

**Enprise Group Limited**  
**ARBN 125 825 792**  
**NZ Company No. 1562383**  
**NOTICE OF ANNUAL MEETING**



Notice is given that an Annual Meeting of shareholders of Enprise Group Limited (Company) will be held at Enprise Group, Level 1, 16 Hugo Johnston Drive, Penrose, Auckland on **Wednesday 27 August 2014** commencing at **1.00 pm** (Auckland time) / 11.00am (Sydney time) for the purpose of transacting the business set out in this Notice.

The Explanatory Statement to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Statement and the Proxy Form forms part of this notice.

## **ORDINARY BUSINESS**

### **A. CONSIDERATION OF REPORTS**

The Financial Report, the Directors' Report and the Auditor's Report of the Company for the financial year ended 31 March 2014 will be presented for consideration. Unless the Company's Share Registry has been notified otherwise, shareholders will not be sent a hard copy of the Annual Report. You may within 15 working days of receiving this notice make a request in writing to the registered office of the Company to receive a hard copy of the Annual Report. You may request to receive a copy of the Annual Report by electronic means, otherwise you can view the Annual Report for the year ended 31 March 2013 on the NSX website.

Following the consideration of the Reports, the Chairman will give shareholders a reasonable opportunity to ask questions about or comment on the management of the Company. The Chairman will also give shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the Auditor's Report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the Auditor in relation to the conduct of the audit.

The Chairman will also give the Auditor a reasonable opportunity to answer written questions submitted by shareholders that are relevant to the content of the Audit Report or the conduct of the audit. A list of written questions, if any, submitted by shareholders will be made available at the start of the Meeting and any written answer tabled by the Auditor at the Meeting will be made available as soon as practicable after the Meeting.

## B. ITEMS FOR APPROVAL

### 1. Election of Lindsay Phillips

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

*"That Lindsay Phillips, who retires in accordance with clause 11.4 of the Company's Constitution, and having offered himself for re-election and being eligible, is re-elected as a Non-Executive Director of the Company."*

### 2. Authority to fix Auditor's fees and expenses

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

*"That, for the purposes of section 197(a) of the Companies Act 1993 (NZ), the Directors be authorized to fix the Auditor's remuneration".*

### 3. Authority to Delist from the NSX Exchange

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

*"That, the Company's request for removal of the Company from the official list of NSXA **de-listing** in accordance with NSX Listing rule 2.25 on a date decided by NSX (being no earlier than one month after this resolution is passed) be ratified and the directors are authorised to do all things reasonably necessary to give effect to the de-listing."*

### 4. Authority to List on the NZAX

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

*"That, subject to the approval of Resolution 3, approval is given for the directors to do all things reasonably necessary to apply for the Company's shares to be listed and quoted on the NZX Alternative Market (NZAX)".*

### 5. Change of Constitution

To consider and, if thought fit, to pass the following as a special resolution of the Company:

*"That subject to Resolution 4, as a special resolution in accordance with section 32(2) of the Companies Act, 1993 and with effect from the date of the Company's ordinary shares being quoted on the New Zealand Alternative Market operated by NZX Limited, the existing Constitution of the Company be revoked, and the Company adopt a replacement Constitution in the form tabled at the meeting and signed by the Chairman for the purpose of identification."*

By order of the Board

Lindsay Phillips



Chairman

21 July 2014

**Enprise Group Limited**

**ARBN 125 825 792**

**NZ Company No. 1562383**

**EXPLANATORY NOTES FOR THE NOTICE OF ANNUAL MEETING**



### **Constitution Inspection**

A copy of the proposed new Constitution of the Company is available for inspection or uplifting from the Company's registered office at 16 Hugo Johnston Drive, Penrose, Auckland 1061 between 9.00 a.m. and 4.00 p.m. Monday to Friday. Alternatively, a copy can be obtained by writing to the Directors, Enprise Group Limited, P O Box 62-262, Auckland 1644. A copy of the proposed new Constitution can also be viewed on the Company's website [www.enprisegroup.com](http://www.enprisegroup.com).

### **Background to Constitutional Changes**

The current constitution of the Company has been drafted to comply with New Zealand law and to also reconcile with the requirements of the Listing Rules of the Newcastle Stock Exchange (NSX).

Given the proposed de-listing of the Company from the NSX and the proposed listing of the Company's securities on the NZAX market operated by NZX Limited in New Zealand, the Company is required, as a condition of listing on the NZAX market, to have a constitution that complies with both New Zealand Companies and Securities laws, and also the NZAX Listing Rules.

In order to ensure that the Company has a Constitution that reconciles with the NZAX Listing Rules, the Directors have recommended that the Company revoke its existing Constitution and adopt a new Constitution that complies with these requirements. The special resolution to be put to shareholders will give effect to this recommendation.

The Constitution has been drafted in a flexible style such that the provisions of the Companies Act 1993 and the NZAX Listing Rules are incorporated into the Constitution by reference rather than reciting in full the exact terms of each of those relevant provisions. The advantage of this approach is that in the event of a subsequent change to the provisions of the Companies Act or the NZAX Listing Rules, the Constitution will incorporate those provisions as amended, without the need to expressly alter the terms of the Constitution to incorporate the amended provision. The Directors believe this to be a more commercial approach to take in terms of Constitution regulation.

A copy of the Company's current Constitution can be viewed at [www.companies.govt.nz](http://www.companies.govt.nz) in the Company's online file.

### **Buy-Out Right**

In respect of those shareholders who vote against Resolution 5, section 110 of the Companies Act gives those shareholders certain rights to require the Company to purchase their shares in the Company, if Resolution 5 is approved. Any shareholder who casts all votes attached to the shares registered in their name (and having the same beneficial owner) against Resolution 5 is entitled to require the Company to purchase their shares.

The right to have shares purchased must be exercised within 10 Business Days of the passing of Resolution 5 by the dissenting shareholder by giving written notice to the Company. The mechanics and the procedure for such an acquisition are provided in the Appendix to this Notice of Meeting.

## **APPENDIX – MINORITY BUY OUT RIGHT**

### **Minority Buy Out Right**

- 1.1 The information in this Appendix contains information about the ability of shareholders who vote against resolution 5 to revoke the existing constitution of the Company, and to adopt the new constitution in accordance with section 110 of the Companies Act 1993.

### **Shareholders may require Company to purchase shares**

- 1.2 Section 110 of the Companies Act provides that where:
- (a) a shareholder is entitled to vote on the revocation and/or adoption of a constitution; and
  - (b) the shareholders of the Company approve the resolution approving the revocation of the existing constitution and the adoption of a new constitution; and
  - (c) a shareholder (**Dissenting Shareholder**) cast all the votes attached to shares registered in the Dissenting Shareholder's name and having the same beneficial owner against the resolution approving the revocation of the existing constitution and the adoption of a new constitution,

that Dissenting Shareholder is entitled to require the Company to purchase those shares held by the Dissenting Shareholder in accordance with the provisions of the Companies Act.

### **Notice requiring purchase**

- 1.3 Section 111 of the Companies Act provides that the Dissenting Shareholder may within 10 working days of the passing of the resolution at the meeting of shareholders give a written notice to the Company requiring the Company to purchase those shares.
- 1.4 Within 20 working days of the Company receiving the Dissenting Shareholder's notice, the Board of the Company must:
- (a) agree to the purchase of the shares by the Company; or
  - (b) arrange for some other person to agree to purchase the shares; or
  - (c) apply to the Court for an order under section 114 or section 115 of the Companies Act (the details of which are referred to below); or
  - (d) arrange, before taking the action concerned, for the special resolution approving the revocation of the existing constitution and the adoption of a new constitution to be rescinded in accordance with section 106 of the Companies Act or decide in the appropriate manner not to take the action concerned, as the case may be; and
  - (e) give written notice to the shareholder of the Board's decision regarding its proposed course of action.

## **Price for shares to be purchased by Company determined**

- 1.5 Within 5 working days of the Board giving the notice referred to above in paragraph 1.4 that the Board agrees to the purchase of the Dissenting Shareholders shares, the Board must give to the Dissenting Shareholder written notice of:
- (a) the price the Company offers to pay for those shares; and
  - (b) how:
    - (i) the matters in paragraph 1.6 were calculated; or
    - (ii) the price was calculated under paragraph 1.7 and why calculating the price using the methodology set out in paragraphs 1.6(a) to (c) would be clearly unfair.
- 1.6 The price the Company intends to pay for the Dissenting Shareholders Shares must be a fair and reasonable price (as at the close of business on the day before the date on which the resolution was passed) for the Dissenting Shareholders shares, calculated as follows:
- (a) first, the fair and reasonable value of the total shares in each class to which the shares belong must be calculated (the “class value”):
  - (b) secondly, each class value must be adjusted to exclude any fluctuation (whether positive or negative) in the class value that has occurred (whether before or after the resolution was passed) that was due to, or in expectation of, the event proposed or authorised by the resolution:
  - (c) thirdly, a portion of each adjusted class value must be allocated to the Dissenting Shareholder in proportion to the number of shares the Dissenting Shareholders holds in the relevant class.
- 1.7 However, a different methodology from that set out in paragraphs 1.6(a) to (c) may be used to calculate the fair and reasonable price for the shares if using the methodology set out in those paragraphs would be clearly unfair to the Dissenting Shareholder or the Company.
- 1.8 The Dissenting Shareholder may object to the price offered by the Board for the shares by giving written notice to the Company no later than 10 working days after the date on which the Board gave written notice to the Dissenting Shareholder under paragraph 1.5.
- 1.9 If the Company does not receive an objection to the price in accordance with paragraph 1.8, the Company must purchase all the Dissenting Shareholders shares at the nominated price no later than 10 working days after:
- (a) the date on which the Board’s offer is accepted; or
  - (b) if the Board has not received an acceptance, the date that is 10 working days after the date on which the Board gave written notice to the shareholder under paragraph 1.5.
- 1.10 The time periods in paragraph 1.9 do not apply if there is a written agreement between the board and the Dissenting shareholder that specifically sets a different date for purchase of the shares.

### **Price for shares referred to arbitration if shareholder objects to price**

- 1.11 If the Company receives an objection to the price offered for the shares by the Company:
- (a) the following issues must be submitted to arbitration:
    - (i) the fair and reasonable price for the shares, on the basis set out in paragraphs 1.6 and 1.7; and
    - (ii) the remedies available to the Dissenting Shareholder or the Company in respect of any price for the shares that differs from that determined by the Board; and
  - (b) the Company must, within 5 working days of receiving the objection, pay to the Dissenting shareholder a provisional price in respect of each share equal to the price offered by the Board.
- 1.12 If the price determined for the Dissenting shareholder's shares:
- (a) exceeds the provisional price paid, the arbitral tribunal must order the Company to pay the balance owing to the shareholder;
  - (b) is less than the provisional price paid, the arbitral tribunal must order the Dissenting Shareholder to pay the excess to the Company.
- 1.13 Except in exceptional circumstances, an arbitral tribunal must award interest on any balance owing or excess to be paid under paragraph 1.12.
- 1.14 If a balance is owing to the Dissenting Shareholder, an arbitral tribunal may award to the Dissenting Shareholder, in addition to or instead of an award of interest, damages for loss attributable to the shortfall in the initial payment.
- 1.15 Any sum that must be paid in accordance with the paragraphs 1.11 to 1.14 must be paid no later than 10 days after the date of the arbitral tribunal's determination, unless the arbitral tribunal specifically orders otherwise.

### **Interest payable on outstanding payments**

- 1.16 Interest is payable on any sum that must be paid under paragraphs 1.11 to 1.14 that is outstanding after the date on which it falls due on the basis and at the rate that the arbitral tribunal thinks fit having regard to all of the circumstances.

### **Timing of transfer of shares**

- 1.17 On the day on which the Board gives notice that the Board agrees to the purchase of the Dissenting Shareholder's shares by the Company pursuant to paragraph 1.4(e):
- (a) the legal title to those shares passes to the Company; and
  - (b) the rights of the shareholder in relation to those shares end.

### **Court may grant exemption**

1.18 The Company may apply to the Court for an order exempting it from the obligation to purchase the Dissenting Shareholder's shares on the grounds that:

- (a) the purchase would be disproportionately damaging to the Company; or
- (b) the Company cannot reasonably be required to finance the purchase; or
- (c) it would not be just and equitable to require the Company to purchase the shares.

1.19 In the event that the Company sought to make an application to the Court, the Court could make an order exempting the Company from the obligation to purchase the shares, and may make any other order it thinks fit, including an order:

- (a) setting aside the resolution approving the revocation of the existing constitution and the adoption of the new constitution;
- (b) directing the Company to take, or refrain from taking, any action specified in the order;
- (c) requiring the Company to pay compensation to the shareholders affected;
- (d) that the Company be put into liquidation.

1.20 The Court shall not make an order under paragraphs 1.18(a) or (b) unless it is satisfied that the Company has made reasonable efforts to arrange for another person to purchase the Dissenting Shareholder's shares.

### **Court may grant exemption if the Company is insolvent**

1.21 If:

- (a) a notice is given to the Company by a Dissenting Shareholder requiring the Company to acquire their shares; and
- (b) the Board has resolved that the purchase by the Company of the Dissenting Shareholder's shares to which the notice relates would result in the Company failing to satisfy the solvency test; and
- (c) the Company has, having made reasonable efforts to do so, been unable to arrange for the shares to be purchased by another person,

the Company must apply to the Court for an order exempting it from the obligation to purchase the shares.

1.22 The Court may, if it is satisfied that:

- (a) the purchase of the shares would result in the Company failing to satisfy the solvency test; and
- (b) the Company has made reasonable efforts to arrange for the shares to be purchased by another person,

make:

- (c) an order exempting the company from the obligation to purchase the shares; or
- (d) an order suspending the obligation to purchase the shares; or
- (e) such other order as it thinks fit.