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Vista Group International Limited

(NZX/ASX: VGL)

VGL Special Meeting – Governance Briefing October 2024

The Board does not support any of Resolutions 1, 2 and 3 and has recommended that shareholders vote AGAINST each of them.¹

The Board does not consider the appointment of Amitesh Chand (as a non-executive director), the removal of Susan Peterson (as independent director/Chair) or of Kirk Senior (as a non-executive director) to be in the best interests of Vista Group or its shareholders as a whole.¹

Executive Summary ...

- 1. While the the Board respects that there may be a presumption that a significant shareholder has a right to Board representation, this cannot be an unqualified expectation.**
- 2. Consistent with feedback received from shareholders holding over 51% of shares, the Board remains concerned that:**
 - **Strategy misalignment:** A change to Vista Group's plan will likely risk the successful execution of the Cloud/SaaS transition and sustainable value creation for Vista Group, its customers and its shareholders.
 - **No case for change:** Vista Group is a well performing company and there is no case for change.
 - **Risk to Boardroom functionality:** The Board is concerned to maintain Board cohesion and functionality.
 - **Conflicted interests:** A fiduciary obligation to private equity investors could, at times, conflict with the responsibility that Vista Group directors have to act in the best interests of the company and its shareholders as a whole.

1. Susan Peterson has abstained from making a recommendation in respect of Resolution 2, and Kirk Senior has abstained from making a recommendation in respect of Resolution 3.

The Board does not support any of Resolutions 1, 2 and 3 and has recommended that shareholders vote AGAINST each of them.¹

Executive Summary continued..

3. While Mr Chand is clearly a talented executive, his proposed appointment, is not supported by the Board because:

- his appointment would not address targeted areas in the Board approved skills matrix,
- it is unclear that he could support the Board and shareholder endorsed cloud/SaaS strategy that is in execution phase with customers,
- his nomination is not supported by a significant number of other shareholders who were consulted by the Board, and
- the Board is yet to be satisfied that a Potentia executive appointment would contribute positively to Board deliberations or to a functional and cohesive Boardroom.

4. The proposed removal of Susan Peterson or Kirk Senior as directors is not supported by the Board¹ because;

- there is no cause for removal given the performance of the company,
- it risks destabilising the company and causing a loss of investor and client confidence and so could damage shareholder value,
- it is unlikely to bring about positive change or maximise long-term shareholder value,
- in Kirk Senior's case, removal of a recognised global cinema expert would leave the Board short of valuable subject matter expertise, and
- in Susan Peterson's case she was appointed Chair in 2021 and was only recently re-elected by shareholders at the May 2024 AGM.

5. If the Resolutions were to pass then the overall Board composition in terms of independence would be reduced.

6. The Board remains open to working with Potentia to find a way where the best interests of shareholders as a whole can be achieved.

1. Susan Peterson has abstained from making a recommendation in respect of Resolution 2, and Kirk Senior has abstained from making a recommendation in respect of Resolution 3.

Potentia has requisitioned a Special Meeting to remove Board Chair Susan Peterson and global cinema industry expert Kirk Senior and replace them with Potentia executive Amitesh Chand.

On **30 September 2024**, Potentia provided a formal notice requiring the Board to call a Special Meeting of Vista Group shareholders. The Special Meeting has been convened at the request of Admetus Capital Limited, a company associated with Potentia Capital Management Pty Ltd (Potentia) that holds 19.93% of the shares in Vista Group International Limited (Vista Group, the Company).²

Potentia has put forward three Resolutions to be considered at the Special Meeting - namely to remove existing directors, Susan Peterson (Chair) and Kirk Senior, from the Board, and to appoint a Potentia nominated candidate (Amitesh Chand, a Potentia executive) as director of Vista Group.

Initially, the Resolutions put forward by Potentia provided for the removal of existing directors Susan and Kirk, and the appointment of two Potentia nominated candidates as directors of Vista Group, namely Amitesh Chand and Peter James.

On **12 October 2024**, Mr James notified the Board that he did not wish to proceed with Potentia's nomination and withdrew his consent to be appointed a director. Neither the Board or Management met with, or had any substantive interaction with, Mr James before being notified of his withdrawal. The only contact with Mr James related to him responding to a standard information request from the Company Secretary to enable the Notice of Meeting to be prepared and for his independence to be confirmed as required by the NZX Listing Rules. The Board understands that Mr James met with a significant shareholder ahead of his decision to withdraw his candidacy.

On **15 October 2024**, Fisher Funds holding 14.4% of Vista Group share signaled an intention to the market that it would vote against all Resolutions.

On **17 October 2024**, Potentia consented to the removal of the resolution to appoint Mr James, resulting in the following three Resolutions to be put forward to shareholders:

1. Resolution 1: Appointment of Amitesh Chand as a Director
2. Resolution 2: Removal of Susan Peterson as a Director
3. Resolution 3: Removal of Kirk Senior as a Director

The Vista Group Board unanimously do not support the nomination of Amitesh Chand as a non-executive director, or the removal of both Susan Peterson as an independent director or Kirk Senior as a non-executive director.¹

Resolution 1: Appointment of Amitesh Chand as a director

Nomination of Potentia executive (Amitesh Chand) outside established Board succession process.

While Mr Chand is clearly a talented executive, his proposed appointment, is not supported by the Board because:

- his appointment would not address targeted areas in the Board approved skills matrix,
- it is unclear that he could support the Board and shareholder endorsed cloud/SaaS strategy that is in execution phase with customers,
- his nomination is not supported by a significant number of other shareholders who were consulted by the Board, and
- the Board is yet to be satisfied that a Potentia executive appointment would contribute positively to Board deliberations or to a functional and cohesive Boardroom.

Given his primary role as an executive of Potentia, a fiduciary obligation to private equity investors could, at times, conflict with the responsibility that Vista Group directors have to act in the best interests of the company and its shareholders as a whole.

There are alternative ways for Potentia and Mr Chand to contribute to the success of Vista Group and to hold the Board to account which do not require a Potentia-nominated executive on the Vista Group Board.

For the purposes of the NZX Listing Rules, based on the information provided by Mr Chand, the Board's view, which is acknowledged by Mr Chand, is that he would not qualify as an independent director.

The Vista Group Board unanimously does not support the nomination of Amitesh Chand as a non-executive director.

Resolution 1: Appointment of Amitesh Chand as a director

The Board has well functioning succession process that continues to be the appropriate pathway to refresh the Board.

The Board's succession process is designed around best governance practice ...

We have an established Board succession process to manage the refreshment of the Board, evaluation of independent director candidates and Chair succession.

The succession process is managed by the Chair of the Nominations and Remuneration Committee.

The Board succession process enables the Board to evaluate the skills, expertise and experience of a selection of appropriately qualified independent director candidates against Vista Group's Board Skills Matrix, our governance requirements at the relevant time, and to ensure Vista Group complies with NZX Listing Rule 2.1.1(c) and recommendation 2.9 of the NZX Corporate 3 Governance Code. These provide for issuers to have at least two independent directors and an independent chair.

Directors appointed by the Board are required to stand for re-election by shareholders at the Group's first Annual Shareholders' Meeting that follows their appointment.

... and has a track record of success and effective operation.

In evaluating any independent director candidate, and to facilitate stability, before making any appointment we seek to ensure that any Board appointed director would also be likely to be supported by Vista Group's shareholders.

The effective operation of the established Board succession process can be seen when the Board transitioned to greater independence during 2021, with the appointment of independent director, Susan Peterson, as Chair, and the Board's appointment of independent directors, James Miller on 31 August 2021 and Claudia Batten on 1 January 2021.

Earlier this year the Nominations and Remuneration Committee commenced a Board succession process, that was necessarily paused on receipt of Potentia's Special Meeting requisition.

The search brief is targeting an independent director who could ideally contribute proven experience growing global SaaS platforms, demonstrated film and media industry capability, have been an operator in the commercialisation of data and be an independent chair succession candidate. This remains the Board's desired brief.

Subject to the outcome of the Special Meeting, the invitation remains open for Potentia, and any other shareholder, to nominate appropriate independent director candidates for inclusion in this Board succession process which will resume following the meeting.

Resolution 1: Appointment of Amitesh Chand as a Director

Current Vista Group Board is well balanced and is clear on succession areas¹

Beyond the current Board capability, the Board has identified and is targeting succession around an independent director who could ideally contribute demonstrated experience of

- global SaaS platforms,
- film / media industry experience,
- demonstrated commercialisation of data; and
- be an independent chair succession candidate.

Key:

Skills Assessment

3 (high) = Has high capability and significant experience in the area.

2 (medium) = Has medium capability in the area.

1 (lower) = has not assessed as an area of strong capability.

Target Board Succession Areas

	Cris Nicoli	Kirk Senior	James Miller	Susan Peterson	Murray Holdaway	Claudia Batten
Capability Overview						
Software, Cloud, Online and Operating Platforms Expertise and experience in the development and delivery of software and digital solutions through on-premise, managed services, cloud and/or online platforms	3	2	2	2	3	3
Digital product management and marketing Expertise and experience in digital product marketing and management, including an understanding of technology trends and implications and the software and technology value chain	3	2	1	2	2	3
Data Expertise in the collection, processing, and commercialisation of data and marketing applications, including the use of AI and experience with data protection legislation in Vista Group's key international markets	2	2	1	2	2	3
Strategy and development Expertise in corporate strategy and the developing early stage businesses, including strategic reviews, M&A and strategic partnerships	3	3	3	3	3	3
Go-to-market in international markets Deep customer insight and advocacy. Go-to-market expertise including direct sales, internet sales, new markets, and/or specific customer channel experience in the technology, cinema, film, studio or media sectors in Vista Group's key international markets (North America, South America, EMEA, APAC)	3	3	1	2	3	3
Financial Expertise Financial expertise with significant public company experience in finance, accounting, capital markets, credit markets, banking and investor relations.	3	3	3	2	2	2
Listed company Depth of expertise on listed company boards, including experience in governance, compliance and risk management and health and safety	3	2	3	3	2	3
People and culture Remuneration, retention, workforce planning, talent, culture and diversity and inclusion	2	2	2	3	2	3
Film Industry Depth of experience in the film industry, including in film exhibition and/or distribution	1	3	1	1	3	1
Sustainability Deep understanding of the environmental, social and governance considerations in a strategic and operational context and the applicable legislative framework, including the TCFD	1	1	3	3	1	2
Board Tenure in years	7	10	3	10 total (4 as chair)	21	3

1. Based on the most recent Board skills assessment.

Resolution 1: Appointment of Amitesh Chand as a Director

Potentia offered Board skills matrix is incomplete and contrasts Potentia to individual directors

Potentia has offered to shareholders a view of a Board skills matrix and their corporate value that:

- 1 **Is not reflective of the actual Vista Group current Board skills matrix.** The current Vista Group Board skills matrix areas are published in the 2023 Annual Report. Vista Group Board directors skills assessment is included in the previous slide.
- 2 **Is incomplete.** As just one example – to assess Claudia Batten as lacking strategy when she is a very successful entrepreneur, sits on other boards such as Air New Zealand and is the chair of Serko would seem an incorrect characterisation of her skills.
- 3 **Compares a company to individual directors.** Makes no effort to assess their nominated candidate Mr Chand and what he may bring to the Vista Group Board room, rather prefers to offer a view of Potentia’s corporate capability.
- 4 **Suggests that good independent governance should not be valued.** Does not recognise that experienced independent directors are an important part of good governance regardless of their ownership stake in the company.

Current Board members	Finance, risk, governance	Industry knowledge	Strategy	Cloud transition experience	Global M&A experience	Vertical SaaS transformation experience	Board tenure ¹	% stake owned ²
Murray Holdaway		✓	✓				21 years	2.86%
Kirk Senior	✓	✓	✓				10 years	0.26%
Susan Peterson	✓		✓				10 years	0.05%
Cris Nicolli	✓	✓					7 years	0.04%
Claudia Batten		✓	2	✓			3 years	-
James Miller	✓		✓		✓		3 years	0.03%
Potentia	✓	✓	✓	✓	✓	✓		19.93%

Source: Potentia presentation sent to shareholders 21 October 2024

Resolution 2: Removal of Susan Peterson as a director

Potentia's proposal to remove the Board chair

The proposed removal of Susan Peterson as a director and chair is not supported by the Board¹ because;

- there is no cause for removal given the performance of the company,
- is unlikely to bring about positive change or maximise long-term shareholder value,
- it risks destabilising the company resulting in a loss of investor and client confidence and so risks damaging shareholder value,
- she was appointed chair in 2021, which is relevant for tenure consideration purposes, and
- she was only recently re-elected by shareholders at the May 2024 AGM.

Susan Peterson is an experienced and respected director and has led the Board as Vista Group's Chair since 2021. Since that date the Board has led a significant period of transformational change. This has included the transition of the Board to a majority of independent directors with the appointment of independent directors, James Miller (who became Chair of the Audit and Risk Committee) and Claudia Batten, whilst importantly retaining the global film industry expertise of Kirk Senior as a non-executive director.

The Board appointed Stuart Dickinson as Chief Executive in late 2022 and mandated a business transformation. This initiative was to align the business to better assist clients to successfully recover from the impacts from the global pandemic and, more specifically, to expand their own offerings to grow their revenue, reduce their internal operating costs, increase their adaptability capability to improve engagement with their customers and take advantage of an AI future.

Together with Stuart, the Board also mandated a simplification of the Group's operating model, the introduction of an aligned 'go to market' approach and a material reduction of the Group's operating costs.

These changes have increased the speed of execution of the Group's strategic plan, improved margins, and lifted operating leverage. The transformation has enabled the Group to successfully balance between transitioning clients from licensed customised on-premises solutions to the new Vista Cloud SaaS offerings, growing SaaS Revenue, reducing operating costs, and bringing forward the free cashflow positive guidance to the fourth quarter of 2024.

Vista Group's shareholders recently voted on Susan Peterson's re-election as a director at the Annual Meeting of Shareholders held on 21 May 2024.

Susan's re-election as a director of Vista Group was supported by 95.36% of the votes cast at that meeting.

The directors do not consider that the removal of Susan Peterson as Chair of Vista Group is in the best interests of Vista Group or its shareholders as a whole.¹

1. Susan Peterson has abstained from making a recommendation in respect of Resolution 2, and Kirk Senior has abstained from making a recommendation in respect of Resolution 3.

Resolution 2: Removal of Susan Peterson as a director

Vista Group performance of the company since Susan's appointment as chair

At the Annual Shareholders' Meeting in May 2024, when Susan stood for re-election, a summary was provided of Vista Group performance during her tenure as chair.

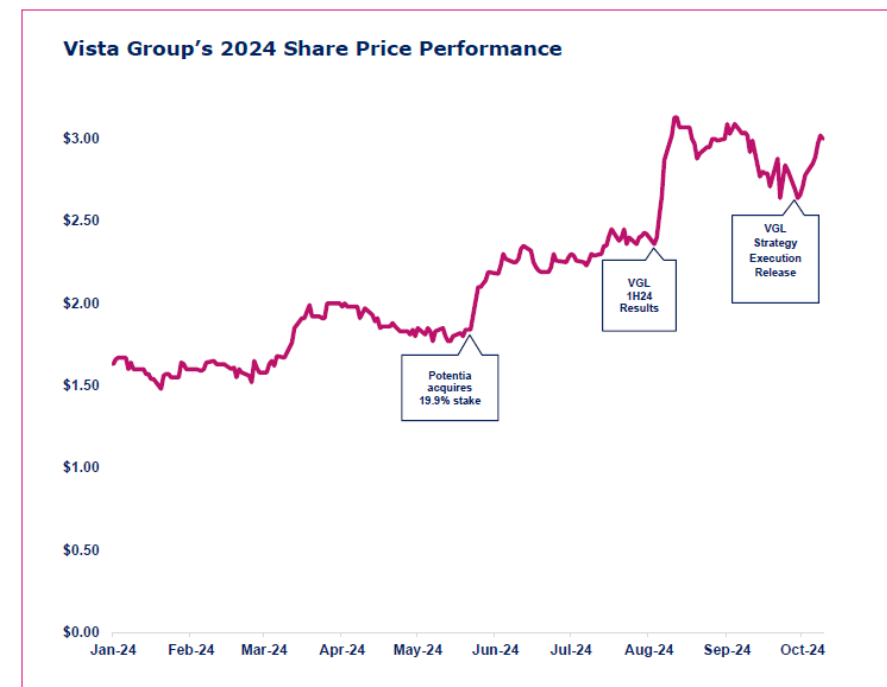
This included a 49%+ improvement in share price, which translates to a \$145 million increase in market capitalization, over the 12 months to May 2024.⁴ Potentia acquired its shareholding the week following the AGM.

Vista Group announced its Interim Results on August 6, 2024. **The Interim Results, released in August, highlighted a 20% increase in SaaS revenue⁵ and a 188% rise in EBITDA.⁶**

A subsequent market announcement on September 19, 2024 detailed new client signings & onboardings. **From the time of the Interim Results to October 11, 2024, shareholders have benefited from a 27% increase in share price which is the equivalent of an additional \$152 million in market capitalisation.⁹**

Analysts' average target price for Vista Group increased from \$1.94 per share⁷ in January 2024 to \$2.81⁸ in October 2024.

From December 31, 2023, to October 11, 2024, Vista Group achieved the highest percentage increase in share price among NZX50 companies. Over the 12 months to October 11, 2024 shareholders have seen a 111% improvement, equating to a NZ\$377 million rise in market capitalisation.³



3. 11 October 2023 – NZX closing share price \$1.42. 11 October 2024 NZX closing share price \$3.00

4. 28 April 2023 – NZX closing share price \$1.23. 1 May 2024 – NZX closing share price - \$1.84

5. SaaS Revenue is defined in section 1 of the 2024 Interim Report.

6. EBITDA is a non-GAAP measure that is defined as earnings before net finance costs, income tax, depreciation, amortisation, and "other gains & losses" (see section 2.3 of the 2024 Interim Report).

7. Craigs Investment Partners - \$2.01, Jarden - \$2.00, Macquarie Group - \$1.50, Shaw and Partners - \$2.20, UBS - \$2.00

8. Craigs Investment Partners - \$3.37, Jarden - \$2.45, Macquarie Group - \$2.20, Shaw and Partners - \$3.00, UBS - \$2.55, Canaccord - \$3.29

9. 5 August 2024 – NZX closing share price \$2.36. 11 October 2024 NZX closing share price \$3.00

Resolution 3: Removal of Kirk Senior as a director

Potentia's proposal to remove the Board's global cinema industry expert

The proposed removal of Kirk Senior as a director is not supported by the Board¹ because;

- there is no cause for removal given the performance of the company,
- is unlikely to bring about positive change or maximise long-term shareholder value,
- it risks destabilising the company resulting in a loss of investor and client confidence and so risks damaging shareholder value, and
- the removal of Kirk as a global film industry expert leaves the Board without his rare and valuable skillset.

Kirk Senior is an experienced director with a deep knowledge of the global film industry gained from his experience in senior executive positions with Village Roadshow Group, including as Global CEO of Village Cinemas.

Vista Group is a vertically integrated film software company with an unparalleled global market share in the enterprise cinema market. Kirk is the only director on Vista Group's Board with direct film industry experience. The depth of understanding of Vista Group's clients' businesses, and the key industry relationships that Kirk has, continue to be valuable assets that are leveraged by the Board and management.

Prior to Village Cinemas, Kirk was a chartered accountant with Ernst & Young in Australia and the United Kingdom bringing additional financial acumen and global finance experience to the Vista Group Board.

The Board's view is that if Resolution 3 was successful and Kirk was removed as a director, it would be extremely challenging for Vista Group to find a suitable replacement with a comparable depth and quality of film industry experience, understanding and relationships.

At the Annual Meeting of Shareholders held on 26 May 2022.

Kirk Senior's re-election as a director of Vista Group was supported by 97.65% of the votes cast at that meeting.

The directors do not consider that the removal of Kirk Senior as a director of Vista Group is in the best interests of Vista Group or its shareholders as a whole.¹

1. Susan Peterson has abstained from making a recommendation in respect of Resolution 2, and Kirk Senior has abstained from making a recommendation in respect of Resolution 3.

Appendix Information

Susan Peterson and Kirk Senior Bios

Susan Peterson (BCom, LLB, FNZID)

Susan is an experienced business leader with a particular interest in helping companies to drive growth through technology, innovation and organisational culture. Susan has been a director on the Vista Group Board since 3 June 2014 and was appointed as Chair on 1 January 2021.

Susan has considerable ASX, NZX and unlisted corporate governance experience driving growth at all stages of their maturity cycle. In addition to her position as Chair of Vista Group, Susan is also an independent director (and shareholder) of Xero, Mercury and Craigs Investment Partners.

Susan is also an independent director on Arvida. Arvida's shareholders recently voted to enter a Scheme Implementation Agreement to sell the business to Stonepeak and de-list from the NZX. This transaction is expected to complete over the coming months at which point Susan will cease to be a director of that company.

Susan has previously served as an independent director of Property for Industry, Trustpower and ASB Bank. During her tenure with Trustpower, the Board demerged Tilt Renewables and Bay Energy from the company, with both Tilt Renewables and Bay Energy listing on the NZX from demerger. Susan was also an independent director on the Board of Compac Sorting and supported the founder to sell the business to European listed company Tomra.

Susan has also served 9 years on the New Zealand Markets Disciplinary Tribunal supporting the maintenance of integrity in New Zealand Capital Markets.

Susan has been a long serving Board member of non-profit organisation Global Women and was a finalist in the 2014 Westpac New Zealand Women of Influence Awards.

Kirk Senior (BCom, CA)

Kirk Senior is a non-executive director of Vista Group, a member of Vista Group's Audit and Risk and Nominations and Remuneration Committees, and was previously Vista Group's Executive Chair.

Kirk brings deep international film industry experience gained from 18 years with the Village Roadshow Group and as Vista Group's Executive Chair. Kirk was formerly Global CEO (and prior to that, Chief Financial Officer) of Village Cinemas, one of the world's leading cinema companies. Kirk was also a director of Village Cinemas and many of its subsidiaries and joint ventures throughout the world.

Prior to Village Cinemas, Kirk was a chartered accountant with Ernst & Young in Australia and the United Kingdom.



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