

Motor Trade Finance Limited

Director Candidate Elections 2021



Election timetable

| Date | Event |
|------------------|---|
| 18 February 2021 | Nominations close |
| 22 February 2021 | Candidate evaluation process begins |
| 1 March 2021 | Sheffield provide assessment to candidates for feedback |
| 3 March 2021 | Notice of meeting, candidate assessments and voting papers sent to shareholders |
| 18 March 2021 | 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 kyle.cameron@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 will 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 has appointed Sheffield to undertake an independent assessment of all director election candidates. Sheffield specialises in advising on human resource matters, including evaluation of boards, senior executives, and director election candidates.

The Board of Directors provide input to Sheffield 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.

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.

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 will:

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

From that independent evaluation, Sheffield will complete Candidate Evaluations which will be sent to all shareholders as part of the voting pack.

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

Current level of directors' fees

Chairman: \$90,000 per annum

Directors: \$53,000 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.

Meetings

The Board has 8 regularly scheduled meeting throughout the year and may hold additional meetings as and when required. Regularly scheduled board meetings are held in Dunedin. Meetings commence at 11.00 am and finish by around 5.00 pm.

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

Further information

For further information and queries please contact:

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