



notice of annual meeting

Notice is hereby given that the Annual Meeting of Solution Dynamics Limited is to be held at the Company's offices, 18 Canaveral Drive, Albany, Auckland on Thursday 3 November 2016 commencing at 10.30am.

Business

The business of the meeting is:

- Chairman's address.
- To receive and consider the annual report for the year ended 30 June 2016, together with the financial statements and auditor's report.

Procedural motion

Waiver of short notice of the meeting. (Please also refer to the procedural note below concerning the waiver of short notice).

Resolutions

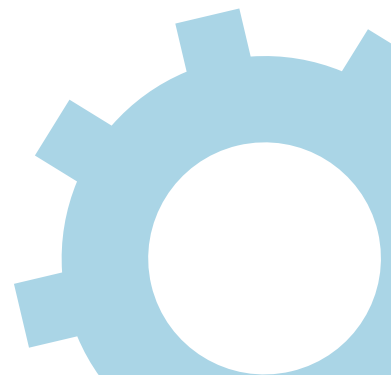
To consider, and if thought fit, to pass, the following ordinary resolutions:

1. That the board be authorised to fix the remuneration of Grant Thornton as the Company's auditors. See Explanatory Note 3.
2. To re-elect Mr John McMahon who is retiring by rotation as required by clause 17 of the Company's constitution, and being eligible, offers himself for re-election as director. Please review Mr John McMahon's biography under Explanatory Note 1.
3. To re-elect Mr Elmar Toime who was appointed by the Board on 19 February 2016 and, as required by clause 16.3 of the Company's constitution and NZAX Listing Rule 3.2.3, retires from office at the meeting and being eligible is standing for re-election as a director. Please review Mr Elmar Toime's biography under Explanatory Note 2.

Note that Mr Mike Smith will resign as a director of Solution Dynamics Limited effective from 3 November 2016. No decision has been made on the replacement of this position.

Procedural Notes

- **Waiver of short notice:** The procedure governing shareholders' meetings is specified by the Company's constitution – requiring written notice of the meeting to be sent to every shareholder not less than 10 working days before the meeting. Regrettably, the omission of the resolution to re-appoint Mr Elmar Toime from the original notice of meeting sent to shareholders on 11 October 2016 meant that this amended notice of meeting has been sent later than the required period. This irregularity is capable of being waived if all the shareholders entitled to attend and vote at the meeting attend the meeting without protest as to the irregularity, or if all such shareholders agree to the waiver.
- **Ordinary resolutions:** Resolutions 1, 2 and 3 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 in person or by proxy).
- **Persons entitled to vote:** The only persons entitled to exercise votes at the meeting will be those who are registered as shareholders at 10.30am on Tuesday 1 November 2016, 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 Tuesday, 1 November 2016).





- » 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.
- **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.

Explanatory Notes

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

By Order of the Board of Directors
Solution Dynamics Limited
25 October 2016

Explanatory Notes

Explanatory Note 1 – Re-Election of Director

Under Listing Rule 3.2.6 of the NZAX Listing Rules, and in accordance with the Company's constitution, one third of the Company's Directors must retire by rotation at the Annual Meeting. If the Directors are eligible, they may offer themselves for re-election by shareholders at the meeting. In this case, John McMahon retires by rotation and, being eligible, offers himself for re-election by shareholders at the Annual Meeting.

Directors Biography – Mr John McMahon

John has industry experience across the publishing, transport and software sectors and has spent over 20 years in the Australasian equity markets, predominantly as an equity analyst (covering a range of industries including telecommunications, media, gaming, transport, industrials), but also as a Head of Equities, and three years as Managing Director of ASB Securities. He now manages his own investment portfolio through Sydney-based Auro Investment Management. He has a Bachelor of Commerce (Honours), an MBA and is a CFA (Chartered Financial Analyst) charterholder. He has been a director and chairman of Solution Dynamics Limited since December 2012.

Explanatory Note 2 – Re-Election of Director

Under Listing Rule 3.2.3 of the NZAX Listing Rules, and in accordance with the Company's constitution, as Mr Elmar Toime was appointed by the Board as a Director on 19 February 2016, he must retire at the Annual Meeting. As he is eligible, Mr Toime offers himself for re-election by shareholders at the meeting.

Directors Biography – Mr Elmar Toime

Elmar is an independent advisor to the postal sector based in London. He is chairman of the Postea Group, a postal technology group incorporated in 2006 and a member of the Supervisory Board of Deutsche Post DHL, the world's leading logistics company. He was the chief executive of New Zealand Post Limited from 1993 to 2003 and Executive Deputy Chairman of the Royal Mail Group from 2003 to 2004, a position that included roles as chairman of the management board and chairman of GLS, a European parcels group. Elmar has been recognised with a life-time achievement award for leadership in the postal industry. He is also a non-executive director of the Qatar Postal Services Company and of Blackbay Ltd, a mobility solutions technology group.

Born in Italy, Elmar grew up and was educated in Melbourne, Australia and has qualifications in Science and in Economics from the University of Melbourne. He is a Fellow of the Institute of Management New Zealand and a Fellow of the Royal Society for the Arts, Manufactures, and Science.

In addition to his director's duties, Elmar may periodically provide SDL with consulting services relating to the international postal market, as well as introduce new potential clients and revenue streams to the Company. He will be separately compensated for such activities based on normal commercial terms.

Explanatory Note 3 – 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.