

Notice of Annual Shareholders' Meeting 2023

The Annual Meeting of Motor Trade Finance Limited (**MTF Finance** or the **Company**) will be a virtual meeting held online at Computershare's online web platform at www.meetnow.global/nz (see the Virtual Meeting guide released with this Notice of Meeting for more information on how to participate online) on **Thursday 23 March 2023 commencing at 2:00 pm**.

Meeting Agenda

- 1. Opening and apologies**
- 2. Chair – opening address**
- 3. CEO – business update**
- 4. Annual report and financial statements**

To receive and consider the annual report, including the financial statements, for the year ended 30 September 2022.

5. Resolutions

(a) Election of directors

There are **two** nominations for **one** position.

In accordance with clause 66.4 of the Company's constitution, Stu Myles retires by rotation, and being eligible, offers himself for re-election.

John Sanko has accepted a nomination for a shareholder director position, and being eligible, offers himself for election.

Please see Explanatory Note 1 for candidate biographies.

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

- (1) That Stu Myles, who retires by rotation and is eligible for re-election, be re-elected as a Director of the Company.
- (2) That John Sanko, who is eligible and has accepted a nomination, be elected as a Director of the Company

(b) Directors' remuneration

That the remuneration of the directors be fixed as recommended by an Independent Review and as set out below:

Board role	Proposed remuneration (per annum)
Independent Chair	\$124,000
Director	\$65,000
Board subcommittee Chair	\$8,000

Please see Explanatory Note 2 for more information.

(c) Auditor appointment and remuneration

That Deloitte be reappointed as auditors of the Company and that the Board of Directors be authorised to fix the audit fees and expenses for the ensuing year.

Further details are contained in Explanatory Note 3.

7. Other business

To transact any other business that may be properly brought before the annual meeting.

8. Meeting close

By order of the Board



Chris Lamers
Chief Executive Officer
chris.lamers@mtf.co.nz

Procedural notes

Virtual meeting

All shareholders will have the opportunity to attend and participate in the 2023 Annual Meeting online through the Computershare Meeting Services web platform.

By using the web platform, you will be able to watch the Annual Meeting and vote and ask questions online using your smartphone, tablet or desktop device. Please refer to the enclosed Virtual Meeting Guide for more information.

Entitlement to vote

The persons entitled to vote on the resolutions at this Annual Meeting will be those persons who were the ordinary shareholders of MTF Finance at 2.00 pm on Tuesday, 21 March 2023.

Casting your vote

There are several possible ways to cast your vote. We recommend that you cast your vote using the electronic (postal) and Proxy Vote facility ahead of the meeting. See details on this section below.

- (a) Alternatively, you can attend and vote in person at the Annual Meeting – You can participate and cast your vote at the meeting online via the Computershare Meeting Platform www.meetnow.global/nz. Please refer to the attached Virtual Meeting Guide for more information.

Electronic (postal) and Proxy Voting

You can lodge your electronic (postal) vote or proxy appointment:

- (a) **Online** – at www.investorvote.co.nz or by scanning the QR code on the Voting/Proxy Form with your smartphone.
- (b) **Post/email** – by completing the Voting/Proxy Form attached to your Notice of Meeting and posting it in the envelope provided or emailing to corporateactions@computershare.co.nz.

A Electronic Postal/Proxy Voting Form (the **form**) is enclosed with this Notice of Annual Meeting. To be effective, the form must be lodged with the Company's share registry Computershare in accordance with the instructions on the form **not later than 2pm on Tuesday, 21 March 2023**.

Any proxy appointments received after this time will be null and void. Any votes cast at the meeting by non-qualifying proxies will be excluded from the resolutions' vote count.

A shareholder may appoint "The Chair of the Meeting" as Proxy. Where a direction is not given to the Chairperson as to how to cast the vote on any Resolution, then the Chairperson intends to abstain from voting, therefore is not a recommended option.

If, in appointing a proxy (i.e. you mark any of the PROXY DISCRETION boxes or the YES box in Step 1 of the Voting Form), you inadvertently do not name someone to be your proxying Step 2 of the Voting Form, or your named proxy does not attend the meeting (virtually), the Chairperson of the meeting will be your proxy and will vote in accordance with your express direction.

Voting process

Voting at the meeting will be by way of poll. All resolutions are ordinary resolutions and must be passed by a simple majority of the votes of those shareholders entitled to vote and voting on the resolutions.

Technical difficulties

Whilst we will have contingencies in place, technical difficulties may arise during the course of the Meeting due to risks associated with holding the meeting online. The Chair of the meeting has discretion as to whether and how the online meeting should proceed in the event of a technical difficulty. Where the Chair considers it appropriate, the Chair may continue to hold the online meeting and transact business, including conducting voting in accordance with valid proxy instructions.

For this reason, and to assist in the efficiency of the meeting, even if you plan to attend the 2023 Annual Meeting online, we strongly encourage you to submit an electronic (postal) vote so that your vote will be counted if for any reason you cannot vote on the day.

Explanatory Notes

1. Resolution 1: Election of director

Candidate: Stu Myles

Stu Myles retires by rotation and being eligible, offers himself for re-election.

Candidate biography (supplied by the candidate)

Stu is now finishing his first term as an MTF Finance Director and is seeking your vote for re-election to the Board.

Stu is a Christchurch-based business owner with an MTF franchise situated in the central city. He lives in Christchurch with his partner Lisa.

He is currently: Deputy Chair of the MTF Finance Board; Chair of MTF Finance's Credit Committee; Chair of Nova Trust (based in Christchurch); and a Director of three other companies. He has previously served on and chaired MTF Finance's Franchise Advisory Council.

Stu has owned his Christchurch MTF franchise for over 14 years, and has worked in the finance and motor industries for over 30 years combined.

As an active Director for the last 13 years, serving on independent Boards, Trusts and a not for profit enterprise, Stu brings sound experience in governance roles and an in-depth understanding of the obligations and responsibilities of being a Director. He has attained Chartered Member status with the New Zealand Institute of Directors.

Stu brings independent thinking to any discussion as well as reasoned and considered debate to the table. He's not afraid to ask the hard questions to ensure the strategic direction and performance of MTF Finance is sound, to ensure MTF is well positioned for the future.

During Stu's first term as an MTF Director, the Board has successfully navigated the challenges brought by COVID, increased total receivables by 20%, increased originator earnings by 6%, increased the net asset backing of the company by 26%, and completed the acquisition of The Lending People. Stu looks forward to building on this progress as part of the team of Board Directors, and helping to deliver shareholder and stakeholder value within one of New Zealand's leading consumer finance companies.

If you have any queries or would like to discuss his candidacy further, please contact Stu on 0274 406 506 or email him at stu.myles@mtf.co.nz.

Candidate: John Sanko

John Sanko has accepted a nomination for a shareholder director position, and being eligible, offers himself for election.

Candidate biography (supplied by the candidate)

Firstly, let me introduce myself for those who don't know me.

My name is John Sanko and I have been a franchise holder of MTF since October 2011. My career at MTF began as a 50/50 partnership with Scott Dallimore, I then eventually bought him out several years later.

I'm married with two children, a son and a daughter. My son Logan has graduated from Christchurch University with a BCom with majors in Economics and Finance and is now employed by Crombie Lockwood Insurance Brokers. My daughter Bianca attends Auckland University where she is completing a BCom with Majors in Business Analytics and Marketing.

Outside of MTF I am member of the Hastings Golf Club, having resumed the sport after about a 24-year break and I am a fully qualified Surf Lifeguard at Waimarama Surf Lifesaving Club.

I am a member of the Institute of Directors.

Finance Industry Experience

I have been involved in the finance industry for well over 30 years. Starting out as a New Business Officer with AGC Finance (owned by Westpac) where I moved through into Commercial Sales as an Account Manager then onto the Business Development Manager's role.

My role with AGC was in Commercial Asset financing, specialising in revolving facilities for multimillion-dollar customers, ranging from Commercial Fishing, Forestry, Farming, Transport and Aviation. With constant restructuring within AGC I had an opportunity to take on a self-employed Agents Role with Speirs Finance.

This was again an exciting time, an opportunity to be self-employed and remain in the Commercial Financing sector. Unfortunately, Speirs was sold through the GFC and brought by Allied Nationwide Finance which was owned by Allied Farmers. During this time Allied Nationwide bought the Hanover Book and the rest as they say is history. Speirs Finance has now returned to the market, and I still keep in contact with their General Manager Phil Herbert.

Reason for submitting my Candidacy

Having the opportunity to own a MTF Franchise has been life changing. MTF has given my family and I so much, that I would now like to give back to this fantastic company to ensure that others can continue to have the opportunities that I received. I believe that with my experience in the Finance Industry and governance expertise, I can add value to the Company as a whole.

Having built a Franchise up from a zero base gives me a unique perspective on how to build and operate a successful MTF Franchise.

Having been involved in the Finance Industry for a long period of time I have seen it adapt through several business cycles with associated change to structure and compliance regimes. This gives me a valuable insight to what's gone before, what could happen in the future and what possible pathways to are available to navigate around future scenarios.

Having been through many financial cycles including the GFC, I fully understand how important it is that MTF remains progressive, strong, stable, and bankable so that it can continue to provide all Originators (The Dealer Network and Franchises) a platform to create business and personal wealth.

I see an amazing opportunity for MTF to entrench itself as leading player in the Finance Industry as others pull back their Face to Face and branch services and continue push for non-interactive platforms

for customers to deal with, whereas with the Franchise & Dealer model MTF can remain high tech in the backend operation, and soft touch and personal in the front end.

My promise to shareholders is that I will question everything. I will provide robust debate by simply asking does this make the business better, stronger, more sustainable and will it generate more wealth for all shareholders.

A strong believer in the old “measure twice cut once” principle, some may see this as an antagonistic personality, but I see this as purely business, not personal, and ensuring that governance issues are fully fleshed out while we set the course for MTF now and in the future.

Past Experience

Previous Governance & Committee roles have included Waimarama Surf Lifesaving Club and a past board member holding the position of Director of Powercraft for three years.

As an active Board Member, I contributed to development of the Club’s strategy that oversaw the construction of an award winning \$350,000 lifeguard tower, developed a more structured financial framework that bolstered Club reserves by \$100,000, and assisted it become more integrated and respected within the community.

Operationally, I oversaw monthly management meetings with full responsibility on ensuring our powered rescue craft were fully operational and training of lifeguards in gaining their IRB (Inflatable Rescue Craft) qualifications.

As a senior Patrol Captain, I take great pride in developing the culture within the team as professional, trained, motivated and supported lifeguards.

I have also been an active member of the Hawke’s Bay Ski Club where I served on the committee in total for about 20 years before stepping down about 4 years ago.

If you have any questions of me or want a chat please feel free to call me on 021 490710 or email at john.sanko@mtf.co.nz

2. Resolution 2: Directors’ remuneration

Leading governance consultants, Board Dynamics, were engaged to perform an independent review of director remuneration as part of MTF Finance’s two year review cycle.

The review leveraged current market data and factors within both the finance industry and MTF Finance itself presenting the following recommendations:

- Board Chair fees be increased from current level of \$115,000 to \$124,000.
- Director fees be increased from current level of \$60,000 to \$65,000.
- Board Subcommittee Chair fees be increased from current level of \$5,000 to \$8,000.

The review made notable mention to the fact capable directors in the finance and banking sector are highly sought after and that average fee increases in this sector exceed 10%.

MTF Finance is experiencing a surging growth trajectory as it executes on its strategy. Initiatives such as the purchase of The Lending People and partnerships with insurance providers offer welcomed additional revenue streams to the business but also create greater complexity. Coupled with the fact MTF Finance are subject to NZX listing rules and most comparable companies having larger Boards, the workload of an MTF Finance Board member is higher than average.

The MTF Finance Board have considered the recommendations and believe this is fair remuneration for the increasing workload involved in governing MTF Finance to continue to deliver value.

Table 1: Proposed vs historical directors' remuneration of MTF Finance

Board role	Proposed	2022	2021	2020	2019
Independent Chair	\$124,000	\$115,000	\$95,000	\$95,000	\$95,000
Director	\$65,000	\$60,000	\$53,000	\$53,000	\$53,000
Committee Chair – Audit & Risk	\$8,000	\$5,000	-	-	-
Committee Chair – Credit	\$8,000	\$5,000	-	-	-
Committee Chair – IT Steering	\$8,000	\$5,000	-	-	-
TOTAL	\$473,000	\$430,000	\$360,000	\$360,000	\$360,000

The proposed fees are for the financial year with effect from 1 October 2022.

3. Resolution 3: Auditor appointment and remuneration

Deloitte Limited is automatically reappointed as auditor of the Company under section 207T of the Companies Act 1993.

The proposed resolution seeks shareholder confirmation of this and empowers the Directors to set the remuneration of the auditors for the purposes of section 207S(a) of the Companies Act 1993.