



GENERAL CAPITAL LIMITED

2018 Warrant Issue

Offer Document – Pro Rata to Eligible Shareholders

For

A 1 for 1 renounceable issue by General Capital Limited

To Eligible Shareholders of

Up to 165,701,167 Warrants

Exercisable at a price of 7.75 cents per share on or before 5pm on 31 March 2020

(2020 Warrants)

And

A 2 for 1 renounceable issue by General Capital Limited

To Eligible Shareholders of

Up to 331,402,334 Warrants

Exercisable at a price of 9.00 cents per share on or before 5pm on 30 November 2021

(2021 Warrants)

Dated: 3 December 2018

Record Date: 5.00pm on 10 December 2018

Important

If you have sold all your Shares in General Capital Limited on or before 5.00pm on 10 December 2018 please send this Offer Document to the Purchaser or the agent (i.e. broker) through whom the sale was made, to be passed to the purchaser.

If you have any queries or concerns regarding this Offer Document you should contact General Capital, a Primary Market Participant or your own legal or financial adviser.

KEY TERMS

Offer at a Glance

The Issuer	General Capital Limited (General Capital).
The Offer	The renounceable pro rata rights issue of one 2020 Warrant and two 2021 Warrants for every one Share held by Eligible Shareholders on the Record Date and the New Shares to be issued upon the exercise of the Warrants.
Warrants	The renounceable right to subscribe for one New Share at the Exercise Price.
2020 Warrants	Warrants that are each exercisable at an exercise price of 7.75 cents per Share at any time after 11 December 2018 up to 5.00pm on 31 March 2020.
2021 Warrants	Warrants that are each exercisable at an exercise price of 9.00 cents per Share at any time after 11 December 2018 up to 5.00 pm on 30 November 2021.
Eligible Shareholders	Shareholders with registered addresses in New Zealand on the Record Date and other Shareholders on the Record Date that General Capital is satisfied can participate in the Offer in compliance with all applicable laws.
Issue Price	Nil
Exercise Price	7.75 cents per Share on the exercise of each 2020 Warrant and 9.00 cents per Share on the exercise of each 2021 Warrant.

Timetable

Record Date for Entitlements:	5.00pm on 10 December 2018
Allotment of Warrants:	11 December 2018
Mailing of Warrant Statements of Holdings:	11 December 2018

This timetable is indicative only and General Capital reserves the right to vary the dates contained in this timetable, subject to the requirements of NZX.

Important Dates for the Exercise of the 2020 Warrants

Exercise Period:	Any time after 11 December 2018 up to 5.00pm on 31 March 2020.
Final Exercise Date:	5.00pm on 31 March 2020.

Important Dates for the Exercise of the 2021 Warrants

Exercise Period:	Any time after 11 December 2018 up to 5.00pm on 30 November 2021.
Final Exercise Date:	5.00pm on 30 November 2021.

YOU WILL RECEIVE BY SEPARATE MAIL A STATEMENT FROM THE SHARE REGISTRAR ADVISING OF THE NUMBER OF WARRANTS THAT HAVE BEEN ISSUED TO YOU.

Definitions

A number of terms used in this Offer Document have defined meanings which appear in the Glossary on page 11 or within the relevant section of this Offer Document in which the term is used. Any reference to dollars or \$ in this Offer Document are to New Zealand dollars, unless specified otherwise. All references to time in this Offer Document are to New Zealand time.

IMPORTANT INFORMATION

1. Important Document

This Offer Document contains the terms of issue of the 2020 Warrants and 2021 Warrants to Eligible Shareholders. Once the Warrants are allotted to you, you may choose to hold, sell or exercise your Warrants in accordance with their terms. If you decide not to sell or exercise your Warrants before the Final Exercise Date the Warrants will expire. If you are in any doubt as to how to deal with this Offer Document, please consult a Primary Market Participant or your financial legal adviser immediately.

2. General Information

This Document has been prepared by General Capital Limited (“General Capital”) in connection with the renounceable pro rata rights issues to Eligible Shareholders of one 2020 Warrant and two 2021 Warrants for every one Share held on the Record Date and the New Shares to be issued upon exercise of the Warrants (Offer). The Offer is made under the exclusion in clause 19 of Schedule 1 of the Financial Markets Conduct Act 2013 (New Zealand). This document is not a product disclosure statement for the purposes of the Financial Markets Conduct Act 2013 (New Zealand) and does not contain all the information that an investor would find in those documents or which may be required in order to make an informed investment decision about the Offer or General Capital.

3. Additional Information Available under Continuous Disclosure Obligations

General Capital is subject to continuous disclosure obligations under the NZAX Listing Rules. Market releases by General Capital including its most recent financial statements, are available at www.nzx.com under the stock code GEN.

4. Offering Restriction

The Offer is open only to Eligible Shareholders. No action has been taken to permit a public offering of the Warrants or the New Shares in any jurisdiction outside New Zealand. The distribution of this document in a jurisdiction outside New Zealand may be restricted by law and persons who come into possession of it (including nominees, trustees or custodians) should seek advice on and observe any such restriction. No person may subscribe for, purchase, offer, sell, distribute or deliver the Warrants or the New Shares, or be in possession of, or distribute to any other person, any offering material or any documents in connection with the Warrants or the New Shares, in any jurisdiction other than in compliance with all applicable laws and regulations.

5. No Guarantee

No persons named or referred to in this Offer Document, nor any other person, guarantees the Warrants to be issued pursuant to this Offer Document, or any return on the Warrants. Nor do any of them guarantee the New Shares that may be purchased by exercising the Warrants, or any return on the New Shares.

6. **Financial Statements**

The audited financial statements of General Capital for the 12 months ended 31 March 2018 and the interim financial statements of General Capital for the 6 months ended 30 September 2018 have been delivered to NZX. Copies of these financial statements can also be obtained free of charge on request by any person to whom the Offer is made at the registered office of General Capital at Forest Harrison, Level 9, 191 Queen Street, Auckland 1010.

7. **Dividend Policy**

The payment of dividends is at the discretion of the Board. General Capital is intended to be a growth stock. Hence the Board does not anticipate paying any dividends in the foreseeable future. This policy may change from time to time at the discretion of the Board.

DETAILS OF THE OFFER

1. The Issuer

The issuer of the Warrants and the New Shares to be issued upon exercise of the Warrants is General Capital Limited (*General Capital*), a company incorporated in New Zealand. General Capital's registered office is at Level 7, 12-26 Swanson Street, Auckland 1010.

2. The Offer

General Capital is making renounceable pro rata rights issues of a maximum of 497,103,501 Warrants to Eligible Shareholders as at 5.00pm on the Record Date in the ratio of one 2020 Warrant and two 2021 Warrants for every one Share held on the Record Date. The holder of any Shares registered after 5.00pm on the Record Date on the NZAX will not qualify to participate in the Offer in respect of those Shares.

3. Price

The Warrants are issued by General Capital at no cost to Shareholders. Warrant holders will not be obliged to exercise the Warrants. If Warrant holders choose to exercise their Warrants they can do so by paying the Exercise Price per Warrant at which point they will be issued with Shares.

4. Reasons for Issue

General Capital's Board considers that the issue of the Warrants is an appropriate measure to recognise the loyalty of General Capital's Shareholders and to give Eligible Shareholders an opportunity to invest additional funds into General Capital. General Capital intends to use the funds raised from the issue of the Warrants to fund growth, including growth through acquisition, and for working capital purposes. General Capital estimates that all funds will be applied to fund growth.

5. Dilution

Should not all Shareholders exercise their Warrants, then those Shareholders who do not exercise their Warrants could suffer a dilution in their percentage shareholding in General Capital. For instance, if Shareholders holding 10% of the Shares were not to exercise their Warrants, but instead transferred them, and then all Warrants were exercised, the percentage shareholding represented by the 16,570,117 Shares held by the first mentioned Shareholders would be diluted from 10% to 2.50%.

6. Pro Rata Warrant Issue under NZAX Listing Rule 7.3.4(a)

The issue of the Warrants and the New Shares to be issued upon exercise of the Warrants is made in reliance upon NZAX Listing Rule 7.3.4(a).

NZAX Listing Rule 7.3.4(a) permits companies listed on NZAX to issue equity securities without obtaining shareholder approval where those equity securities are offered to holders of existing equity securities of the company on a basis which, if the offer were accepted by all such holders, would maintain the existing proportionate rights of each existing holder (relative to other holders of equity securities) to votes and to distribution rights, and that offer is renounceable.

7. **Entitlement**

Each Eligible Shareholder's entitlement is to one 2020 Warrant and two 2021 Warrants for every one Share held as at the Record Date. The number of Warrants allotted to each person will be rounded down to the nearest whole number.

8. **Warrants**

If you are an Eligible Shareholder, you are not required to subscribe for all the New Shares to which you would be entitled by exercising the Warrants issued to you. You may exercise a portion of your Warrants, sell your Warrants or allow your Warrants to lapse. See further details in the section "Actions to be Taken by Eligible Shareholders".

9. **Quotation of Warrants**

General Capital Shares are currently quoted on the NZAX. Application has been made to NZX for permission to quote on the NZAX the Warrants and the New Shares to be issued upon exercise of the Warrants and all the requirements of NZX relating thereto that can be complied with on or before the date of this Offer Document have been duly complied with. NZX is a licensed market operator and NZAX is a licensed exchange regulated under the Financial Markets Conduct Act 2013. General Capital will take any necessary steps to ensure that any New Shares issued on the exercise of the Warrants are, immediately after issue, quoted. The New Shares to be issued upon exercise of the Warrants will be quoted on allotment. It is expected that the Warrants will trade on the NZAX under the Code GENWA for the 2020 Warrants and GENWB for the 2021 Warrants. However, NZX accepts no responsibility for any statement in this Offer Document.

10. **Allotments of the Warrants and Issue of Statements**

Allotment of the Warrants issued pursuant to this Offer will be completed on 11 December 2018 and statements of holdings will be sent to Warrant holders on or prior to 11 December 2018.

11. **Minimum Holdings**

Some Shareholders will, because of the number of Shares held by them, receive less than the Minimum Holding of Warrants required by the Listing Rules. The Warrant Terms set out on page 8 of this Offer Document give General Capital the authority to require Warrant holders who hold less than the Minimum Holding to sell their Warrants. General Capital must give Warrant holders not less than 3 months notice of an intention to sell their less than Minimum Holding of Warrants.

General Capital does not have a present intention to require any Warrant holders to sell Warrants.

12. **Overseas Investment Consent**

The Overseas Investment Act 2005 requires that an overseas person must, under certain circumstances, obtain the consent of the Overseas Investment Office before acquiring 25% or more of General Capital's Shares. Any overseas person who, after taking into account any existing holding of Shares, and the exercise of any Warrants, will exceed the 25% threshold will accordingly need to establish whether it is required to obtain Overseas Investment Office consent and, if it is required, to obtain this consent prior to exercise.

13. **Takeovers Code**

As provided in the Takeovers Code, no person may become a holder or controller of more than 20% of the voting rights of General Capital, or increase an existing holding of 20% or more of the voting rights of General Capital, without complying with the Takeovers Code. While the Warrants are not voting securities, Shareholders who would, on exercise of the Warrants, exceed this threshold, must comply with the Takeovers Code.

14. **Offer only to Eligible Shareholders**

This Offer is only available to Eligible Shareholders. General Capital is of the view that it is unduly onerous to make the issue to Shareholders who are not Eligible Shareholders having regard to the low number of Shareholders who are not Eligible Shareholders and the costs associated with complying with overseas legal requirements. The Warrants that would be issued under this Offer to Shareholders who are not Eligible Shareholders (if they were Eligible Shareholders) will be issued to a nominee who will endeavour to sell those Warrants, hold the proceeds on trust and account to those Shareholders on a pro rata basis for the proceeds, net of costs.

15. **Action to be Taken by Eligible Shareholders**

Eligible Shareholders need not take any action. Eligible Shareholders will automatically receive Warrants based upon their shareholding as at the Record Date. The number of Warrants allotted to each Eligible Shareholder will be detailed in a statement of holdings that will be mailed to each Eligible Shareholder shortly after the Warrants are allotted. No payment is required from Eligible Shareholders on the allotment date. Subsequent to receiving the Warrants, Eligible Shareholders are encouraged to take the advice of any Primary Market Participant or their financial adviser before deciding whether to hold, sell or exercise their Warrants.

Warrant Terms

Each Warrant entitles the holder to subscribe for and be allotted one Share credited as fully paid, upon the payment of the Exercise Price. The Exercise Price for each 2020 Warrant is 7.75 cents and the Exercise Price for each 2021 Warrant is 9.00 cents. Warrants are exercisable in whole or in part, and where exercised in part further parts may be exercised during the Exercise Period, by the holder lodging with the Share Registrar an Exercise Notice in writing together with payment of the Exercise Price for each New Share taken up.

General Capital may require Warrant holders who hold less than the Minimum Holding to sell their Warrants. General Capital must give Warrant holders not less than 3 months notice of an intention to sell their less than Minimum Holding of Warrants.

Warrants may be exercised at any time during the Exercise Period. Any 2020 Warrants not exercised by or on 5.00pm on 31 March 2020 will expire. Any 2021 Warrants not exercised by or on 5.00pm on 30 November 2021 will expire.

Exercise

Warrants may be exercised by placing a signed Exercise Notice in the form that accompanies this Offer Document in the reply paid envelope that accompanies the Exercise Notice together with a cheque for the Exercise Price made payable to General Capital Limited and delivering it to the office of the Company's Share Registrar, Computershare Investor Relations Limited, Level 2, 159 Hurstmere Road, Takapuna, Auckland, New Zealand or posting it to The Share Registrar, General Capital Limited, c/- Computershare Investor Relations Limited, Private Bag 92119, Auckland Mail Centre, Auckland 1142, New Zealand (in each case, so as to be received before the expiry of the Exercise Period).

Allotment

General Capital will allot New Shares on the exercise of Warrants in accordance with the Listing Rules and other regulatory requirements.

Rights of Holders of Warrants

A Warrant does not entitle the holder to:

- vote at a meeting of the Company's Shareholders;
- participate in any dividends declared by the Board of Directors; or
- participate with any other securities in the residual assets of the Company upon liquidation of the Company.

Each Warrant does entitle the holder to:

- certain information from the Company, including its annual and half yearly reports and notices of meeting;
- any other rights conferred by the Company's constitution, the Companies Act 1993 or the Listing Rules; and
- attend (but not vote at) any general meetings of the Company.

If before the exercise or lapse of the Warrants General Capital makes a pro-rata bonus issue of ordinary shares or other securities to existing shareholders, (other than an issue in lieu of dividends or an issue from retained earnings) shares or securities will be reserved for issue to Warrant holders on the date the Warrant holder exercises the Warrant. Bonus securities will be reserved on the basis that each Warrant held on the relevant date of entitlement was one share in the Company. In the

event that a Warrant holder does not exercise a Warrant held, then the Warrant holder's right to the bonus shares and securities will lapse.

If before the exercise or lapse of Warrants a pro-rata cash issue of shares or other securities is made to existing Shareholders, General Capital will make a corresponding offer to Warrant holders on the basis that each Warrant held on the relevant date of entitlement was one share in the Company.

The Exercise Price may be varied at any time before the Final Exercise Date in the following circumstances:

1. If General Capital makes a rights issue of Shares to its Shareholders before the Final Exercise Date (a *Rights Issue*), then the Exercise Price of any unexercised Warrants shall (subject to alternative adjustments in accordance with paragraphs 2 and 3) be adjusted in accordance with the following formula:

$$EP_{\text{new}} = EP_{\text{old}} - \frac{E[AP - (S+D)]}{N+1}$$

EP new = the new Exercise Price of the Warrants

EP old = the old Exercise Price of the Warrants

E = the number of Shares into which one Warrant is exercisable.

AP = the average market price per Share (weighted by reference to volume) during the five Business Days ending on the day before the Rights Issue.

S = the subscription price for a Share under the Rights Issue.

D = any dividend due but not yet paid on the existing Share (except dividends to be issued under the Rights Issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

2. The necessary adjustment shall be determined by the Directors' by applying the above formula. The Directors' determination shall, in the absence of manifest error, be binding on all Warrant holders and other persons. Any adjustment so determined shall be made, and take effect, on the Business Day following the record date for the Rights Issue.
3. If there is a bonus issue to Shareholders or a consolidation or subdivision of the Shares, then the Board may resolve that the number of Shares over which a Warrant is exercisable be increased or decreased (as the case may be) by the number of Shares which the Warrant holder would have received if that Warrant had been exercised before the record date of the bonus issue, consolidation or subdivision.
4. If, notwithstanding the adjustment procedures permitted by paragraphs 1 and 2 above, General Capital's capital is restructured (including a rights issue, bonus issue, convertible securities issue, warrants issue, options issue, consolidation, subdivision, cancellation or Share buyback) and the Board determines, upon the advice of an Independent Expert, that:
 - 3.1 the application of the formula in paragraph 1 above, an adjustment permitted by paragraph 2 above or the non-applicability of both such paragraphs may produce a result which is prejudicial or unduly advantageous (based on reasonable grounds) to Warrant holders; or

3.2 an alternative adjustment that is not envisaged in paragraphs 1 or 2 could be applied,

then the number of Warrants held, the number of New Shares into which a Warrant is exercisable, and the Exercise Price, or any combination thereof, may, to the extent necessary (subject to the Listing Rules), be altered by the Board in a manner determined by the Board, upon the advice of an Independent Expert and subject always to the Listing Rules or relief therefrom, to ensure that Warrant holders are not prejudiced (nor unduly advantaged or disadvantaged) by the reconstruction of capital, and in all other respects the terms of the Warrants shall remain unchanged. Any such adjustment shall be final and binding on all Warrant holders.

Exercise Notice and payment of the Exercise Price for each Warrant exercised are received prior to the relevant Exercise Date. Within five Business Days after the end of each calendar month, Shares will be issued for all Warrants that have been exercised and are awaiting an issue of Shares at the end of that month, so long as the aggregate Exercise Price of those Warrants is at least \$5,000 (**Threshold**). If the Threshold has not been reached at the end of any calendar month, no Shares will be issued for that month. Warrant holders wishing to know whether Shares have been allotted to them should contact General Capital's Share Registrar, Computershare Investor Services Limited at any time after the fifth Business Day of a month, in writing, by telephone or email to: Computershare Investor Services Limited, Level 2, 159 Hurstmere Road, Takapuna, Private Bag 92119, North Shore City 1142, (64) (9) 488 8777, enquiry@computershare.co.nz. The Exercise Price for Warrants that have been exercised but for which Shares have not been issued will be held on trust for Warrant holders until the issue of Shares and Warrant holders may call for the return of their Exercise Price at any time before Shares are issued. Warrant holders may do this (free of charge), at any time, in writing, by telephone or email to: Computershare Investor Services Limited, Level 2, 159 Hurstmere Road, Takapuna, Private Bag 92119, North Shore City 1142, (64) (9) 488 8777, enquiry@computershare.co.nz. Refunds of Exercise Price held on trust for Warrant holders will be made within five Business Days of the Warrant holder calling for the return of the Exercise Price. No interest will be paid on the Exercise Price. Shares issued on the exercise of Warrants will participate in dividends declared after the date of the exercise and will otherwise rank pari passu with the Shares on issue at the date of exercise of the Warrants.

General Capital will deposit monies received from Warrant holders to an General Capital account, to be held on trust for Warrant holders pending allotment of Shares to them. In the event General Capital is placed in receivership or liquidation Warrant holders will be entitled to their monies in this account and no other person will have any claim on those monies. Nevertheless, there is a risk that Warrant holders would not be able to recoup the monies held on trust for them if a receiver or liquidator was to successfully challenge the status of the trust account i.e. if a receiver or liquidator could establish that it was not a genuine trust account for Warrant holders.

Warrants may be transferred at any time before expiry. Warrants are transferable on any common form of transfer. If the purchaser of any Warrants is not an Eligible Shareholder or is a person that would not be an Eligible Shareholder were they a registered holder of Shares, that purchaser will not be able to exercise the Warrant(s) that person has purchased. Directors have the same powers in respect of registration of transfers of Warrants as they have in respect of Shares.

Any person who acquires a Warrant on market may request an Exercise Notice from General Capital at Forest Harrison, Level 9, 191 Queen Street, PO Box 1314 Shortland Street, Auckland 1140 (Telephone: (09) 304 0145 Fax: (09) 358 3858).

Dilution

Should shareholder approval to the Offer be obtained, but not all Shareholders exercise their Warrants, then those Shareholders who do not exercise their Warrants could suffer a dilution in their percentage shareholding in General Capital. For instance, if Shareholders holding 10% of the Shares were not to exercise their Warrants, but instead transferred them, and then all Warrants were exercised, the percentage shareholding represented by the 16,570,117 Shares held by the first mentioned Shareholders would be diluted from 10% to 2.50%.

Glossary

<i>Board</i>	Board of Directors of General Capital
<i>Business Day</i>	Any day (other than a Saturday, Sunday or a public Holiday) on which registered banks are open for business in Wellington and Auckland.
<i>Company</i>	General Capital Limited
<i>Directors</i>	Directors of General Capital
<i>Eligible Shareholders</i>	Shareholders with registered addresses in New Zealand on the Record Date and other Shareholders on the Record Date that General Capital is satisfied can participate in the Offer in compliance with all applicable laws.
<i>Exercise Notice</i>	The forms that must be used to exercise the 2020 Warrants and 2021 Warrants respectively and which accompany this Offer Document and are available from General Capital.
<i>Exercise Period</i>	(a) in relation to the 2020 Warrants, any time after 11 December 2018 up to 5.00pm on 31 March 2020; (b) in relation to the 2021 Warrants, any time after 11 December 2018 up to 5.00pm on 30 November 2021.
<i>Exercise Price</i>	7.75 cents per Share on the exercise of each 2020 Warrant and 9.00 cents per Share on the exercise of each 2021 Warrant.
<i>Existing Share</i>	A fully paid ordinary share in General Capital on issue on the Record Date.
<i>Final Exercise Date</i>	(a) in relation to the 2020 Warrants, 5.00pm on 31 March 2020; (b) in relation to the 2021 Warrants, 5.00pm on 30 November 2021.
<i>General Capital</i>	General Capital Limited.
<i>Independent Expert</i>	An investment banker, Chartered Accountant or other financial adviser selected by the Board, and in each case, being appropriately qualified and independent of General Capital (having regard to the purpose of the appointment) in the reasonable opinion of the Board.
<i>Listing Rules</i>	The NZAX Listing Rules, as amended from time to time.
<i>Minimum Holding</i>	A parcel or number of Shares as may be prescribed by NZX.
<i>New Share</i>	A new Share to be issued on the exercise of a Warrant.
<i>NZAX</i>	The alternative market operated by NZX.
<i>NZX</i>	NZX Limited.
<i>Offer</i>	The renounceable pro rata issue to Eligible Shareholders of one 2020 Warrant and two 2021 Warrants for every Share held on the Record Date and the New Shares to be issued upon the exercise of the Warrants.

<i>Primary Market Participant</i>	Any company, firm, organisation or corporation designated as a Primary Market Participant from time to time by NZX pursuant to the NZX Participant Rules.
<i>Record Date</i>	5.00pm on 10 December 2018.
<i>Shareholder</i>	A registered holder of Shares on issue.
<i>Share</i>	An ordinary share in General Capital.
<i>Share Registrar</i>	Computershare Investor Services Limited, Level 2, 159 Hurstmere Road, Takapuna, Private Bag 92119, North Shore City 1142.
<i>Warrant</i>	The renounceable right to subscribe for one New Share at the Exercise Price.
<i>2020 Warrants</i>	Warrants that are each exercisable at an exercise price of 7.75 cents per Share at any time after 11 December 2018 up to 5.00pm on 31 March 2020.
<i>2021 Warrants</i>	Warrants that are each exercisable at an exercise price of 9.00 cents per Share at any time after 11 December 2018 up to 5.00 pm on 30 November 2021.
<i>Warrant Terms</i>	The warrant terms contained in this Offer Document applying to the 2020 Warrants or 2021 Warrants, as applicable.