

## Election Timetable

Date	Event
22 February 2024	Nominations close for two Shareholder Director positions
23 February 2024	Candidate evaluation process begins
5 March 2024	Notice of meeting, candidate assessments and voting papers sent to shareholders
21 March 2024	Annual General Meeting – announcement of election results to shareholders

## Nominations

Nominations for the office of Director of Motor Trade Finance Limited (MTF Finance) can be made by any shareholder qualified to attend and vote at the AGM. Nominations must be signed by the shareholder and must contain written confirmation by the nominee of their willingness to be elected.

To be nominated as a director a candidate must be a shareholder originator of MTF Finance, in accordance with the Company's constitution.

## Candidate Profiles

MTF Finance allows for candidate profiles to be provided by each candidate with the nomination paper. In the event an election is required, these are collated by MTF Finance and forwarded to shareholders in a candidate profile document with voting papers.

### Candidate profile statement

- Must not exceed one side of one page of A4 paper.
- Must be confined to information concerning the candidate, and the candidate's intentions if elected to the Board.
- Must be submitted with the candidate's nomination form and be emailed to [dan.teau@mtf.co.nz](mailto:dan.teau@mtf.co.nz)
- MTF Finance is legally not able to assist you in sending material to shareholders, other than the candidate profile and independent evaluation.

## Candidate Evaluations

Should an election be required (there being more candidates than positions to be filled), all candidates may be independently evaluated. Candidates will be required to agree in writing to participate in the evaluation process.

The Board of Directors represents the interests of MTF Finance shareholders and the wider stakeholders. Directors have the responsibility of establishing, guiding, and assessing the overall direction of MTF Finance and provide independent judgement and outside expertise and objectivity on all issues which come before the board.

To ensure MTF Finance has the best quality directors and to assist shareholders to make an informed decision, MTF Finance may undertake an independent assessment of all director election candidates.

The Board of Directors provide input on the key capabilities required for the Board. The final selection of capabilities to be evaluated and the subsequent evaluation will be conducted independently of the Board.

## **Governance at MTF Finance**

MTF Finance was founded as a co-operative company and maintains many elements of the co-operative model, including its governance structures.

MTF Finance considers strong corporate governance to be critical for achieving the best outcomes for its shareholders, originators, customers, staff, and the wider community. To ensure the Board performs effectively there should be a balance of skills, knowledge, experience, and perspectives around the table.

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MTF Finance is committed to a culture that values diverse thinking and inclusion. Directors must have regard to diversity, recognising that diversity enables discussion and ideas that lead to a stronger business.

The ability of a Director Candidate to add to the diversity of the Board, in terms of gender, ethnicity, age or other factors, should be considered when making nominations.

## **Board Activities**

The Board has 10 regularly scheduled meetings throughout the year and may hold additional meetings as and when required. Regularly scheduled board meetings are held in various location throughout New Zealand. Meetings commence at 10.00 am and finish by around 5.00 pm.

Directors are appointed to the Credit Committee, Audit and Risk Committee and Remuneration Committee. These committees meet at various times throughout the year.

One week before each meeting, agenda papers and other materials are circulated to the Directors.

There are four Shareholder Directors appointed by a formal shareholder election process. Shareholder Directors are appointed for terms of not more than three years and must retire from office on a rotational basis as prescribed by the constitution. They are able to stand for re-election.

The constitution allows for up to two Independent Directors (non-shareholders) to be appointed by the Board. The term of an Independent Director is three years with the ability to renew.

## **MTF Finance Director Candidate Competencies**

The broad competencies against which candidates will be evaluated are:

### **Strategic leadership**

- Distinguishes governance from management
- Contributes to and understands broad economic and political trends and directions
- Contributes to the development of organisational strategy

### **Critical thinking and decision making**

- Assesses trends and issues
- Interprets data and understands cause and effect and risk profiles
- Able to challenge traditional methods and processes
- Focused on outcomes and results

### **Commercial acumen**

- Applies business and commercial acumen and experience to influence board decisions
- Applies knowledge of business principles
- Understands brand equity and marketing concepts

### **Financial acumen**

- Analyses and interprets financial data
- Demonstrates a sound understanding of financial issues

### **Communication**

- Able to articulate opinions, rationales, and points clearly and concisely with courtesy and respect
- Contributes to board debate and decision-making processes
- Challenges thinking but establishes collaborative relationships with board, CEO, and stakeholders
- Holds management to account

### **Governance skills**

- Evidence of relevant governance training and a commitment to ongoing personal development
- Understands legal, fiduciary, and ethical requirements of directors

### **Personal character**

- Commitment and motivation to meet the Board's requirements to be able to discharge responsibilities
- Ability to understand, and demonstrate empathy for customers and key stakeholders
- A personal style that does not detract from a Board culture of capability, candour, trust, and professionalism

### **Other attributes**

- Evidence of other technical skills and experiences relevant to MTF Finance strategy and board skills requirements
- Active and supportive shareholder originator of MTF Finance
- Personal values and behaviours align with the company's values
- Holds detailed knowledge of MTF Finance business model and performance

### Candidates may:

- Be interviewed by an independent consultant, and
- Be subject to referee discussions undertaken by an independent consultant

Candidates will be able to withdraw from the election process, if they wish, at any time prior to the preparation of the voting pack. The identity of any candidate who withdraws will be confidential and not disclosed to shareholders.

## Other important information

### Fit and Proper Person certification

Directors must be certified under Part 5A of the Credit Contracts and Consumer Finance Act 2003 by the Commerce Commission (the Commission). The Commission needs to be satisfied that individuals are fit and proper persons to hold their positions and are financially sound, honest, reputable, reliable, and competent to perform their role as Director. Directors must be both certified by the Commission and registered on the Financial Service Provider Register (FSPR) before they commence their appointment.

### Current level of directors' fees

Board Chair:	\$124,000 per annum
Directors:	\$65,000 per annum
Board subcommittee Chair:	\$8,000 per annum

### Directors' expenses

Each Director is entitled to be paid for actual and reasonable travelling, accommodation and other expenses incurred by the Director in connection with the attendance at meetings or in performance of their duties as a Director.

### Indemnification by MTF Finance

MTF Finance is authorised by its constitution to indemnify Directors and Officers and take out insurance to support that indemnification.

The Board has and intends to continue to provide such an indemnity and appropriate Directors and Officers insurance cover, subject to any restrictions stipulated by consumer credit laws set out below.

### Credit Contracts and Consumer Finance Act 2003 (CCCF Act)

Every director must comply with a duty of due diligence in respect of the Credit Contracts and Consumer Finance Act 2003 (CCCF Act) by taking reasonable steps to ensure that MTF Finance complies with its duties and obligations under the CCCF Act and regulations. Failure to exercise the required level of care, diligence and skill can result in Directors being personally liable. MTF Finance is statute barred from indemnifying Directors in respect of any pecuniary penalty imposed under the CCCF Act or costs that they incur in defending any civil proceedings in which the pecuniary penalty is imposed.

### Further information

For further information and queries please contact:

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