on Unlisted, shareholders will have a platform on which to trade their shares if the NZAX Market is wound up, which may not be available to

- shareholders otherwise, as NZX has advised that the Company does not qualify for migration to either the NZX Main Board or the NXT Market.
4. Shareholders will have access to the Unlisted Issuer Profiles which provides a snapshot of the Company, access to all announcements posted by the Company, visibility into market depth and trade history.
 5. On Unlisted the Company will be required to comply with the Unlisted market rules. These are available on the Unlisted website and the Company must still comply with all other legislation including the Companies Act 1993, Financial Reporting Act 2013 and Takeovers Act and Code.

Although it is difficult to predict with any certainty, the Company does not believe there will be any impact on shareholders' ability to trade their shares. As mentioned above, shareholders trade on Unlisted through a broker, and most Unlisted brokers charge the same fees as an NZX broker. However, as with NZAX, there is no guarantee that there will be a buyer for shares on Unlisted.

SPECIAL MEETING OF SHAREHOLDERS SPEIRS GROUP LIMITED ("Company") PROXY AND ADMISSION FORM

Monday 27 June 2016 commencing at 10.00am at the Palmerston North Convention Centre, 354 Main Street, Palmerston North.

If you propose to ATTEND the special meeting of shareholders ("Special Meeting") bring this Admission Card, Proxy Form and Voting Instructions/Voting Paper intact to the meeting. This will act as your admission card and voting form at the meeting.

PROXY FORM (for use if you are unable to attend the meeting)

If you do NOT propose to ATTEND the Special Meeting but wish to be represented by proxy complete and sign this Proxy Form and Voting Instructions section and send it to the Company in accordance with the mailing instructions below, to be received by the Company no later than Saturday 25 June 2016 at 10.00am, being 48 hours before the meeting.

I/We being a shareholder/shareholders of the Company

hereby appoint

of

or failing him/her

of

as my/our proxy to vote for me/us on my/our behalf at the Special Meeting to be held at the Palmerston North Convention Centre, 354 Main Street, Palmerston North at 10.00am on Monday 27 June 2016, and at any adjournment thereof.

Should you wish to direct the proxy how to vote on the matters set out below, please indicate with a (✓) in the appropriate boxes.

VOTING INSTRUCTIONS/VOTING PAPER

1. The shareholders resolve, as an ordinary resolution, to approve:

- (a) the delisting of the Company with NZX Limited ("NZX") including that its ordinary shares cease to be quoted on NZX's Alternative Market, the NZAX; and
- (b) the taking of all actions and entering into any agreements and other documents that the Board considers necessary to achieve this outcome.

FOR	AGAINST	ABSTAIN
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. The shareholders resolve, as an ordinary resolution, to approve, if Resolution 1 is passed and the Company ceases to be listed with NZX, the listing of the Company with "Unlisted", and in particular, that the Board may:

- (a) enter into a listing agreement with Efficient Markets Services Limited ("EMS") such that the Company will be listed on Unlisted; and
- (b) request EMS that the Company have its ordinary shares quoted and traded on EMS' Unlisted trading platform; and
- (c) take all actions and enter into any agreements and other documents necessary to achieve this outcome.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

Signed this

day of

2016

Signature/(s) of Shareholder(s)

Shareholder(s) name(s):

Daytime tel:

Email:

NOTES

1. As a shareholder you may attend the meeting and vote, or you may appoint a proxy to attend the meeting and vote. A proxy need not be a shareholder of the Company.
2. If you are joint holders of shares, each of you must sign this Proxy Form. If you are a company this Proxy Form must be signed on behalf of that company by a person acting under that company's express or implied authority.
3. For this Proxy Form to be valid, you must complete it and lodge it with the Company at its registered office, mailing to the Company or scanned and emailed to the Company, so it is received no later than Saturday 25 June 2016 at 10.00am.
4. If this Proxy Form has been signed under a power of attorney a copy of the power of attorney (unless already deposited with the Company) and a signed certificate of non-revocation of the power of attorney must be provided to the Company with the Proxy Form.
5. If you return this Proxy Form without directing the proxy how to vote on any particular matter, the proxy may vote as he or she thinks fit.
6. If you mark the abstain box for a particular resolution, you are directing your proxy NOT to vote on that resolution. If a proxy does not vote on your behalf on a resolution, your votes will not be counted when calculating the total number of votes cast and the majority for that resolution.
7. If you wish, you may appoint the Chairman of the Special Meeting as your proxy. The Chairman will vote according to your instructions. If the Chairman is not instructed, he will vote in favour of the resolutions.

RETURNING INSTRUCTIONS

1. If lodging the Proxy Form at the Company's registered office, the address is:
4 Lower High Street
Marton
2. If mailing Proxy Form from within New Zealand use the enclosed reply paid envelope
3. If mailing Proxy Form from outside New Zealand, place Proxy Form in an envelope and affix the necessary postage from the country of mailing. Address is:
Speirs Group Limited
PO Box 318
Palmerston North
New Zealand
4. Should you wish to scan and email your proxy form, the email address is:
lees@speirs.co.nz

PLEASE ENSURE YOUR PROXY FORM REACHES US NO LATER THAN SATURDAY 25 JUNE 2016 AT 10.00AM