

## NOTICE OF ANNUAL GENERAL MEETING OF KONTIKI FINANCE LIMITED

Notice is hereby given that the Annual General Meeting of Kontiki Finance Limited will be held at the Suva Business Center Boardroom, 221 Victoria Parade, Suva on 27<sup>th</sup> October 2022 at 3.00pm.

Below are options available for the shareholders, media, and other stakeholders to participate in the Annual General Meeting.

1. Attendance in person

If you are considering attending the AGM in person, please note that Suva Business Center (location of AGM venue) requires attendees to present their vaccination cards before entry.

2. Nomination of Proxy

Shareholders who wish to nominate a proxy must complete and send the Proxy Form attached to this notice on pages 7-8.

3. Attendance online via Zoom

Shareholders who wish to attend the AGM on-line via Zoom must complete and send the Pre-Registration Form attached to this notice on page 11-12.

KFL wishes to transact the following business at the Annual General Meeting.

### ORDINARY BUSINESS:

**1. Consideration of Financial Statements:**

To receive and consider the audited financial statements including audited consolidated financial statement of the Company for the financial year ended 30th June 2022 together with the reports of the Board of Directors and Auditors thereon.

**2. Election of Directors**

To consider, and if thought fit, pass the following resolutions as ordinary:

- i) To appoint Daryl Tarte, director of the Company who retires by rotation pursuant to Article 7.3 of the Articles of Association of the Company, and being eligible, is re-elected as a director of the Company.
- ii) To appoint Griffon Emose, director of the Company who retires by rotation pursuant to Article 7.3 of the Articles of Association of the Company, and being eligible, is re-elected as a director of the Company.

### 3. Re-appointment of retiring Auditors

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

The Board proposes to re-appoint the retiring Auditors pursuant to the provisions of Section 422(2) and 422(3) of the Companies Act 2015, to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting, at a remuneration as may be mutually agreed between the Board and the Auditors. The retiring Auditors M/s Ernst & Young, Chartered Accountants, being eligible, offer themselves for appointment.

#### SPECIAL BUSINESS:

##### 1. Share Buy Back Plan

To consider, and if thought fit, to approve a Share Buy-Back Plan ("Plan") for KFL under Sections 22(2) and 22(3) of the Banking Act 1995, Section 220-223 of the Companies Act 2015, and Section 47 of the SPX Listing Rules, on the following terms:

1. The Company to buy-back a maximum of two million ordinary KFL shares on the market.
2. The Plan will target buying-back ordinary KFL shares at a price of not more than \$1.00 per share. However, the maximum amount that KFL can bid for its shares is (a) 1 cent higher, or (b) 1% higher than the last traded price of the shares or the highest closing bid on the previous trading day, whichever is higher.
3. Transactions to be completed no later than 31 October 2023 (term of one year)
4. Timing of transactions, number of transactions, as well as the quantity and price for each transaction will be at the discretion of the Board of KFL.
5. The Plan is subject to approval by the SPX, 'no-objection' by RBF and is to be reviewed at the next Annual General Meeting.

Explanatory Notes containing information in relation to each of the following resolutions accompanies the Notice of the Meeting.

By order of the Board of Directors.



Beatrice Wong  
Company Secretary

3rd October 2022.

**Notes:**

1. A member who is unable to attend the meeting in person is entitled to appoint a proxy to attend the meeting and vote on their behalf.
2. The proxy holder need not be a member of the company in accordance with clause 6.9 of the Articles of Association of the Company.
3. To be effective, all relevant Forms must reach the registered office of the company not less than 48 hours before the time for holding the meeting.
4. The attached Pre-Registration Form for Online Attendance offers Members, Proxies and Corporate Representatives the opportunity to attend the Meeting online and vote. Those wishing to attend online must fill out the attached Pre-Registration Form for Online Attendance.

**Explanatory Notes**

*This Explanatory Note is intended to provide shareholders with sufficient information to assess the merits of the resolutions contained in the Notice of Annual General Meeting.*

*The Directors recommend Shareholders to read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.*

*The following information should be noted in respect of the various matters contained in the Notice of Meeting.*

**ORDINARY BUSINESS****1. Consideration of Financial Statements:**

*As required by Section 401 of the Companies Act 2015, the Financial Report, the Directors' Report, and the Auditor's Report of the Company for the recently completed financial year will be laid before the meeting.*

*Shareholders will be provided with a reasonable opportunity to ask questions about or make comments on the management of the Company however, there will be no formal resolution put to the meeting.*

*Questions that cannot be answered at the AGM needs to be addressed through a market announcement by the company within a reasonable timeframe.*

## **2. Election of Directors**

*The Board proposes that Daryl Tarte and Griffon Emose be re-appointed as Directors of the Company. The Board considers that the nominees possess the necessary attributes to support the development of the Company.*

### Mr. Daryl Tarte, MF

*A Fiji citizen and Member of the Order of Fiji, Daryl has worked in executive, advisory and governance roles over many years. He joined the sugar industry in 1968 and served as the Secretary of the Sugar Board & Advisory Council, then as Executive Vice Chairman. Other roles in the industry include being the first Industrial Commissioner of the Sugar Industry Tribunal.*

*Daryl previously chaired the Capital Markets Development Authority, Kontiki Growth Fund, Suva Private Hospital and Sugar Cane Growers Fund Authority, and was Director of Air Terminal Services, Telecom Fiji, and Namale Plantation Resort.*

*Daryl is also an author, having written several successful novels as well as the Biography of Ratu Sir Penaia Ganilau and was the Hon. Consul for Federal Republic of Germany for 15 years.*

### Mr. Griffon Emose, BCom, Grad Dip App Fin & Inv, CFA

*A Fiji citizen, Griffon is the Managing Director of Kontiki Capital. He was previously the Manager Public Awareness & Investor Education at the Capital Markets Development Authority and an economist at the Ministry of Finance where he served with the Economic Policy Analysis Unit and the Financial Management Reform Project. He is licensed by the RBF as an Investment Adviser Representative and serves on several other boards.*

*Past directorships include for the South Pacific Stock Exchange and Pleass Global. Griffon graduated with a Bachelor of Commerce from the University of Auckland, New Zealand and completed the Graduate Diploma in Applied Finance & Investment through the Securities Institute of Australia (now the Financial Services Institute of Australasia). He is a member of the CFA Institute and earned the CFA Charter in 2005.*

## **3. Re-appointment of retiring Auditors**

*Re- appointment of retiring Auditors:*

*The Board proposes to re-appoint the retiring Auditors in accordance with the provisions of Section 422(2) & 422(3) of the Companies Act 2015, to hold office from the conclusion of this meeting until conclusion of the next Annual General Meeting at a remuneration as may be mutually agreed between the Board and the Auditors. The retiring Auditors, M/s. Ernst & Young, Chartered Accountants, being eligible, offer themselves for appointment.*

## SPECIAL BUSINESS:

### **1. Share Buy Back Plan**

To consider, and if thought fit, to approve a Share Buy-Back Plan for KFL under Section 22(b) and 22(c) of the Banking Act 1995, Sections 220-223 of the Companies Act 2015, and Section 47 of the SPX Listing Rules.

KFL has an opportunity to create additional value for shareholders by using excess capital to buy-back and cancel shares. The Board would like shareholders to consider a plan to buy-back a portion of KFL's issued ordinary shares. The Board proposes that shareholders approve an initial buy-back of two million shares, to be carried out within a 12-month period. This would represent the purchase of 2.15% of ordinary shares on issue.

KFL shares are at present trading at a discount to market, with a price-to-earnings ratio (PE ratio) of around 12.5x earnings per share, and at a dividend yield of 6.7%. Excluding listed companies trading at a loss, the average PE for SPX-listed securities is at time of writing 24.1x with an average dividend yield of 1.8%.

A share buy-back occurs when a company buys back all or part of its ordinary issued shares from shareholders using cash. While in general a company cannot be its own shareholder, under the buy-back provisions in the Companies Act 2015, a company may repurchase its own shares. The repurchased shares are then canceled and are no longer eligible for dividend payments.

KFL's discounted price provides an opportunity for the Company to use excess capital to purchase and cancel these ordinary shares. The reduction in the number of ordinary shares on issue means that the remaining shares will be worth more as the value of the Company is divided over fewer shares. This can lead to improved valuation ratios, such as earnings per share (EPS) and dividends per share (DPS) will increase for continuing shareholders. Since EPS and DPS are key ratios that investors look at, improving these ratios can lead to increased demand by investors and support share price growth. In addition, return on equity (ROE) will increase, signaling a higher share valuation.

In view of the above, it is proposed that KFL initiate a selective Buy-back Plan on the following terms:

1. The Company to buy-back a maximum of two million ordinary KFL shares on the market.
2. The Plan will target buying-back ordinary KFL shares at a price of not more than \$1.00 per share. However, the maximum amount that KFL can bid for its shares is (a) 1 cent higher, or (b) 1% higher than the last traded price of the shares or the highest closing bid on the previous trading day, whichever is higher.
3. Transactions to be completed no later than 31 October 2023 (term of one year)
4. Timing of transactions, number of transactions, as well as the quantity and price for each transaction will be at the discretion of the Board of KFL.
5. The Plan is subject to approval by the SPX, 'no-objection' by RBF and is to be reviewed at the next Annual General Meeting

## SPECIAL BUSINESS: - Continued

### **1. Share Buy Back Plan - Continued**

Share buy-backs may be carried out under the Companies Act 2015. Sections 220-223 of the Act sets out requirements for share buy-backs. The key requirements are summarised below:

- The buy-back must not materially affect the Company's solvency or its ability to pay its creditors.
- The buy-back may be on either an "*Equal*" basis (i.e., offers are made to each shareholder in proportion to their respective holdings) or "*Selective*" basis (i.e., any other method of buy-back).
- Shares that are bought must be cancelled once the transfer of shares to the Company is complete.
- Selective buy-backs (which is what is being proposed for KFL) must be approved by shareholders through:
  - a special resolution (i.e., 75% vote) passed at a General Meeting with no votes being cast by any person whose shares are proposed to be bought back, or a related body corporate; or
  - A resolution passed at a General Meeting by all ordinary Members.

## PROXY FORM

[Pursuant to Section 157 and 158 of Companies Act 2015]

Name of the Member: \_\_\_\_\_

Registered Address: \_\_\_\_\_

SIN: \_\_\_\_\_

I/We, being the member(s) holding \_\_\_\_\_ shares of Kontiki Finance Limited, hereby appoint:

a. Name \_\_\_\_\_, of \_\_\_\_\_  
or failing that;

b. Name \_\_\_\_\_, of \_\_\_\_\_

as my/our proxy to attend and vote on a show of hands and poll on my/our behalf at the Annual General Meeting of the Company, to be held at the Suva Business Center Boardroom, 221 Victoria Parade, Suva on 27<sup>th</sup> October 2022 at 3pm and at any adjournment thereof in respect of such resolutions and in such manner as are indicated below:

Resolution No.	Resolutions	*Optional [Mark X]		
		For	Against	Abstain
	<b>Ordinary Business</b>			
1.	Consideration of Financial Statements:			
2.	Election of Directors:			
	– Daryl Tarte			
	– Griffon Emose			
3.	Re-appointment of retiring Auditors			
	<b>Special Business</b>			
1.	Share Buy-Back Plan			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2022.

Signature of Member(s) \_\_\_\_\_

**Notes:**

1. \*It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For'/'Against'/'Abstain' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
2. If you mark the "Abstain" box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority to conduct a poll.
3. If a representative of the corporation is to attend the meeting - "Appointment of Corporate Representative" should be filled in. If the Corporate Representative wishes to appoint a Proxy, this Form must be duly filled in.
4. Where a Proxy has been nominated by a shareholder(s), ONLY the nominated Proxy should fill out the Pre-Registration Form for Online Attendance on pages 11-12 if wishing to attend online.
5. This Proxy Form must be received by the Company at Kontiki Finance Limited, Level 5 Tappoo City Building, Thomson Street, Suva or Share Registry at Central Share Registry Pte Limited, Shop1 and 11 Sabrina Building, Victoria Parade, Suva or fax (679) 3303401 or email address [company.secretary@kontikifinance.com](mailto:company.secretary@kontikifinance.com) before 3.00pm, 24<sup>th</sup> October 2022, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.



## APPOINTMENT OF CORPORATE REPRESENTATIVE

[Pursuant to Section 160 of Companies Act 2015]

**This form may be used by a Company or other Body Corporate which is a security holder, or which has been appointed as a proxy by a security holder.**

*Insert the name of the body corporate making the appointment*

*Hereby appoints*

*Insert the name of the appointee. Please note that multiple representatives can be appointed but only one representative may exercise the body corporate's powers at any one time.*

to act as its representative at  all meetings **OR**  the meeting to be held on

27<sup>th</sup> October 2022

Of

Kontiki Finance Limited

SIGNATURES- THIS MUST BE COMPLETED

*Director*

*Sole director & Sole Secretary*

*Common Seal  
(if applicable)*

*Director /Company Secretary*

*Date*

/ /

**Notes:**

- To be effective, the form must be received by Kontiki Finance Limited within the time limit specified in the relevant Company's Articles of Association for receipt of Corporate Representative Appointments. The original of the form will be retained by the Company.

2. A body corporate may appoint an individual as a representative to exercise all or any of the powers the body corporate may exercise at meetings of a company's members, creditors, or debenture holders. The appointment may be by reference to a position held provided that the appointment identifies the position.
3. The appointment must be executed in accordance with the body corporate's Articles of Association and (if applicable) Section 53 of the Companies Act 2015. An appointment may be a standing one, which will continue until revoked.
4. If more than one representative is appointed, only one representative may exercise the body corporate's power at any one time.
5. If the Corporate representative wishes to attend online, ONLY the nominated Corporate Representative should fill out the Pre-Registration Form for Online Attendance on pages 11-12.



**PRE-REGISTRATION FORM FOR ON-LINE ATTENDANCE**

*I / We named below, being a shareholder of the Company, nominated Proxy/Corporate Representative, wish to register my / our attendance for the Annual General Meeting through Zoom.*

*I / We understand that KFL shall be entitled to reject any Pre-registration Form that is incomplete, improperly completed, illegible or for which the true intentions of the shareholder are not ascertainable from the instructions specified in the Form.*

Name(s) of Shareholder(s): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Shareholder Identification Number(s): \_\_\_\_\_  
\_\_\_\_\_

Name of online attendee\*: \_\_\_\_\_

Email Address of online attendee: \_\_\_\_\_

Contact number for online attendee: \_\_\_\_\_

Signature of online attendee: \_\_\_\_\_

Date: \_\_\_\_\_

*\*Where appointed as Proxy for a Shareholder(s) or Corporate Representative of a Company or Body Corporate.*

**Notes:**

1. For Shareholders: Once you register your interest to attend online, we will send you a Zoom Meeting ID and invitation to your email address registered with the Central Share Registry Pte Limited.
2. For Proxies or Corporate Representatives: we will send a Zoom Meeting ID to the email address stated on the Pre-Registration Form for Online Attendance (page 11.)
3. Online attendees will be required to raise their hand to vote.
4. This duly completed Form must be received by the Company at "Kontiki Finance Limited, GPO Box 12508, Suva Fiji" or Kontiki Finance Limited, Level 5 Tappoo City Building, Thomson Street, Suva or Share Registry at Central Share Registry Pte Limited, Shop1 and 11 Sabrina Building, Victoria Parade, Suva or fax (679) 3303401 or email address [company.secretary@kontikifinance.com](mailto:company.secretary@kontikifinance.com) before 3.00pm, 24th October 2022.