

Notice of Annual Shareholder Meeting Solution Dynamics Limited (SDL)

Thursday 27 October 2022 commencing at 10.30am.

Notice is hereby given that the Annual Meeting of Solution Dynamics Limited is to be held as a hybrid meeting (virtual and in-person) on Thursday 27 October 2022 commencing at 10.30am in the Company's offices, 18 Canaveral Drive, Albany, Auckland, and online at Computershare Meeting Platform <https://meetnow.global/nz>

Shareholders participating in the Annual Meeting virtually through Computershare's Virtual Meeting Services web platform will need their CSN or holder number which can be found on their Proxy Form or at the top of your email.

Virtual Meeting

Details of how to participate virtually are provided in the accompanying Virtual Meeting Guide accompanying this notice. Shareholders are encouraged to review this guide prior to the Annual Meeting.

If you have any questions, or need assistance with the online process, please contact Computershare on +64 9 488 8777 between 8.30am and 5.00pm Monday to Friday.

Audio will stream through your selected device, so shareholders will need to ensure that they have the volume control on their headphones or device turned up.

Shareholders will be able to view the presentations, vote on the resolutions and ask questions, by using their own computers or mobile devices.

Shareholders will still be able to cast a postal vote or appoint a proxy to vote for them as they otherwise would, by following the instructions on the Proxy Form and this Notice of Annual Shareholder Meeting.

Shareholders may submit questions to be considered at the Annual Meeting.

Proxies and representatives

If you are unable to attend the Meeting online, you may appoint a proxy or representative (in the case of a corporate shareholder) to attend and vote on your behalf. The notice appointing a proxy or representative must be received by Computershare Investor Services Limited not later than 10.30am on Tuesday 25 October 2022 by any of the following means:

- **Online:** visit www.investorvote.co.nz and follow the instructions or, if you have a Smartphone, by scanning the QR code on the first page of the proxy form attached to this Notice of Meeting and following the prompts.
- **Email:** Email corporateactions@computershare.co.nz with "SDL Proxy" in the subject line
- **Mail:** Post your completed form to Computershare Investor Services Limited, Private Bag 92119 Victoria Street West, Auckland 1142.

Business

The business of the meeting is:

- Chair and CEO address.
- To receive and consider the annual report for the year ended 30 June 2022, together with the financial statements and auditor's report.

Resolutions

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

1. That the board be authorised to fix the remuneration of Grant Thornton as the Company's auditors. See Explanatory Note 2.
2. To re-elect Mr Elmar Toime who is retiring by rotation as required by Listing Rule 2.7.1 of the NZX Listing Rules and in accordance with the Company's constitution, and being eligible, offers himself for re-election as a director.
3. To re-elect Ms Lee Eglinton who is retiring by rotation as required by Listing Rule 2.7.1 of the NZX Listing Rules and in accordance with the Company's constitution, and being eligible, offers herself for re-election as a director.

Please review Mr Elmar Toime's and Ms Lee Eglinton's biographies under Explanatory Note 1.

4. That the directors be authorised to fix the remuneration of the directors of the Company from the close of this meeting as per the table shown in Explanatory Note 3.

General Business

To consider such other business as may lawfully be raised at the meeting.

Procedural Notes

- **Ordinary resolutions:** Resolutions 1, 2,3 and 4 must be passed by an ordinary resolution of shareholders (i.e., by a simple majority of the votes of those shareholders entitled to vote and voting on the resolution at the Annual Meeting).
- **Persons entitled to vote:** The only persons entitled to exercise votes at the Annual Meeting will be those who are registered as shareholders at 10.30am on Tuesday 25 October 2022, and only the shares registered in those shareholders' names at that time will carry a right to vote at the meeting. This does not limit the right of eligible shareholders to appoint a proxy (or, if they are a company, a corporate representative).
- **Proxies:**
 - » All shareholders of the Company entitled to attend and vote at the meeting are entitled to appoint a proxy to attend and vote for them instead.
 - » A proxy need not be a shareholder of the Company.
 - » A Proxy Form is enclosed and to be effective must be lodged at the registered office of the Company at least 48 hours before the meeting is due to begin (i.e. by no later than 10.30am on, 25 October 2022).
 - » A proxy will vote as directed in the Proxy Form or, if voting is left to the proxy's discretion, then the proxy will decide how to vote on the resolutions.
 - » If you wish to appoint a director, as your proxy, the Company's chairman (John McMahon) is willing to act on your behalf. If the chairman is appointed as proxy and the voting is left to his discretion, the chairman intends to vote in favour of each of Resolutions 1, 2 and 3. However, the chairman will only be able to vote on Resolution 4 in accordance with your express instructions (see Voting Restrictions in the Explanatory Notes).
- **Representatives:** A body corporate which is a shareholder may appoint a representative to attend the Annual Meeting on its behalf in the same manner as that in which it could appoint a proxy.
- **Shareholder questions:**
 - » Shareholders attending the meeting, either in-person or virtually, will be given the opportunity to raise questions. If attending virtually, please refer to the instructions in the attached Virtual Meeting Guide on how to ask a question. Shareholders may also submit written questions. During the meeting, the Board intends to answer as many of the most frequently asked questions as is reasonably practicable. The main themes will be aggregated and responded to at the Annual Meeting. Written questions should be sent by post to the Company Secretary, Solution Dynamics Limited, PO Box 301248, Albany 0752 or by email to chrisve@solutiondynamics.com – with Annual Meeting Question in the subject line. Please also include your name and shareholder number.
 - » The Company reserves the right not to address questions that, in the chairman's opinion are not reasonable in the context of an Annual Meeting, or any written question not received by the close of business on 25 October 2022.

Motions will not be allowed from the floor.

Presentations

The presentations from the Annual Meeting will be released to the NZX and published on the Company's website at <https://www.solutiondynamics.com/investor-centre> prior to, or during, the Annual Meeting. A summary of the Annual Meeting and the results of voting will be released to the NZX as soon as practicable following the close of the Annual Meeting.

Explanatory Notes

Explanatory notes in respect of the resolutions are set out below.

By Order of the Board of Directors
Solution Dynamics Limited
11 October 2022

Explanatory Notes

Explanatory Note 1 – Re-Election of Directors

Under Listing Rule 2.7.1 of the NZX Listing Rules, and in accordance with the Company's constitution a director of an issuer must not hold office (without re-election) past the third annual meeting following the director's appointment or 3-years, whichever is longer. In this case, Mr Elmar Toime and Ms Lee Eglinton retire by rotation and being eligible, offer themselves for re-election by shareholders at the Annual Meeting.

Director's Biography – Mr Elmar Toime

Elmar Toime is an independent advisor in the postal and logistics sector. Elmar has held positions as chief executive of New Zealand Post Limited, executive deputy chairman of Royal Mail, chairman of GLS, a major European courier delivery service, and a member of the Deutsche Post DHL supervisory board. He is currently a non-executive director of Qatar Post and he has been a non-executive director of Solutions Dynamics Limited since 2016.

He lives in London and has received a lifetime achievement award for leadership in the postal industry. Elmar holds qualifications in science and economics from the University of Melbourne and is a Fellow of the Royal Society for the Arts, Manufactures, and Science in the UK.

Director's Biography – Ms Lee Eglinton

Lee's executive roles have included General Manager Australia & NZ and NZ Country Manager of an IT services and consulting business, where she was employed for seven years. Prior to that, Lee spent thirteen years at IBM NZ & Australia in a range of roles including Consulting Services, leading the company's CRM practice, and business analytics and optimisation. Lee has a broad range of experience across the technology, consumer electronics and telecommunications sectors. Lee is currently a non-Executive Director of several private companies and small business owner and director in the Health and Housing sectors. Lee's experience includes strategy and business transformation, sales performance and sales management, and applying technology to business and market challenges. Lee has a particular focus on organisational culture and building high performing teams.

Lee is a member of the Company's Audit & Risk Committee.

Explanatory Note 2 – Auditor's Remuneration

Grant Thornton is automatically reappointed as the auditor of the Company under section 207T of the Companies Act 1993. This resolution authorises the Board to fix the fees and expenses of the auditor.

Explanatory Note 3 – Directors' fees

The Board comprises four Independent Directors, as well as the Chairman (not Independent). In setting the proposed rates, the Board commissioned an independent benchmarking review by Ernst & Young of the current level of Directors' fees. A summary of Ernst & Young's advice, together with their attestation of independence, is available on the Company's website at "solutiondynamics.com/investor-centre/" under Board Governance.

The proposed structure and rates (all amounts exclusive of GST – if any) are as follows:

Position / Description	Current	Proposed
Chairman	\$60,000	\$80,000
Independent Director	\$40,000	\$50,000
Audit & Risk Committee Chair	\$ 7,500	\$ 7,500

Hourly rates for abnormal/ particularly time intensive projects or transactions outside the scope of typical Board work

\$250/hour	\$250/hour
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The proposed rates are in line with Ernst & Young's recommendations but will result in an aggregate Directors' fee pool that is less than that outlined in Ernst & Young's recommendations. The changes result in an expected increase in the total level of Directors' fees (not including ad hoc fees) for the current Directors to \$287,500 per annum. This represents an overall increase of \$60,000 or 26.4% as compared to the current fee pool, which was approved by shareholders in 2019. The approval in 2019 noted that the Board would review fees every two years, however, given the COVID pandemic, the Board elected not to undertake a fee review in 2021. The Board, having considered Ernst & Young's recommendations, believes the proposed level of increase is fair and reasonable to the Company and shareholders and will help to attract and retain highly qualified and suitably experienced directors to the Board.

The directors advise that the proposed fees, if approved will be held static for the next three years (subject to no material change in the Company's circumstances).

If Resolution 4 is approved by shareholders, then the set rates above will apply from the close of this meeting.

Voting Restrictions

In accordance with NZX Listing Rule 2.11.1, the fees payable to Directors must be approved by an ordinary resolution of the shareholders. In accordance with NZX Listing Rule 6.3.1, no Director who is intended to receive payment of these fees or their Associated Persons (as defined under the NZX Listing Rules) can vote on any such resolution, unless casting votes under an expressly directed proxy of a person who is not disqualified from voting. Consequently, whilst the chairman has indicated that he intends to vote any undirected proxies in favour of Resolutions 1, 2 and 3, neither he nor his Associated Persons may vote in favour of Resolution 4. If you appoint the chairman as your proxy, he will only be able to vote on Resolution 4 in accordance with your express instructions.

Head Office:

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