

Mykco Limited Special Meeting 31 July 2018

Speech – Chairman of the Meeting Brent King

1.0 Introduction

Good afternoon everybody.

It is just past 1.00 pm and it is time to start .

My name is Brent King, I am the Chairman of Mykco Ltd.

I would like to introduce my fellow Director Mr.Rewi Bugo.

3 of our Directors Ms Lyn Lim, Mr Simon McArley and Mr Graeme Brown are all not able attend today. They are all currently out of the country.

We had expected Mr Brown to attend and Chair the Meeting however he contracted a lung infection last week and he has been unable to travel to New Zealand.

He will be on the phone during the meetings and he will be able to answer questions as required.

Lyn and Simon both had prior commitments for today, both commitments are overseas.

We had considered deferring the meeting however Mykco's contract with Corporate Holdings Ltd requires shareholder approval by 31-7-18.

As such we are forced to proceed.

All of the Directors are part time and they have commitments .This project has gone on for over 18 months and we all expected this be resolved well before today. I understand that Directors have other commitments.

The Board of Directors of Mykco have asked me to chair today's meetings.

I will be assisted by Mr Rewi Bugo.

We have a lot of business to get through today .

It is unusual to have 2 shareholder meetings on the same day .

We have done so to save costs and the time both for our Shareholders and also for Mykco Ltd.

There 5 separate documents included in the packs for shareholder consideration.

We have limited spare copies .

Please share with each other as we have very limited copies.

Our schedule today will be as follows ;

Our Special Meeting will commence shortly.

Our Annual Meeting will commence at 2.15 pm or 5 minutes after the Special Meeting concludes, whichever is the later.

The 5 minutes break will allow us set up for the Annual Meeting and for you to stretch your legs.

At the Conclusion of the Annual Meeting there will be a chance for shareholders to have a cup of Tea or coffee and to interact with our Directors, staff and advisers present.

We are hoping to finish our meetings by 2.45pm and to complete the refreshments by 3.15 pm

Turning now to our Special Meeting :

It is my pleasure to welcome you all here today to this very important Special Meeting of Mykco Limited.

I am advised:

- that the notice of meeting and all associated information has been in shareholders hands for the required period
- That we have a quorum present and hence we have a correctly constituted meeting.

I declare the meeting open and I formally welcome you to Mykco Ltd's Special Meeting.

I advise that we have received 27 proxies representing 9,271,349 votes.

Apologies

- We have the following Apologies:
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- Ms Lyn Lim, Mr Simon McArley and Mr Graeme Brown for his lack of physical presence.
Mr Rob Hart Independent non Executive Director of General Finance Ltd.
- Do we have any other Apologies?

We also have in attendance:

- Mr. Garth Ward who undertakes the Company Secretarial and Governance roles for Mykco Ltd
 - Mykco and General Finance's auditors Staples Rodway represented by Mr. Nigel De Frere and Mr Aser Izurriaga Lerga
 - Mykco's lawyer Mr. Allan McRae of Lowndes
 - Mr Peter Simmonds of Simmonds Corporate Finance Ltd.
 - 3 Directors of General Finance, Mr Don Hattaway The Independent Chair, Mr Greg Pearce Executive Director Lending and Credit and Mr Alistair Ward independent non executive Director.
 - Corpoarte Holdings Investor representatives Marvin Yee, Stephen Sinclair, Judd Cunningham, James Lindsay, Owen Daji plus
- I confirm that the company's Interest Register is available for inspection.
- I advise that this is a meeting of shareholders of Mykco Ltd.

- We have a number of non-shareholders here today. We welcome you all as our guests and thank you for your interest in our company.
- There is no automatic right for a non-shareholder to attend this meeting nor to speak at the meeting. However, we will do our best to accommodate your questions.
- Please note if you would like to speak at any time
 - Please raise your hand; and
 - Wait to be acknowledged by the Chair.
 - Please give your name and advise whether you are a shareholder, media or a guest.
 - The Chair will retain the right to accept or reject the comments or questions on a case-by-case basis.
- I ask that all mobile phones be turned off or to silent.
- I ask that you note the exits which we will need to use in the event of an emergency.

2.0 Agenda

I am sure you have all read the Notice of Meeting and the attachments. We will take these as read.

The agenda for today is in your Notice of Meeting and on the screen:

- a) Introduction and Opening by Chair of the Meeting, Brent King
- b) Resolution 1: Acquisition of Corporate Holdings Limited, and Issue of Shares to the Vendors
- c) Resolution 2: Management Agreement with Brent Douglas King
- d) Resolution 3: Directors' Remuneration Fee Pool

All Resolutions are interdependent. This means that unless all Resolutions are approved, none of them will be considered to have passed and Mykco will remain a listed shell. The Resolutions have been made interdependent because the directors of Mykco (**Directors**) consider they are a package. If Resolution 1 above (**Resolution 1**) was to be passed without also passing Resolution 2 above (**Resolution 2**) and Resolution 3 above (**Resolution 3**), Mykco would be acquiring a substantial business without having appointed a Managing Director or having provided for the Directors and the directors of Mykco's new subsidiaries to be remunerated appropriately. Directors will assume additional responsibilities as a result of Mykco acquiring CHL, which acquired General Finance Limited (**General Finance**) and Investment Research Group Limited (**IRG**) on 19 December 2017. Directors of Mykco's new subsidiaries need to continue to be remunerated appropriately, particularly the directors of General Finance, which is a non-bank deposit taker, with substantial legal obligations. Equally, the Directors consider that Resolution 2 and Resolution 3 do not need to be passed if Resolution 1 is not passed.

Let us now turn to the first Resolution.

3.0 Resolution 1: Acquisition of Corporate Holdings Limited, and Issue of Shares to the Vendors

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

That, subject to Resolutions 2 and 3 being passed, the shareholders approve the acquisition by Mykco Limited (Mykco) of all the shares in Corporate Holdings Limited (CHL), except for the 100,000 shares which Mykco already owns:

- a) *for a purchase price of \$6,132,436.80, being the 6,412,000 shares to be purchased, multiplied by 95.64 cents, which is the amount of the net assets per share of CHL derived from management accounts of CHL as at 31 January 2018;*
- b) *to be satisfied by Mykco issuing 104,323,240 fully paid ordinary shares in Mykco at an issue price of 5.88 cents per share, being the 6,412,000 shares to be purchased, multiplied by 16.27 (16.27 is the number of shares in Mykco to be issued for each share in CHL that is purchased, and is the net assets per share of CHL of 95.64 cents referred to above divided by 5.88 cents which is the net assets per share of Mykco as at 30 September 2017 based on unaudited accounts of Mykco as at that date).*

and otherwise on the terms described in the Explanatory Notes.

Brent Douglas King, Barter Investments Limited and Garth William Ward (**collectively King Associates**) are prohibited by NZAX Listing Rule 9.3.1 and Rule 17 of the Takeovers Code from voting any shares they hold on Resolution 1. Mykco shareholders not associated with Borneo Capital Limited (Borneo) – not a shareholder in Mykco Limited (**Mykco**) but a shareholder in Corporate Holdings Limited (**CHL**) – or the King Associates are referred to as Non-associated Shareholders. The Non-associated Shareholders are the shareholders permitted to vote on Resolution 1. Should the above transaction proceed it will result in Borneo controlling 26.25% of the voting rights in Mykco and the King Associates controlling 21.13% of the voting rights in Mykco.

Do we have a proposer of the motion ? Thankyou -----

Do we have a seconder? Thankyou _____

- I will speak to the resolution then Rewi and Graeme will speak to the resolution.
- BK personal view is attached
- I now ask Mr Bugo to speak to the resolution :
- I ask Mr Brown to speak to the resolution :
- I ask Mr Simmonds to make any further points he thinks appropriate.

I now open the matter for discussion by Shareholders.

Shareholder questions Discussions

I believe the Shareholders have had sufficient time to gain the information on which to make an informed decision.

As such I put Resolution 1 to the vote.

- All in favour say AYE
- Those against please say NO

Based on the proxies held and the voice vote I declare the motion _____

4.0 Resolution 2: Management Agreement with Brent Douglas King

I pass the Chair to Mr Rewi Bugo

RB Words

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

That, subject to Resolutions 1 and 3 being passed, Mykco Limited (Mykco) enter into a Management Agreement with Brent Douglas King, the current Managing Director of Corporate Holdings Limited (CHL), whereby Mr King is appointed Managing Director of Mykco and its subsidiaries, including CHL and its subsidiaries, as from completion of Mykco's purchase of CHL, such Agreement to extend to Mykco and its subsidiaries but otherwise to be on substantially the same terms as and in substitution for his existing Management Agreement with CHL, such terms being described in the Explanatory Notes.

The King Associates are prohibited by NZAX Listing Rule 9.3.1 from voting any shares they hold on Resolution 2.

I move the motion

Do we have a seconder? Thankyou _____

I now open the matter for discussion.

I believe the Shareholders have had sufficient time to gain the information on which to make an informed decision.

As such I put Resolution 2 to the vote.

- All in favour say AYE
- Those against please say NO

I declare the motion _____

Mr King assumes the Chair

5.0 Resolution 3: Directors' Remuneration Fee Pool

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

That, subject to Resolutions 1 and 2 being passed, the total Directors' remuneration fee pool is increased by \$150,000, from \$150,000 to \$300,000 per annum.

Directors of Mykco and their Associated Persons (as defined in the NZAX Listing Rules) (**Associated Persons**) are prohibited by NZAX Listing Rule 9.3.1 from voting any shares they hold on **Resolution 3**.

I move the motion

Do we have a seconder? Thankyou _____

I now open the matter for discussion.

I believe the Shareholders have had sufficient time to gain the information on which to make an informed decision.

As such I put Resolution 3 to the vote.

- All in favour say AYE
- Those against please say NO

I declare the motion _____

Items of General Business can be raised at the Annual Meeting of shareholders which will follow this Special Meeting at 2.15pm.

Closing

Thank you for your attendance at this Special Meeting today.

This has been a very significant step in the history of Mykco ,IRG and General Finance Ltd.

The Annual Meeting of Mykco will commence at 2.15pm / in 5 minutes (delete one)