

## **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, 20 August 2019 commencing at 2.00pm

### **Agenda**

- Introduction (David Smale);
- Review of March 2019 year (David O'Connell);
- Update since 1 April 2019 (David O'Connell);
- Questions on Financial Statements (Board Panel);
- Ordinary Business to be considered (David Smale);
- Questions on Ordinary Business (Board Panel);
- Voting on Resolutions for Ordinary Business (David Smale); and
- Special Business – adoption of a new Constitution (David Smale).

### **Ordinary Business**

To consider, and if thought fit, to pass the following ordinary resolutions, requiring a simple majority of votes by those shareholders entitled to vote and voting:

#### **1. Directors' Report and Financial Statements:**

##### **Resolution 1:**

That the Financial Statements for the year ended 31 March 2019 and the Reports of the Directors and Auditors be adopted.

#### **2. Election of Directors (Note 1):**

##### **Resolution 2:**

To re-elect Alan Hutchison as a Director of Geneva Finance Limited.

##### **Resolution 3:**

To re-elect David O'Connell as a Director of Geneva Finance Limited.

#### **3. Auditor Remuneration (Note 2):**

##### **Resolution 4:**

That the Board be authorised to determine the auditor's fees and expenses for the 2020 financial year.

### **Special Business - adoption of new Constitution**

#### **4. Special Resolution:**

To consider, and if thought fit, to pass the following special resolution, requiring a 75% majority of votes by those shareholders entitled to vote and voting:

##### **Adoption of new Constitution (Note 3):**

##### **Resolution 5:**

That in accordance with section 32(2) of the Companies Act:

- a. the Company's existing constitution is revoked; and
- b. the proposed constitution (as presented to the Annual Meeting of Shareholders) be adopted as the constitution of the Company.

#### **5. General Business:**

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

All resolutions to be put to the meeting are discussed in the Explanatory Notes attached.

## Proxies

A Voting/Proxy form is attached for your use. Refer to the Final Section on the Notes for instructions for completing the Voting/Proxy Form. Please deliver the completed proxy to the Company by **Friday 16<sup>th</sup> August 2019**.

Following the formal part of the meeting, the Directors invite shareholders to join them for light refreshments. For catering and administrative purposes, we would appreciate if you could please RSVP by Friday 16<sup>th</sup> August 2019 to email [investments@genevafinance.co.nz](mailto:investments@genevafinance.co.nz). Thank you.

## Explanatory Notes

### Note 1- Election of Directors: Resolutions 2 and 3

In accordance with the NZX Listing Rules and the Constitution of the Company nominations for Directors closed at 5pm, 2 August 2019. No further Nominations were received.

Set out below is some information regarding each of the Directors the subject of the resolutions:

#### *Alan Hutchison:*

Alan has acted as a company director since 1994 and currently holds directorships in New Zealand and a number of overseas companies including Ireland, Singapore, Australia, and Samoa. Alan holds a Bachelor of Commerce and a LLB from Auckland University and has been admitted as a barrister and solicitor to both the high court of New Zealand and Supreme Court of Samoa

The Board is of the view that Alan Hutchison is not an Independent Director.

#### *David O'Connell:*

David has in excess of 25 years experience at a senior level in both commercial and financial organisations in New Zealand, including the Finance Director role at a major New Zealand corporate, Managing Director, or senior operational roles in the import distribution and retail sectors. David was appointed as managing Director to Geneva shortly after the company went into moratorium and has held that role since that date. David holds a BCA from Victoria university and is an associate member of Chartered Accountants Australia and New Zealand.

The Board is of the view that David O'Connell is not an Independent Director.

### Note 2 – Auditor Remuneration: Resolution 4

Baker Tilly Staples Rodway is the current auditor of Geneva Finance Limited. The Companies Act 1993 provides that a company's auditor is automatically reappointed unless the shareholders resolve to appoint a replacement auditor, or there is another reason for the auditor not to be reappointed.

Section 207S of the Companies Act 1993 further provides that the auditors' fees and expenses must be fixed by the Company, or in the manner that the Company determines at a shareholders' meeting.

Shareholders are being asked to resolve that the Board is authorised to fix the fees and expenses of Baker Tilly Staples Rodway for the current year.

### Note 3 – Adoption of a new Constitution: Resolution 5

The following Special Resolution will be submitted to the meeting:

“That in accordance with section 32(2) of the Companies Act:

- a. the Company's existing constitution is revoked; and

- b. the proposed constitution (as presented to the Annual Meeting of Shareholders) be adopted as the constitution of the Company.”

## Introduction

The Board has previously advised shareholders of the Company's migration from the NZX Limited's NZAX Board to the NZX Main Board equity security market. The Company completed the migration to the Main Board on 30 April 2019.

One of the impacts of migration to the Main Board is that, from the date of migration, the Company is required to comply with the new Main Board Listing Rules (**Listing Rules**), which came into effect on 1 January 2019. Whilst that has meant there is a need to update some governance policies and procedures, NZX Regulation has granted a series of class waivers that assist the process of migration by NZAX Issuers to the Main Board and which include allowing migrating NZAX issuers to postpone the process of updating the constitution until the next annual meeting (or a special meeting – if held earlier).

## Constitution

The Company's existing constitution does not meet all the requirements of the Listing Rules, as it was designed for compliance with the NZAX Listing Rules. As a result, the Company is required to adopt a constitution that complies with the Listing Rules. To adopt a new constitution, a special resolution of shareholders is required under section 32 of the Companies Act. The special resolution required is a resolution approved by 75% or more of the eligible votes cast on the resolution.

Instead of proposing a long list of amendments to the existing constitution, the Board has chosen to present to shareholders for adoption a new constitution incorporating the proposed amendments (the proposed constitution).

To assist shareholders, a marked up copy of the existing constitution to show the amendments made in creating the proposed constitution and a clean copy of the proposed constitution for adoption at the meeting are available on the Company's website [www.genevafinance.co.nz](http://www.genevafinance.co.nz). In addition, copies of the clean proposed constitution are available from the Company (telephone 0800 800 133, email [investments@genevafinance.co.nz](mailto:investments@genevafinance.co.nz), and postal address of Private Bag 14923, Panmure, Auckland (attention Chief Financial Officer)).

The Board is also taking the opportunity to improve and modernise aspects of the existing constitution which do not relate directly to the proposed NZX migration to the Main Board.

## Listing Rules

The proposed constitution incorporates by reference (instead of in full) a number of provisions from the Listing Rules.

A copy of the Listing Rules (1 January 2019) is on NZX's website ([www.nzx.com](http://www.nzx.com)).

## Scope of Explanatory Note

This Explanatory Note describes some of the provisions of the proposed constitution which are not in the existing constitution. It does so at a high level only, and the Board recommends to shareholders that they review the proposed constitution and the Listing Rules to understand fully the effect of the proposed constitution. In particular, this Explanatory Note is not intended to be a substitute for a review of the proposed constitution and Listing Rules.

## Key Changes

- **Clause 1.1: Definitions:** The definitions section has been updated to include additional definitions to assist in the interpretation of the constitution, and existing definitions have been revised to align with the Listing Rules.

- **Clause 1.4: Incorporation by reference.** In keeping with current constitutions, an element of future proofing has been added to deal with changes to the Listing Rules. As a result, for so long as the Company is Listed, the Constitution is deemed to incorporate all provisions of the Listing Rules required under the Listing Rules to be contained or incorporated by reference as those provisions apply from time to time and as if those provisions were set out in full in the Constitution itself.
- **Clause 3.1(f): Impact of changes to the Listing Rules.** If the Listing Rules are changed so that anything done by the Company which was formerly prohibited by the Listing Rules is subsequently allowed or required, it is deemed to be authorised with effect from the date of the change.
- **Clause 3.4: Ceasing to be listed.** For clarity, clauses 1.2(h), 1.4 and clause 3 apply only for so long as the Company is Listed.
- **Clause 4.6: Financial assistance.** The provision by the Company of financial assistance for the purpose of, or in connection with, the acquisition of any its Shares is prohibited, unless it is in accordance with the provisions of the Companies Act and the Listing Rules.
- **Clause 4.8: Bonus issues.** The Board is granted a specific power to issue new Shares (or pay up amounts unpaid on existing Shares) by means of a bonus issue.
- **Clause 6.3(c) and (d): Electronic transfers.** As another example of future-proofing, scope is provided for share transfers by any approved system of transfer by electronic means which operates in relation to trading in Securities on any other stock exchange on which the Company's Shares are traded and in accordance with any other system of transfer approved by legislation.
- **Clause 6.8(b): Sale of less than a Minimum Holding:** The notice of refusal to register transfers in respect of sales that would result in the transferee having less than a Minimum Holding shall advise of the Board's intention to sell those Shares unless the Shareholder acquires further Shares (so as to ensure that they have at least a Minimum Holding).
- **Clause 6.9: Transfer of Securities other than Shares.** For clarity, clause 6 also applies to transfers of Securities of the Company other than Shares.
- **Clause 8: Proceedings at meetings of Shareholders and Interest Groups.** The procedural requirements for meetings have been moved into Schedules. Schedule 1 governs meetings of Shareholders. In addition, Schedule 1 also governs meetings of any Interest Group (where required to be held by the Companies Act, the Listing Rules, or the Constitution). Note that a quorum for an Interest Group meeting shall be the members of the Interest Group holding 5% or more of the voting rights entitled to be exercised on any of the questions to be considered at a meeting of the Interest Group in question.
- **Clause 9: Directors:** The Listing Rules set out requirements in relation to the composition of the Board, which have been incorporated into the proposed constitution. For example, the Listing Rules require a minimum of two independent Directors if there are up to eight Directors, or if there are eight Directors (the maximum currently provided for in this constitution), three independent Directors (or one-third rounded up to the nearest whole number). In accordance with the Listing Rules:
  - one third of the directors must retire by rotation each year, but they are eligible for re-election;
  - each director's appointment must be voted on individually; and
  - no director shall hold office longer than 3 years without retiring and offering himself or herself for re-election.

Additionally, the proposed constitution clarifies the timing of retirement and appointment of a director.

In a significant change, the new Listing Rules do not allow an Executive Director (such as a Managing Director) to be exempted from rotation – by being subject to a 5-year term. As a result, clause 9.14 provides that an Executive Director is subject to the same provisions as to resignation and removal as the other Directors of the Company.

Note also that the new Listing Rules require that the Company establish an Audit Committee (and provide for the composition and responsibilities of the Audit Committee). This change is addressed in clause 9.12.

- **Clause 11: Alternate Directors:** This clause has been updated and a handful of points of clarification added (including by addressing such administrative matters as notices of Board meetings, remuneration and expenses, cessation of appointment and rights and powers).
- **Clause 12: Proceedings of the Board.** The procedural requirements for meetings have been moved into Schedules. Schedule 2 governs proceedings of the Board.
- **Clause 13: Directors' remuneration:** This clause has been updated and simplified to incorporate by reference the relevant Listing Rules and provisions of the Companies Act in respect of directors' remuneration. The provisions around "special" remuneration have been brought in line with the Listing Rules.
- **Clause 13: Distributions:** This clause has been updated and clarified, including by clarifying the issue of dividends payable in respect of Shares which are not fully paid up.
- **Clause 16: Notices:** Clause 16 has been simplified, and updated to include communication by electronic mail message. Clause 16.2 has been inserted to clarify how notice is provided to a security holder who does not have a known address within New Zealand.
- **Schedule 1 - Proceedings at Meetings of Shareholders:** Schedule 1 largely consolidates, with some updating, the procedural requirements for meetings of Shareholders that are contained in the existing constitution.

Those provisions to which particular attention is drawn are:

<b>Clause 4.2 – Numbers for quorum</b>	The proposed constitution contains an amended quorum requirement (three shareholders) for meetings of shareholders than is contained in the existing constitution to reflect current practice by NZX Main Board listed companies. This is not a material change to the threshold required by the existing constitution.
<b>Clause 5.5 – Evidence that resolution carried</b>	For clarity, a declaration by the chairperson that a resolution is carried is conclusive evidence of that fact unless a poll is demanded.
<b>Clause 6 - Polls</b>	More detail has been added in relation to the conduct of polls, specifically providing for: <ul style="list-style-type: none"> <li>• who may demand a poll (and when);</li> <li>• more detail around voting and counting of votes;</li> <li>• scrutineers; and</li> <li>• declaration of the result.</li> </ul>
<b>Clause 9 - Proxies</b>	Additional detail has been added in relation to handling of proxies – including a specific requirement to include the proxy form with the notice of meeting.
<b>Clause 13 – Shareholder proposals</b>	A specific provision has been added to recognise the scope for Shareholder proposals – in accordance with the Companies Act.

- **Schedule 2 - Proceedings of the Board:** Schedule 2 consolidates, and modernises, the procedural requirements for Board meetings that are contained in the existing constitution.

Those provisions to which particular attention is drawn are:

<b>Clause 2 – Notice of Meeting</b>	A number of clarifications have been added – along with the scope to give notice of a Board meeting by telephone (as well as electronically).
<b>Clause 6 – No notice to Directors outside New Zealand</b>	If a Director is resident outside New Zealand (or is temporarily absent from New Zealand) and has appointed an Alternate Director – then notice must be given to the Alternate Director.
<b>Clause 7 – Quorum</b>	An Alternate Director present at a meeting may be included for the purpose of establishing a quorum.
<b>Clause 8 – Chairperson</b>	<ul style="list-style-type: none"> <li>• A Director may not simultaneously hold the positions of Chief Executive of the Company and chairperson of the Board. This has been inserted to ensure that a non-executive director is the chairperson of the Board.</li> <li>• The chairperson holds that office until he or she dies or resigns or the Directors elect a chairperson in his or her place.</li> </ul>
<b>Clause 9 – Voting</b>	<ul style="list-style-type: none"> <li>• In the case of an equality of votes the chairperson will not have a casting vote except where only two Directors form a quorum and are present at the meeting.</li> <li>• An Alternate Director may attend and Vote at meetings of the Board if the Director that has appointed the Alternate Director is absent from the meeting.</li> </ul>
<b>Clause 10 – Interested Director may not vote</b>	<p>Again, for clarity, in accordance with the Listing Rules an “interested” Director shall not:</p> <ul style="list-style-type: none"> <li>• vote on a Board resolution in respect of the relevant matter; nor</li> <li>• be included among the quorum in considering that matter,</li> </ul> <p>except that a Director may vote and be counted in the quorum for a matter in which that Director is interested if the matter is one in respect of which, pursuant to an express provision of the Companies Act, Directors are required to sign a certificate or one which relates to the grant of an indemnity under the Companies Act.</p>
<b>Clause 11 – Written resolution</b>	This has been updated to enable a majority of directors to vote on a resolution in writing, which has the practical benefit of not requiring every director to sign each written resolution. For example, should a director be travelling or otherwise unavailable, the resolution may still be passed should a majority agree.

## NZX Approval

The proposed constitution has been the subject of a solicitor’s opinion in accordance with the Listing Rules.

#### **Note 4 - NZX Approval**

NZX has approved this Notice of Meeting but does not take any responsibility for any statement contained in this Notice of Meeting.

#### **Important Information: General Note Applicable to All Resolutions requiring Votes at the Annual Meeting**

Pursuant to section 125 of the Companies Act 1993, the Board has determined that, for the purposes of voting at the Annual Meeting, only those registered shareholders of the Company as at 5:00pm, 2 August 2019, being a day not more than 20 working days before the meeting, shall be entitled to exercise the right to vote at the meeting either in person or by appointing a proxy to attend and vote instead of that shareholder.

Voting will be 1 share, 1 vote and may be conducted by way of a poll.

#### **You may vote**

1. **By Attending:** You should bring the Voting/Proxy Form (included with this Notice) with you since voting may be by way of a poll.
2. **By Proxy.** If you do not plan to attend, you can appoint a proxy to vote for you. The Voting/Proxy Form included with this Notice of Meeting allows you to vote either for, against, or abstain from, the resolutions notified in this Notice of Meeting. Any shareholder of the Company who is entitled to attend and vote at the Annual Meeting is entitled to appoint a proxy to attend the meeting and vote on his or her behalf. A proxy need not be a shareholder of the Company. If you appoint a proxy, you may either direct your proxy how to vote for you, or you may give the proxy discretion to vote as he or she sees fit. If you wish to give your proxy discretion then you should make the appropriate election on the Proxy Form, to grant your proxy that discretion.

Except as discussed below, you will be deemed to have given your proxy discretion if you do not make an election in relation to any of resolutions 1 to 5. The Chairman of the meeting is willing to act as proxy for any shareholder who appoints him or her for that purpose. The Chairman and any Directors appointed as proxy will vote any discretionary proxies in favour of resolutions 1 to 5.

To be valid, a completed Voting/Proxy Form must be returned by no later than 5:00pm, Friday 16 August 2019. Any Voting/Proxy Form received after that time will not be valid for the meeting.

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 16 August 2018. 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.

By Order of the Board of Directors

David O'Connell  
Managing Director  
**5 August 2019**