

# Geneva Finance Limited Notice of Annual Meeting

Notice is hereby given that the Annual Meeting of shareholders of Geneva Finance Limited (Geneva) will be held at Amway of New Zealand, 6a Pacific Rise, Mt Wellington, Auckland on Tuesday 23<sup>rd</sup> August 2016 commencing at 2.00pm.

## AGENDA

- Introduction (David Smale);
- Review of March 2016 year (David O'Connell);
- Update since 1 April 2016 (David O'Connell);
- Questions on Accounts (Board Panel);
- Resolutions to be considered (David Smale);
- Questions on Resolutions (Board Panel);
- Voting on Resolutions (David Smale).

## ORDINARY BUSINESS:

Points 1 to 5 below are the resolutions to be considered by shareholders:

- 1 Directors' Report and Accounts  
That the Financial Statements for the year ended 31 March 2016 and the Reports of the Directors and Auditors be adopted.
- 2 Election of Director  
That Mr Alan Hutchison be re-elected as a Director (supported by the current Board).
- 3 Auditors  
To record the re-appointment of Staples Rodway as auditors of the Company and to authorise the Directors to fix the remuneration of the Auditors for the ensuing year.
- 4 Directors Fees  
To increase the Directors fee pool from \$100k to \$200k.
- 5 Change of Constitution  
That, as a special resolution in accordance with section 32(2) of the Companies Act 1993, the existing Constitution of the Company be revoked, and the Company adopt a replacement Constitution in the form tabled at the meeting and signed by the Chairman for the purpose of identification.

## EXPLANATORY NOTES

### Shareholder Questions to Directors

Shareholders are invited to submit written questions to individual Directors. These must be clearly handwritten or (preferably) typed, signed and with the writer's name, address and shareholder number printed on it. Letters can be posted to: Question for Director (name of Director), C/O Managing Director, Geneva Finance Limited, Private Bag 14923, Panmure, Auckland, 1741, New Zealand. All questions must be received before 19 August 2016. The Directors will answer these questions at the conclusion of Ordinary Business.

### Additional Information for Shareholders

This explanatory material has been prepared for the information of shareholders of Geneva in relation to the business to be conducted at the Meeting. The purpose of this explanatory material is to provide Shareholders with information that is reasonably required by shareholders to decide how to vote upon the resolutions. The Board recommends that shareholders read this material before determining whether or not to support the resolutions.

### Appointment of Directors

The Company currently has four Directors. In accordance with the Company's constitution the Director who has been longest in office since being elected or re-elected, being Alan Hutchison, is required to retire from office at the Annual Meeting. However, Alan Hutchison is eligible for re-election and is therefore offering himself for re-election at the Annual Meeting.

### **Directors fee**

Proposed to increase the Directors fee pool to allow the Company to offer competitive directors remuneration. Directors fees were last set in 2008 and have remained static since that date. Directors intended to receive payment under this resolution and their Associated Persons will be disqualified from voting or acting as a discretionary proxy on this resolution, however proxies under express instructions will be accepted.

### **Auditors**

Propose to re-appoint Staples Rodway as auditors of the company for the next financial year and to authorise the Directors to fix the remuneration of the Auditors.

### **Constitution inspection**

A copy of Geneva's proposed new Constitution is available for inspection or uplifting from Geneva's registered office at 6b Pacific Rise, Mt. Wellington, Auckland between 9.00 a.m. and 5.00 p.m. Monday to Friday. Alternatively, a copy can be obtained by writing to the Directors, Geneva Finance Limited, Private Bag 14923, Panmure, Auckland, 1741. A copy of the proposed new constitution can also be viewed on Geneva's website [genevafinance.co.nz](http://genevafinance.co.nz).

### **Background to Constitutional changes**

Geneva's existing constitution was drafted to comply with New Zealand law and the requirements of the Listing Rules of the NZAX market operated by NZX Limited as they were in place at the time Geneva was listed on the NZAX market – in 2008.

Since 2008, the NZAX Listing Rules have undergone a major revision (which came into effect in March 2009) and there were further revisions in 2015. Geneva's constitution now requires updating to reflect the changes to the NZAX Listing Rules. It is also rather inflexible, which is a source of some concern to the Board.

The NZAX Listing Rules require that, whenever a change is made to the Listing Rules which require a change to the constitution, that change be made at the first available opportunity – which NZX will generally regard as the first annual meeting held 6 or more months after the change. However, listed issuers also have a choice to try to 'future proof' the constitution by incorporating the NZAX Listing Rules and any changes from time to time by reference (rather than just alter the constitution whenever there are amendments made to the NZAX Listing Rules to ensure the constitution reflects the Listing Rules).

A similar approach is taken to the provisions in the Companies Act, so that, where possible, the relevant provisions are not reproduced in whole. Instead, where it is necessary to specifically provide for an item or to modify the 'default setting' provided by the Companies Act, a specific provision has been included.

The overall aim is to achieve a document that is both concise and future proof and, therefore, less likely to require amendment in the coming years to comply with changes to NZAX Listing Rules and/or the Companies Act and to allow that if there is any provision in the proposed new constitution that is inconsistent with the NZAX listing Rules relevant to the Company, the NZAX Listing Rules will apply.

The directors recommend that Geneva elect to incorporate the Listing Rules in the proposed constitution by reference. By doing so:

- the constitution is a more concise, easy-to-read document; and
- Geneva will not need to amend the constitution in the event that any of the NZAX Listing Rules are amended at a later date as the constitution will automatically be updated to reflect such amendments.

In addition, the Board has recommended that, rather than simply amend the existing constitution so as to incorporate the NZAX Listing Rules by reference and otherwise make only those changes that are considered essential in order to bring the old constitution up-to-date, Geneva revoke its existing constitution and adopt a new constitution that both complies with these requirements and takes this opportunity to streamline the constitution so as to deal with only those provisions which must be specifically contained in the constitution (and not seek to duplicate provisions which are

contained in either the NZAX Listing Rules or the Companies Act 1993). The special resolution to be put to shareholders will give effect to this recommendation.

A beneficial consequence of this approach to the constitution is that shareholders will no longer be required to pass a special resolution changing the constitution to accommodate further changes to the NZAX Listing Rules.

The Board considers that, although the rights of shareholders will not be significantly affected by the adoption of the new constitution, its adoption is beneficial for shareholders generally, as to do so will give greater flexibility to the Board in managing the affairs of the Company for the benefit of all shareholders.

A copy of Geneva's existing constitution can be viewed at [www.business.govt.nz](http://www.business.govt.nz) in Geneva's online file.

The principal changes, in summary, between the existing constitution and the proposed new one are that the new constitution is briefer and simplified and, rather than repeating provisions in the NZAX Listing Rules and Companies Act now incorporates those provisions (as updated in some cases through amendments to the NZAX Listing Rules since the original constitution was adopted) by reference. It is helpful for Shareholders to know of the principal changes which were made to the NZAX Listing Rules 2009 and 2015, and a brief summary of the principal ones is noted below. The NZAX Listing Rules may be viewed on the website on the NZX at [www.nzx.com/regulation/nzax-rules](http://www.nzx.com/regulation/nzax-rules).

### **2009 changes**

The 2009 changes to the NZAX Listing Rules included a re-ordering of the NZAX Listing Rules to better demonstrate differences with NZX Main Board Listing Rules. Amongst a list of administrative changes (dealing with such administrative matters as time periods for completing various steps and the methods of giving notices and market announcements) major changes included:

- Changes to the definitions of 'Material Information' and 'Relevant Interest' to reflect legislative changes and to improve the clarity of application of the continuous disclosure rules.
- The director nomination process was streamlined to make it clearer.
- The rules governing share buybacks and redemptions and financial assistance were clarified or updated.
- The time for allotment of securities was amended to clarify that issuers are required to allot within 5 business days of the close of an offer.
- There were several amendments to the definition of 'Related Party' (affecting the circumstances in which shareholder approval is required for the entry into a Material Transaction with a Related Party), intended to reduce the need for applications for Rulings and Waivers.
- Changes were also made to continuous disclosure obligations, in line with those made to the NZX Main Board Listing Rules.

### **2015 changes**

The 2015 amendments were primarily required as a result of amendments to the legislation governing New Zealand's financial markets (including the Financial Markets Conduct Act 2013). In addition Rule 7.3.11(b) was amended to clarify the process relating to the issue of equity securities at the time of conversion of a convertible security.

### **No Buy-Out Right**

The proposed new constitution does not impose or remove a restriction on the activities of Geneva, and accordingly no rights arise under section 110 of the Companies Act.

### **NZX Approval**

The changes to the constitution have been approved by NZX.

**Majority required**

The resolutions required for agenda items 1 to 4 are ordinary resolutions. Ordinary resolutions will be passed if greater than 50% of the votes that are cast by shareholders entitled to vote on the resolution and voting, vote in favour of the resolution.

The resolution required for agenda item 5 is a special resolution. Special resolutions will be passed if greater than 75% of the votes that are cast by shareholders entitled to vote on the resolution and voting vote in favour of the resolution.

If the special resolution for agenda item 5 is not passed then the proposed new constitution will not be adopted and the existing constitution of the Company will remain in full force and effect.

**Quorum**

The shareholder's meeting will proceed if at least 5 shareholders having the right to vote at the meeting are present in person or by proxy.

**Exercise of votes**

On a show of hands, each shareholder has one vote. On a poll, each shareholder has one vote for each share held.

**Voting of jointly held shares**

If your shares are jointly held, only the vote of the shareholder whose name appears first in the register of shareholders will be counted to the exclusion of the other joint holder.

**Voting by corporations**

In order to vote at the meeting (other than by proxy), a corporation that is a holder of shares must appoint a person to act as its representative.

**Motions from floor**

Motions from the floor during the meeting will not be permitted.

**Amendments to Resolutions**

Proxies will not be permitted to vote on any amendments to the resolutions set out in this notice of meeting.

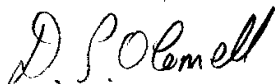
**Proxies and Representatives**

You may exercise your right to vote at the meeting either by being present in person or by appointing a proxy to attend and vote in your place. A proxy need not be a shareholder of Geneva. You may appoint the Chairperson of the Meeting to be your proxy. If you do not indicate how the Chairperson will vote, the Chairperson will vote in favour of the resolutions. A body corporate shareholder may appoint a representative to attend the meeting on its behalf.

A proxy form is enclosed with this Notice of Meeting. If you wish to vote by proxy you must complete the form and return it to Link Market Services Limited, so as to ensure that it is received by 5.00pm, on 19 August 2016. You can also appoint your proxy and vote on the resolutions online by going to <https://investorcentre.linkmarketservices.co.nz/voting/GFL>. Details of where to return the completed proxy form are set out on the Proxy Form.

Dated 8 August 2016

By order of the Board



**MANAGING DIRECTOR**

**INVITATION:** At the conclusion of the Annual Meeting, afternoon tea will be served.