



Notice of our
Annual Meeting of Shareholders



As a shareholder of Steel & Tube Holdings Limited (the “Company”), you are invited to our Annual Shareholders’ Meeting. The meeting will be held at the James Cook Hotel Grand Chancellor in Wellington, Level 16, Chancellor 1 Room on Thursday 16 November 2017, starting at 12 noon.

Agenda

Chair’s welcome and overview

Chief executive’s report on financial and business performance

Shareholder discussion

Consideration of any shareholder questions raised during the meeting on the financial statements and reports, and on the performance and management of the Company.

Resolutions

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

1. Election of director

That Susan Paterson, having been appointed as a Director of the Company by the Board on 16 January 2017, and being eligible and having offered herself for election, be elected as a Director of the Company (see explanatory note).

2. Election of director

That Steve Reindler, having been appointed as a Director of the Company by the Board on 1 October 2017, and being eligible and having offered himself for election, be elected as a Director of the Company (see explanatory note).

3. Election of director

That Chris Ellis, having been appointed as a Director of the Company by the Board on 1 October 2017, and being eligible and having offered himself for election, be elected as a Director of the Company (see explanatory note).

4. Re-election of director

That Rosemary Warnock, who retires by rotation at the annual meeting and is eligible for re-election, be re-elected as a Director of the Company (see explanatory note).

5. Auditor fees and expenses

That the Directors be authorised to fix the auditors’ remuneration for the ensuing financial year (see explanatory note).

6. Directors’ remuneration

That the pool available for payment of Director fees be increased by \$155,000 from \$420,000 to \$575,000 with such amount to be divided amongst the Directors in such proportion and such manner as the Directors determine from time to time following external independent benchmarking (see explanatory note).

Conclusion

Following the conclusion of the meeting, the Board invites shareholders to join them for light refreshments.

A summary of the proceedings and voting will be available as soon as practicable following the close of the Annual Meeting at <https://www.nzx.com/companies/STU/announcements>.

Notes

Questions and Shareholder Discussion

Steel & Tube offers the facility for shareholders to submit questions to the Board in advance of the Annual Meeting. Questions should be relevant to matters at the Annual Meeting, including matters arising from the financial statements, general questions regarding the performance of Steel & Tube, and questions in regards to the resolutions. The Chair will answer as many of the most frequently asked questions as possible during the Annual Meeting. Please submit questions by email to media@steelandtube.co.nz. Please write ‘Questions from Shareholders’ in the subject line of the email. There will also be the opportunity for shareholders and proxy holders to ask questions and be heard at the Annual Meeting.

Voting

The persons who will be entitled to vote on the resolutions at the Annual Meeting are those persons (or their proxies or representatives) registered as holding Ordinary Shares on Steel & Tube’s share register at 5.00pm on Tuesday 14 November 2017. Voting on all resolutions put before the Annual Meeting will be by poll. Results of the voting will be available after the conclusion of the meeting, and will be notified on the NZX. All items of business are ordinary resolutions and are required to be passed by a simple majority.

Casting Your Vote

You may cast your vote by either of the following methods:

- 1. Personal attendance:** If you wish, you can attend the Annual Meeting and vote. Voting will be by way of a poll. You must bring the Proxy/Voting form with you to the meeting.
- 2. Appoint a proxy to vote:** You may appoint a proxy or (if the shareholder is a body corporate) a corporate representative to attend the Annual Meeting and vote on your behalf. Your proxy does not need to be a Steel & Tube shareholder. You may direct your proxy to vote for or against a resolution, to abstain from voting, or to exercise their discretion as to how to vote. If you mark the proxy’s discretion box or do not tick any box for a particular resolution, your proxy may vote as they choose. If you mark more than one box on an item, your proxy will be invalid on that item.

To appoint a proxy, you should complete the Proxy/Voting form and return it by mail or fax to Computershare Investor Services Limited not less than 48 hours before the meeting i.e. by 12 noon on 14 November 2017). Alternatively, appoint a proxy online at www.investorvote.co.nz

The Chair of the meeting or any other Director is willing to act as proxy for shareholders.

Any proxy discretion or undirected proxies granted to a Director will be voted in favour of the relevant resolutions, except that such proxies will not be exercised by a Director who is standing for election or re-election in respect of the resolution for their own appointment. Please also read the explanatory notes on Resolution 6 in relation to Director’s discretionary and undirected proxies.

By Order of the Board



Steve Armstrong
Interim Company Secretary
Steel & Tube Holdings Limited



Explanatory Notes

Resolutions 1, 2 and 3: Election of Susan Paterson, Steve Reindler and Chris Ellis



Susan Paterson

ONZM, CFInstD, MBA (Ldn), BPharm
Chair and Independent Director

Susan became a Director in January 2017 and was appointed Chair on 16 February 2017. An Independent Director since 1996, in 2015 Susan was appointed an Officer of the Order of New Zealand (ONZM) for her services to corporate governance. Having trained and practiced as a pharmacist, Susan completed her MBA at London Business School, then worked in strategy and IT consulting and management roles in New Zealand, Europe and USA. She worked in the Steel Sector at Fletcher Challenge and was General Manager of Wiremakers.

Susan holds a number of Directorships including Goodman NZ, aged care provider Arvida, Sky Network TV, Les Mills NZ Limited and is also Chair of IT consultancy Theta Systems Limited, with previous Directorships including Ports of Auckland, Transpower, Abano, and Airways (Chair).



Steve Reindler

BE Mech Hons, AMP, FIPENZ
Independent Director

Steve was appointed a Director on 1 October 2017. Steve is an engineer who has a background in large-scale infrastructure and heavy industry manufacturing. He has gained extensive experience through his previous executive roles at New Zealand Steel Limited and Auckland International Airport Limited, and through his industry position as inaugural Chairman of the Chartered Professional Engineers Council and as a board member and President of IPENZ. Steve holds a number of Directorships including Meridian Energy Limited, Broome International Airport Group, Naylor Love Enterprises Limited, Z Energy Limited, WorkSafe New Zealand and Yachting New Zealand, and is also Chair of Waste Disposal Services JV in Auckland.



Chris Ellis

BE, MS
Independent Director

Appointed a Director on 1 October 2017, Chris' background spans the manufacturing, heavy construction and engineering sectors. He has held CEO roles with Brightwater Group and at Fletcher Building Limited where he was Chief Executive of the Building Products Division. Chris was the inaugural Chairman of the NZ Business Leaders' Health and Safety Forum.

He is currently Chairman of HiWay Group Limited and also serves on the board of directors of WorkSafe New Zealand, Horizon Energy and the New Zealand Transport Agency. He was previously Chair of Energy Works Holdings Limited.

Letter from Chair

Dear Shareholder

I invite you to the 2017 Annual Meeting of Steel & Tube's shareholders on Thursday 16 November 2017.

Steel & Tube's Interim Chief Executive Officer, Mark Malpass, our Interim Chief Financial Officer, Steve Armstrong and I will address the meeting and provide a summary of the Company's performance for the year to 30 June 2017.

This was a year where Steel & Tube continued to make significant progress on the journey to transform into a modern and innovative company with unique capabilities, an unrivalled product range and a nationwide footprint. A copy of these addresses will be available for viewing on the Company's website on 16 November 2017.

Shareholders will then be invited to ask questions before we move to the resolutions set out in the agenda. Agenda items for this Annual Meeting relate to the election of three Directors, Steve Reindler, Chris Ellis and myself, the re-election of Rosemary Warnock, authorisation for Directors to fix the fees and expenses of the Company's auditor and a Director fee pool increase.

The four Director elections are unanimously endorsed by the Board. Short profiles for all four Directors up for election are included in the Explanatory Notes which form part of the Notice of Meeting.

Your Board recommends that shareholders vote in favour of all resolutions. Voting will be by way of poll. The results of voting will be posted on the NZX following the meeting.

We look forward to discussing Steel & Tube with you and answering any of your questions on 16 November 2017.

Yours sincerely



Susan Paterson
Chair

Resolution 4: Re-election of Rosemary Warnock

The Company's constitution requires that one third of the Directors (or the number nearest to one-third) must retire by rotation at each meeting.



Rosemary Warnock
BA Dist, MAICD
Independent Director

Appointed a Director on 22 September 2010, Rosemary has held senior executive positions in the BP Group in Australia, the UK and Singapore, including as Chief Executive of Castrol Asia Pacific. Rosemary is currently Principal of the Adelante Group, a partnership that provides executive mentoring services, a Director of The Buttery and a member of the Foundation Committee for The Buttery.

Appointed a Director on 22 September 2010, Rosemary has held senior leadership positions in the BP Group including sales, marketing & distribution in Australia and New Zealand, global manufacturing and supply chain based out of London and Chief Executive Castrol Asia Pacific based out of Singapore. She was formerly Chair of the Thinc Group, global project management & consultants in major capital works. Rosemary is a Founding Partner of the Adelante Group, a partnership that provides executive leadership development services, a Director of The Buttery and a member of the Foundation Committee for The Buttery.

Resolution 5: Auditor fees

The auditors, PricewaterhouseCoopers, continue in office by virtue of section 207T of the Companies Act 1993. Resolution 5 authorises the Directors to fix PricewaterhouseCoopers' remuneration for the ensuing financial year.

Resolution 6: Directors' remuneration

This resolution seeks shareholder approval to increase the total remuneration available to all non-executive Directors taken together ("fee pool") by \$155,000, from \$420,000 per annum to \$575,000 per annum. This change requires shareholder approval as per NZX Listing Rule 3.5.1.

The current Directors' fee pool of \$420,000 was set in 2007.

The Board want to ensure Directors' fees are set and managed in a manner which is fair, flexible and transparent.

The Board engaged the Institute of Directors in NZ (IoD) to undertake an independent benchmarking review and assessment of appropriate Directors' fees.

The IoD Director fee recommendation is based on an independent assessment of the complexity, scale and circumstance, and contractual arrangements of the Company and the need to set fees at a level to attract and retain competent Directors. The IoD recommendation for fees reflects appropriate comparator fees and a detailed analysis of time spent by the Company's Directors in fulfilling their roles. The recommendation also reflects an analysis of the fees received by Directors of similar sized listed entities.

The table below sets out the IoD recommended benchmark fee ranges for the duties and responsibilities for Steel & Tube governance roles, along with current and proposed fees.

Position	IoD Recommendation	Current Fees	Proposed Fees	Increase
Non-executive Director base fee (five Directors excluding Chair)	\$80,000 – \$85,000	\$63,000	\$75,000	\$12,000
Chair of Board (inclusive of Committee fees)	\$160,000 – \$170,000	\$126,000	\$145,000	\$19,000
Chair Audit and Risk Committee	Additional \$10,000 – \$12,000	nil	\$10,000	N/A
Chair Health and Safety Committee	Additional \$10,000 – \$12,000	nil	\$10,000	N/A
Chair Remuneration Committee	Additional \$5,000 – \$6,000	nil	\$5,000	N/A

The proposed increase to the current fee pool of \$155,000 is below the range that would result from implementing the fees recommended by the IoD. The proposed fee pool increase reflects the Board's desire to improve shareholder returns before seeking a market competitive fee pool.

The Board of Directors has historically comprised five independent Directors and a Managing Director who has not been paid Directors' fees.

The proposed fee pool of \$575,000 assumes six independent Directors including the Chair, an annual fee of \$145,000 for the Chair, and annual Director Fees of \$75,000. The \$155,000 increase includes an allowance of \$10,000 for Chairs of the Audit and Risk Committee, and the Health and Safety Committee, \$5,000 for the Chair of the Remuneration Committee and \$30,000 for special fees should extraordinary non 'business as usual' work arise. Apart from remuneration for Committee Chairs, no committee remuneration is proposed for the Chair or Directors for committee work.

Each Director who is intended to receive a payment or benefit from the approval of Resolution 6, or any person who is an Associated Person of such a Director (as that term is defined in the NZX Main Board Listing Rules), will not exercise his or her shareholding vote or any discretionary or undirected proxy vote on Resolution 6 at the Annual Meeting.