

Notice of 2017 Annual Meeting

Notice is hereby given that the Annual Meeting of shareholders of CBL Corporation Limited (New Zealand company number 3888838) (CBL or the Company) will be held at:

Where Sky City Level 4, Auckland, Room 4

When Wednesday 3 May 2017 at 10.00am (New Zealand time)

AGENDA

1. CHAIRMAN AND MANAGEMENT PRESENTATIONS

NZ\$700,000), to be paid and allocated to the Directors as and when the Board considers appropriate.

2. SHAREHOLDER UPDATE

Further information relating to the resolutions is set out in the Explanatory Notes to this Notice of Meeting.

3. RESOLUTIONS

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

4. OTHER BUSINESS

The Board of CBL invites attendees to join them for light refreshments at the end of the Meeting

RESOLUTION 1

To record the reappointment of Deloitte as auditor of the Company and to authorise the Directors to fix the auditor's fees and expenses.

RESOLUTION 2

That Sir John Wells, who retires by rotation and is eligible for re-election, be re-elected as a Director of the Company.

RESOLUTION 3

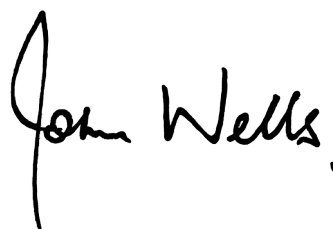
That Mr Ian Marsh, who retires by rotation and is eligible for re-election, be re-elected as a Director of the Company.

RESOLUTION 4

To ratify and authorise the payment to Sir John Wells of remuneration for his service on the Board of Assetinsure Holdings Pty Limited to the extent such payment exceeds the Remuneration Cap **(as defined in the Explanatory Notes).**

RESOLUTION 5

To authorise, for the purpose of NZX Main Board Listing Rule 3.5.1, an increase in the Remuneration Cap per annum available to Directors from NZ\$750,000 plus €30,000 to NZ\$1,500,000 (an increase of approximately



By Order of the Board of Directors
Sir John Wells
Chairman

12 April 2017

EXPLANATORY NOTES

RESOLUTION 1: FIX THE FEES AND EXPENSES OF THE AUDITOR

Pursuant to section 207T of the Companies Act 1993, Deloitte is automatically reappointed at the Annual Meeting as auditor of the Company. The resolution authorises the Board to fix the fees and expenses of Deloitte as the Company's auditor.

RESOLUTION 2 AND 3: RE-ELECTION OF DIRECTORS

Under NZX Main Board Listing Rule 3.3.11 and clause 22.7 of the Company's constitution, at least one third of Directors, or if their number is not a multiple of three, the number nearest to one third, are required to retire from office at the Annual Meeting. Those who retire are eligible for re-election at the Annual Meeting. The Directors required to retire are those who have been longest in office since their last election.

Accordingly, Sir John Wells and Mr Ian Marsh both retire by rotation and, being eligible, offer themselves for re-election.

SIR JOHN WELLS KNZM

TERM OF OFFICE:

Appointed 19 November 2013

BOARD RESPONSIBILITIES:

Independent Chairman, Chair of the Governance and Remuneration Committee, Chair of the Investment and Treasury Committee and Chair of Disclosure Committee.

Sir John Wells is an experienced director, with a background in governance and financial services in both private and public organisations, a career in merchant and investment banking, and provides direction on strategy and growth opportunities.

He is the Chair of the World Masters Games, Assetinsure, Martin Jenkins, Fisher Funds and Sheffield and on the advisory board of Marsh.

Sir John was awarded a Distinguished Companion of The New Zealand Order of Merit (DCNZM) for his services to business and sport in the New Year Honours 2009, and was subsequently invested with a Knighthood. At the 2013 Halberg Awards he was the recipient of the Sport New Zealand Leadership Award.

The Board has determined that Sir John is an Independent Director and supports his re-election.

MR IAN MARSH

TERM OF OFFICE:

Appointed 19 November 2013

BOARD RESPONSIBILITIES:

Independent Director, Member of the Governance and Remuneration Committee and the Audit and Financial Risk Committee.

Ian has extensive international senior management and board governance experience in the financial services sector across his 40-year career. He has held a variety of executive and managerial positions with American Express Company, with geographical responsibilities across Europe, the Middle East and Asia, including Greater China, Korea, Japan and the Philippines.

Ian concluded his American Express career as President and CEO of the Japan Region. Subsequent to this he was Managing Director and Executive Vice President for Western Union Asia Pacific and a member of the executive team that took Western Union public on the New York Stock Exchange.

He is currently non-executive director of Novelties Inc., Chairman of the Remuneration Committee.

Previously he was a non-executive director of Ireland based Fexco, Chairman of the Compliance Committee and member of the Remuneration Committee. He was also a non-executive director of the US based Hypercom Corp, and Chairman of the Compensation Committee.

Prior to this Ian was non-executive Chairman of the Gilman Group in Hong Kong. Ian also served as President-Europe of The Reader's Digest Association, Inc. Ian is educated in London and studied the Institute of Bankers qualifications. The Board has determined that Ian is an Independent Director and supports his re-election.

RESOLUTION 4: RATIFICATION OF ASSETINSURE REMUNERATION

At the time of its IPO, CBL's then shareholders authorised a monetary sum per annum of NZ\$750,000 payable to CBL Directors in total (including for acting as Directors of CBL's subsidiaries) and an additional €30,000 per annum payable to Paul Donaldson for acting as a Director of CBL Insurance Europe Limited (**CBLIE**). This is a total cap of approximately NZ\$797,000 (**Remuneration Cap**).

In late 2015, CBL acquired Assetinsure Holdings Pty Limited (Assetinsure), a specialty insurer based in Australia and regulated by the Australian Prudential Regulation Authority (APRA) as a licensed insurance business (further details of which are available online:

<http://cblcorporation.co.nz/our-businesses/assetinsure/>).

In light of the complex regulatory environment in which CBL operates (both domestically and abroad) it is CBL's policy to appoint a CBL Director to its main operating subsidiaries along with the Managing Director, Peter Harris, to give clarity of message upwards and downwards.

Therefore, in accordance with this policy, Sir John Wells was appointed by CBL to the Assetinsure Board on 26 November 2015 and became its Chairman on 1 March 2016, following the resignation of John Fahey, and the trimming of the Assetinsure board numbers following CBL's acquisition. On joining the Assetinsure Board Sir John Wells was remunerated consistently with other Assetinsure Board members and with exactly the same amount being paid to the outgoing Chairman, in line with Assetinsure's remuneration policy prior to the acquisition. In this regard, the total remuneration paid to Sir John Wells in 2016 for acting on the Assetinsure Board was approximately NZ\$96,000.

It was not appreciated at the time that the payments to Sir John Wells as Chairman of Assetinsure would be taken into account in the CBL Corporation Directors Remuneration Cap, as this was paid at a subsidiary level and no increase in the Chairman's remuneration currently being paid at Assetinsure was proposed. It was also not appreciated that in doing so, the Remuneration Cap would be exceeded.

Although the excess over the Remuneration Cap is relatively small (being approximately NZ\$31,000 or 3.89% of the Remuneration Cap), in the interests of transparency and good corporate governance, the Board considers it appropriate that shareholder ratification and authorisation is sought, by ordinary resolution, to the historic payments made to Sir John Wells in excess of the Remuneration Cap.

CBL notes for completion that overall Directors' fees on the Assetinsure Board have decreased as retirements from the Board have not been replaced and as such CBL's expenses in this regard have not increased since acquiring Assetinsure.

CBL has also voluntarily reported these matters to NZX Regulation.

RESOLUTION 5: INCREASE IN DIRECTORS' FEES

This resolution is put to shareholders in accordance with NZX Main Board Listing Rule 3.5.1, and seeks their approval, by ordinary resolution, of an increase in Directors' Remuneration Cap. Directors' remuneration is expressed as a monetary sum, payable to all non-executive Directors taken together per annum.

As noted above, at the time of CBL's IPO, its then shareholders approved the current Remuneration Cap. Since the IPO, CBL's business has grown in size (market capitalisation having effectively doubled) and complexity, as further detailed in the 2016 Annual Report.

Below is a summary of some of the more significant changes:

SFS and IMS: CBL acquired Securities and Financial Solutions Europe (SFS), France's largest specialist insurance broker of building-sector insurance, and IMS Expert Europe (SFS' claims management operation). The acquisition increased staff numbers in the CBL Group from 180 to 550 and adds regulatory compliance obligations with the Commissariat aux Assurances in Luxembourg;

CBLIE: During 2016 CBLIE opened local regulated branches in Paris and Rome. This adds local regulatory oversight in the French and Italian markets. CBLIE is regulated by the Central Bank of Ireland, and also has to comply with EU Solvency II;

Professional Fee Protection (PFP): In December 2015, 92% of PFP was acquired and the business is growing in line with expectations. On the back of three significant new partner wins in 2016, PFP now works with 44 of the UK's 'Top 100' accountancy firms. PFP is regulated in the United Kingdom by the Financial Conduct Authority;

Assetinsure: as noted in the PDS, Assetinsure was to be acquired shortly after listing and as noted in the 2016 Annual Report, integration efforts are proceeding as planned. Assetinsure is regulated in Australia by APRA;

European Insurance Services Limited: EISL has invested into a new senior management team and is more aggressively seeking revenue growth. EISL is regulated in the United Kingdom by the Financial Conduct Authority; and

CBL Insurance: CBL Insurance obtained an international financial strength rating of A- (Excellent) from AM Best Ratings in July 2016 (one year ahead of schedule).

In Australia this is being leveraged by writing new financial payment guarantees in the energy industry, and CBL expects to be further leveraging this into the banking and credit sector in other markets.

In light of the growth of the size and complexity of the business, the Board asked CBL's Governance and Remuneration Committee to assess whether an increase in the Remuneration Cap would be appropriate.

The Board was also concerned to ensure that:

CBL can offer competitive Directors' fees to attract and retain the highest quality Directors taking into account future diversity, provided that the right person with relevant and complementary skills to those currently available is found and considered of value to CBL;

The remuneration pool can accommodate additional/unexpected work load of some or all of the Directors;

❏ The remuneration pool takes into account the potential future appointment of a CBL Corporation Director to a subsidiary; and

❏ The remuneration pool provides sufficient headroom to accommodate currency fluctuations as several of CBL's operating subsidiaries are incorporated overseas and Directors' remuneration may be paid in the subsidiary's home currency.

The Governance and Remuneration Committee considered that Board fees for listed companies with the size, scale and international spread of CBL have increased, as have the responsibilities and requirements now expected of Board members.

To obtain independent and expert guidance to verify its findings, the Governance and Remuneration Committee also engaged international firm Odgers Berndtson to conduct a benchmarking study for international insurance companies with similar scope and scale to CBL. The study was consistent with the Committee's findings that an increase was appropriate.

Therefore, the Governance and Remuneration Committee and the Board believe that an increase in the Remuneration Cap to NZ\$1,500,000 per annum is appropriate. This is an increase of approximately NZ\$700,000 over the amount previously fixed by shareholders before the IPO. This is the amount per annum payable to all Directors taken together whether acting on CBL's Board or the Boards of any of its subsidiaries.

The increase, with approval of this resolution by shareholders, will take effect from 1 June 2017, but it is not expected that the full amount of the Remuneration Cap will be paid during the current year, and instead it is just providing flexibility for the future.

Executive Directors do not receive Directors' fees. CBL currently has one executive Director; being the Managing Director. The Board is comprised of five non-executive Directors, four of whom have been determined by the Board to be independent.

The Board believes the proposed increase is fair and reasonable to the Company and shareholders, and takes into account the increasing responsibilities and accountability of the Directors, as well as the level of skill and effort required to create continued shareholder value.

If the increase in Directors' fees proposed is approved, the Board does not intend to propose further increases in the next 2 years, as long as the size of the business and the regulatory burden of it does not significantly increase.

PROCEDURAL NOTES

PROXIES

A Proxy Form is included with this Notice of Annual Meeting. A shareholder entitled to vote at the Annual Meeting but who cannot attend may appoint a Proxy to attend the Annual Meeting and vote on his or her behalf.

A Proxy need not be a CBL shareholder. Instructions on how to complete the Proxy Form are set out in the Proxy Form which accompanies this Notice of Annual Meeting.

A shareholder may appoint the Managing Director or the Chief Financial Officer as their Proxy. The Managing Director and the Chief Financial Officer intend to vote any discretionary or undirected proxies held by them in favour of resolutions 1 through to 5.

To be valid, a completed Proxy Form (and any power of attorney under which it is signed) must be received by CBL no later than 10:00am (New Zealand time) on Monday 1 May 2017.

A completed Proxy Form may be posted:

New Zealand to CBL's Share Registry,

Computershare Investor Services Limited,
Private Bag 92119,
Auckland 1142,
New Zealand, or

Australia to CBL's Share Registry,

Computershare Investor Services Pty Limited,
GPO Box 3329,
Melbourne, VIC 3001,
Australia.

A Proxy Form may also be sent to CBL by faxing it to +64 9 488 8787.

Alternatively you can appoint a Proxy online by going to www.investorvote.co.nz, or if you have a Smartphone, by scanning the QR code on the first page of the Proxy Form and following the prompts.

Online and Smartphone proxy appointments must be received by 10.00am (New Zealand time) on Monday 1 May 2017.

Please see your proxy form for further details.

ELIGIBILITY TO VOTE

Any shareholder whose name is recorded in the CBL's share register at the close of business on Wednesday 12 April 2017 is entitled to vote at the Annual Meeting either in person or by Proxy (subject to the time limits for returning Proxy Forms).

Under NZX Main Board Listing Rule 9.3.1, all Directors intended to receive a payment under Resolutions 4 and 5 and their Associated Persons (as that term is defined in the NZX Market Board Listing Rules) are prohibited from voting in favour of Resolutions 4 and 5.

If you appoint such a Director or any person who is an Associated Person of such a Director as your proxy, that person will only be able to vote on Resolutions 4 and 5 in accordance with your express instructions.

ORDINARY RESOLUTIONS OF SHAREHOLDERS

All the resolutions that have been put before the Annual Meeting are 'ordinary resolutions'. An ordinary resolution is a resolution approved by a majority of 50% or more of the votes of those shareholders entitled to vote and voting on the resolution.

VIDEO

A video of the Annual Meeting will be made and uploaded to the CBL website: www.cblcorporation.co.nz for replay on demand shortly after the Annual Meeting.

PRESENTATIONS

The Chairman and Management presentations from the 2017 Annual Meeting will be released to the NZX prior to the meeting and published on the Company website at the link set out below shortly afterwards.

A summary of the proceedings will be available as soon as practicable following the close of the Annual Meeting on the Company website at www.cblcorporation.co.nz.

