

NICHOLAS FINANCIAL INC
Form DEF 14A
July 06, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant ..

Filed by a Party other than the Registrant ..

Check the appropriate box:

- .. Preliminary Proxy Statement
- .. **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- x Definitive Proxy Statement
- .. Definitive Additional Materials
- .. Soliciting Material under Rule 14a-12

NICHOLAS FINANCIAL, INC.

(Name of registrant as specified in its charter)

(Name of person(s) filing proxy statement, if other than the registrant)

Payment of Filing Fee (Check the appropriate box):

- x No fee required.
- .. Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

.. Fee paid previously with preliminary materials.

.. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

NICHOLAS FINANCIAL, INC.

Building C

2454 McMullen Booth Road

Clearwater, FL 33759-1343

(727) 726-0763

NOTICE OF ANNUAL GENERAL MEETING

To the Shareholders of Nicholas Financial, Inc:

NOTICE IS HEREBY GIVEN that the 2015 Annual General Meeting of Shareholders (the Meeting) of Nicholas Financial, Inc. (hereinafter called the Company) will be held at the Company s corporate headquarters, located at 2454 McMullen Booth Road, Building C, Clearwater, Florida, on Thursday, August 13, 2015, at the hour of 10:00 AM (Clearwater, Florida time) for the following purposes:

1. to receive the Report of the Directors;
2. to receive the consolidated financial statements of the Company for its fiscal year ended March 31, 2015 and the report of Dixon Hughes Goodman LLP, the Company s Independent Auditors, thereon;
3. to elect two directors to hold office until the 2018 Annual General Meeting of Shareholders or until their respective successors are duly elected and qualified;
4. to ratify the appointment of Dixon Hughes Goodman LLP as the Company s Independent Auditors for the fiscal year ending March 31, 2016;
5. to approve the Company s 2015 Omnibus Incentive Plan;
6. to provide an advisory vote on the compensation for our named executive officers; and
7. to transact such other business as may properly come before the Meeting.

Accompanying this Notice are a Proxy Statement and Information Circular and Form of Proxy.

Shareholders of record as of the close of business on June 18, 2015 will be entitled to attend and vote at the Meeting, or any adjournment or postponement thereof. A shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy holder to attend and vote in his stead.

Your vote is important. If you are unable to attend the Meeting (or any adjournment or postponement thereof) in person, please read the Notes accompanying the Form of Proxy enclosed herewith and then complete and return the Proxy within the time set out in the Notes.

The enclosed Form of Proxy is solicited by the Board of Directors of the Company but, as set out in the Notes accompanying the Form of Proxy, you may amend it if you so desire by inserting in the space provided the name of the person you wish to represent you at the Meeting.

Important Notice Regarding the Availability of Proxy Materials for the Annual

General Meeting of Shareholders to be Held on August 13, 2015

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Pursuant to rules of the U.S. Securities and Exchange Commission, we have elected to provide access to our proxy materials both by sending you this full set of proxy materials, including a proxy card, and by notifying you of the availability of our proxy materials on the Internet. This Proxy Statement and Information Circular and our Annual Report on Form 10-K for the fiscal year ended March 31, 2015, are available at <http://www.materials.proxyvote.com/65373J>.

DATED at Clearwater, Florida, July 7, 2015.

BY ORDER OF THE BOARD OF DIRECTORS

Katie L. MacGillivray

Corporate Secretary

NICHOLAS FINANCIAL, INC

Building C

2454 McMullen Booth Road

Clearwater, FL 33759-1343

(727) 726-0763

PROXY STATEMENT AND INFORMATION CIRCULAR

AS AT AND DATED JULY 7, 2015

This Proxy Statement and Information Circular accompanies the Notice of the 2015 Annual General Meeting of Shareholders (the Meeting) of Nicholas Financial, Inc. (hereinafter called the Company) to be held on Thursday, August 13, 2015, at 10:00 a.m. (Clearwater, Florida time), at the Company's corporate headquarters, located at 2454 McMullen Booth Road, Building C, Clearwater, Florida, and is being furnished in connection with the solicitation of proxies on behalf of the Board of Directors of the Company for use at that Meeting and at any adjournment thereof.

The Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2015 (the Annual Report), together with this Proxy Statement and Information Circular and the accompanying proxy form (Proxy), are first being mailed on or about July 7, 2015 to shareholders entitled to vote at the Meeting. **Additional copies will be provided without charge upon written request to Katie L. MacGillivray, Corporate Secretary, Nicholas Financial, Inc., 2454 McMullen Booth Road, Building C, Clearwater, Florida 33759-1340. Exhibits filed with our Annual Report on Form 10-K will be provided upon written request, in the same manner noted above.**

REVOCABILITY OF PROXY

If the accompanying Proxy is completed, signed and returned, the shares represented thereby will be voted at the Meeting. The giving of the Proxy does not affect the right to vote in person should the shareholder be able to attend the Meeting. The shareholder may revoke the Proxy at any time prior to the voting thereof. If you would like to obtain directions to attend the Meeting, please contact Katie L. MacGillivray at (727) 726-0763.

In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by the shareholder or his attorney authorized in writing, or if the shareholder is a corporation, by a duly authorized officer or attorney thereof, and deposited either at the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, or, as to any matter in respect of which a vote shall not already have been cast pursuant to such proxy, with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof, and upon either of such deposits the proxy is revoked. If you file a notice of revocation, you may then vote (or abstain from voting) your shares in person at the Meeting.

If you are a shareholder of record, you also may revoke your proxy at any time before your shares are voted by submitting a duly executed proxy bearing a later date. If you submit a later dated proxy, then your shares will be voted in accordance with that later dated proxy.

PERSONS MAKING THE SOLICITATION

THE ENCLOSED PROXY IS BEING SOLICITED BY

THE BOARD OF DIRECTORS OF THE COMPANY

Solicitations will be made by mail and possibly supplemented by telephone or other personal contact to be made without special compensation by regular officers and employees of the Company. The Company may reimburse shareholders, nominees or agents (including brokers holding shares on behalf of clients) for the cost incurred in obtaining from their principals authorization to execute forms of proxy. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation of proxies on behalf of the Board of Directors will be borne by the Company.

VOTING SHARES AND OWNERSHIP

OF MANAGEMENT AND PRINCIPAL HOLDERS

As of the date of this Proxy Statement and Information Circular, the Company is authorized to issue 50,000,000 Common Shares without par value and 5,000,000 Preference Shares without par value. As of the close of business on June 18, 2015, the record date for determining shareholders entitled to notice of and to vote at the Meeting, there were issued and outstanding 12,422,085 Common Shares and no Preference Shares. Of the 12,422,085 outstanding Common Shares, 7,708,281 Common Shares are entitled to vote at the Meeting (hereinafter sometimes referred to as the Voting Common Shares) and the remaining 4,713,804 Common Shares are held by an indirect subsidiary of the Company and, pursuant to applicable law, are not entitled to vote. At a General Meeting of the Company, on a show of hands, every shareholder present in person and entitled to vote shall have one vote, and on a poll, every shareholder present in person or represented by proxy and entitled to vote shall have one vote for each share of which such shareholder is the registered holder. Shares represented by proxy will only be voted on a poll.

The following table sets forth certain information regarding the beneficial ownership of the Voting Common Shares as of June 18, 2015 regarding (i) each of the Company's directors (including the nominees for election or re-election as directors), (ii) each of the Company's executive officers, (iii) all directors and officers as a group, and (iv) each person known by the Company to beneficially own, directly or indirectly, more than 5% of the outstanding Voting Common Shares. Except as otherwise indicated, each of the persons listed below has sole voting and investment power over the shares beneficially owned.

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NAME	NUMBER OF SHARES	PERCENTAGE OWNED
Ralph T. Finkenbrink (1) (2)	141,900	1.8%
Kevin D. Bates (3) (4)	56,700	*
Katie L. MacGillivray (5) (6)	24,000	*
Peter L. Vosotas (7) (8)	119,369	1.5%
Stephen Bragin (9) (10)	118,495	1.5%
Scott Fink (11) (12)	11,100	*
Alton R. Neal (13) (14)	7,988	*
Robin J. Hastings (15)	--	*
Mahan Family II, LLC (16)	332,838	4.3%
Renaissance Technologies LLC (17)	388,229	5.0%
Leslie Wayne Peters (18)	387,607	5.0%
Westlake Services, LLC (19)	500,000	6.5%
All directors and officers as a group (8 persons) (20)	479,552	6.1%

* Less than 1%

- (1) Mr. Finkenbrink's business address is c/o Nicholas Financial, Inc., 2454 McMullen Booth Road, Building C, Clearwater, Florida 33759.
- (2) Includes 20,000 shares of restricted stock which will vest on March 31, 2017 and 65,700 shares issuable upon the exercise of outstanding stock options exercisable within 60 days.
- (3) Mr. Bates' business address is c/o Nicholas Financial, Inc., 2454 McMullen Booth Road, Building C, Clearwater, Florida 33759.
- (4) Includes 10,000 shares of restricted stock which will vest on March 13, 2016, 12,000 shares of restricted stock which will vest on March 31, 2017, and 32,000 shares issuable upon the exercise of outstanding stock options exercisable within 60 days.
- (5) Ms. MacGillivray's business address is c/o Nicholas Financial, Inc., 2454 McMullen Booth Road, Building C, Clearwater, Florida 33759.
- (6) Includes 8,000 shares of restricted stock which will vest on March 31, 2017 and 11,000 shares issuable upon the exercise of outstanding stock options exercisable within 60 days.
- (7) Mr. Vosotas' address is P.O. Box 16057, Clearwater, Florida 33766. Mr. Vosotas retired as President and Chief Executive Officer of the Company effective May 31, 2014, and resigned as Chair of the Board and a director of the Company on June 25, 2014.
- (8) As reported in a Schedule 13G/A filed on May 29, 2015, of the 119,369 shares reported as being held: (i) 53,595 shares are held by the Peter L. Vosotas Trust, over which Mr. Vosotas has sole voting power and sole dispositive power; (ii) 62,356 shares are held by the Paula J. Vosotas Trust, over which Mr. Vosotas has shared voting and dispositive power; and (iii) 3,418 shares are held by the Peter L. Vosotas IRA, over which Mr. Vosotas has shared voting and dispositive power.

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- (9) Mr. Bragin's business address is c/o Nicholas Financial, Inc., 2454 McMullen Booth Road, Building C, Clearwater, Florida 33759.
- (10) Includes 1,666 shares issuable upon the exercise of outstanding stock options exercisable within 60 days.
- (11) Mr. Fink's business address is 3936 U.S. Highway 19, New Port Richey, Florida 34652.
- (12) Includes 5,000 shares issuable upon the exercise of outstanding stock options exercisable within 60 days.
- (13) Mr. Neal's business address is c/o Nicholas Financial, Inc., 2454 McMullen Booth Road, Building C, Clearwater, Florida 33759.
- (14) Includes 5,000 shares issuable upon the exercise of outstanding stock options exercisable within 60 days.
- (15) Mr. Hastings' address is 2114 Laidale Place, Valrico, Florida 33576.
- (16) Mahan Family II, LLC, together with Roger Mahan, Gary Mahan, Nancy Ernst, Kristine Mahan, Brett Mahan, Cory Ernst, Kyle Ernst, Mahan Children II, LLC, and Basking Ridge Country Club, Inc., filed a joint Schedule 13D/A on April 24, 2015. As reported in such Schedule 13D/A, Roger Mahan, Nancy Ernst and Gary Mahan are siblings, and Kristine Mahan, Brett Mahan, and Cory and Kyle Ernst are adult children of Roger Mahan, Gary Mahan and Nancy Ernst, respectively. Basking Ridge Country Club, Inc. is a New Jersey corporation wholly owned by Roger Mahan. The principal address of Basking Ridge Country Club, Inc. is 185 Madisonville Road, Basking Ridge, New Jersey 07920. Mahan Family II, LLC is a Florida limited liability company of which Roger Mahan, Nancy Ernst and Gary Mahan are equity holders and the sole managers. The principal address of Mahan Family II, LLC is 219 7th Street, Tierra Verde, Florida 33715. Mahan Children II, LLC is a Florida limited liability company of which Roger Mahan, Nancy Ernst and Gary Mahan are the sole equity holders and managers. The principal business address of Mahan Children II, LLC is 219 7th Street, Tierra Verde, Florida 33715. In addition to the 332,838 shares owned by Mahan Family II, LLC, (i) Mahan Children II, LLC owns 87,399 shares, (ii) Roger Mahan owns 9,117 shares, (iii) Kristine Mahan owns 108 shares, (iv) Cory Ernst owns 1,155 shares, (v) Brett Mahan owns 483 shares, (vi) Kyle Ernst owns 495 shares, and (vii) Basking Ridge Country Club, Inc. owns 52,000 shares. These shares collectively constitute approximately 6.3% of the Company's outstanding Voting Common Shares as of the Record Date.
- (17) The business address of Renaissance Technologies LLC, a Delaware limited liability company, is 800 Third Avenue, New York, NY 10022. As reported in a Form 13F-HR (quarterly report filed by institutional managers) filed on May 13, 2015 for the quarterly period ended March 31, 2015, Renaissance Technologies LLC holds 388,229 shares over which it has sole voting and investment power. According to such report, Renaissance Technologies LLC holds an additional 79,595 over which it has sole investment power but no voting authority.
- (18) The principal business address of Leslie Wayne Peters is 101 Grafton Street, Suite 1801A, Bondi Junction, Australia 2022. As reported in a Schedule 13G filed on March 27, 2015, Leslie Wayne Peters has direct control over 37,000 shares and, in his capacity as Director and Chief Investment Officer of Peters MacGregor Capital Management Limited, has shared voting power over 350,607 shares which are held under investment agreements on behalf of clients of Peters MacGregor Capital Management Limited.
- (19) As reported in a Schedule 13G filed on May 8, 2015, the principal business address of Westlake Services, LLC is 4751 Wilshire Boulevard #100, Los Angeles, CA 90010.
- (20) Includes an aggregate of 120,366 shares issuable upon the exercise of outstanding stock options exercisable within 60 days. Also includes 119,369 shares beneficially owned by Mr. Vosotas, who is no longer a director or executive officer of the Company. See Note

(7) above.

The Board of Directors has determined that all holders of record of Voting Common Shares as of the close of business on June 18, 2015 (the Record Date) will be entitled to receive notice of and to vote at the Meeting. Those shareholders so desiring may be represented by proxy at the Meeting. The Proxy, and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof, must be deposited either at the office of the Registrar and Transfer Agent of the Company, Computershare Investor Services, Inc., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, or at the Corporate Headquarters of the Company at Building C, 2454 McMullen Booth Road, Clearwater, Florida 33759-1343 not less than 48 hours, Saturdays and holidays excepted, prior to the time of the holding of the Meeting or any adjournment thereof.

Votes cast by proxy or in person at the Meeting will be tabulated by the inspector of elections appointed for the Meeting, who will also determine whether a quorum is present for the transaction of business. The Company's Articles provide that a quorum is present if two or more shareholders of the Company are present in person (or represented by proxy) holding an aggregate of at least 33-1/3% of the total issued and outstanding Voting Common Shares of the Company as of the Record Date for the Meeting. Abstentions will be counted as shares that are present and entitled to vote for purposes of determining whether a quorum is present. Shares held by nominees for beneficial owners will also be counted for purposes of determining whether a quorum is present if the nominee has the discretion to vote on at least one of the matters presented, even though the nominee may not exercise discretionary voting power with respect to other matters and even though voting instructions have not been received from the beneficial owner (a broker non-vote). Neither abstentions nor broker non-votes are counted in determining whether a proposal has been approved. The vote required for each proposal set forth herein, including the election of directors, is set forth under the discussion herein of such proposal.

Shareholders are urged to indicate their votes in the spaces provided on the Proxy. Proxies solicited by the Board of Directors of the Company will be voted in accordance with the directions given therein. Except as indicated below in connection with the election of directors, where no instructions are indicated signed Proxies will be voted FOR each proposal listed in the Notice of the Meeting as set forth more completely herein. Returning your completed Proxy will not prevent you from voting in person at the Meeting should you be present and wish to do so.

If your shares are registered directly in your name with our transfer agent, Computershare Investor Services, Inc., then you are a shareholder of record. This Proxy Statement and Information Circular and related materials have been provided directly to you by the Company. You may vote by ballot at the meeting or vote by proxy. To vote by proxy, sign, date and return the enclosed proxy card or follow the instructions on the proxy card for voting by Internet.

If your shares are held for you in a brokerage, bank or other institutional account (that is, held in street name), then you are not a shareholder of record. Rather, the institution is the shareholder of record and you are the beneficial owner of the shares. The Proxy Statement and Information Circular and accompanying materials have been forwarded to you by that institution. If you complete and properly sign the accompanying Proxy and return it in the enclosed envelope, or follow the instructions on the Proxy for voting by Internet, the institution will cause your shares to be voted in accordance with your instructions. If you are a beneficial owner of shares and wish to vote in person at the Meeting, then you must obtain a proxy, executed in your favor, from the holder of record (the institution).

If you are a shareholder of record and attend the Meeting, you may vote in person by ballot at the Meeting. To vote by ballot, you must register and confirm your shareholder status at the meeting. If the shareholder of record is a corporation, partnership, limited liability company or other entity of which you are an officer or other authorized person, then you should bring evidence of your authority to vote the shares on behalf of the entity. If your shares are held for you in a brokerage, bank or other institutional account (that is, in street name), you must obtain a proxy, executed in your favor, from that institution (the holder of record) to vote your beneficially-owned shares by ballot at the Meeting. If you are a shareholder of record, then you may opt to deliver your completed Proxy in person at the Meeting.

You will receive separate Proxies when you own shares in different ways. For example, you may own shares individually, as a joint tenant, in an individual retirement account, in trust or in one or more brokerage accounts. You should complete, sign and return each Proxy you receive or follow the Internet instructions on each card. The instructions on each Proxy may differ. Be sure to follow the instructions on each card.

PROPOSAL 1: ELECTION OF DIRECTORS

The Board of Directors recommends each of the nominees set forth below for election as a Director and urges each shareholder to vote FOR each of the nominees. Proxies in the accompanying form will be voted at the Meeting, unless authority to do so is withheld, in favor of the election as a Director of each of the nominees named below. Brokers or other nominees who hold shares for a Non-Registered Holder no longer have the discretionary authority to vote uninstructed shares in the election of directors.

The Company's Board of Directors currently consists of five members divided into three classes, with the members of each class serving three-year terms expiring at the third Annual General Meeting of Shareholders after their election. The Company's Board of Directors, upon the recommendation of the Nominating/Corporate Governance Committee, has nominated: (i) Scott Fink to stand for re-election as a Director at the Meeting, to hold office for a term of three years expiring at the 2018 Annual General Meeting of Shareholders, and until his successor has been duly elected and qualified; and (ii) Robin J. Hastings to stand for election as a Director of the Meeting, to hold office for a term of three years expiring at the 2018 Annual General Meeting of Shareholders, and until his successor has been duly elected and qualified. No other person has been nominated by the Board to stand for election as a director at the Meeting. Assuming a quorum is present, the election of each of Messrs. Fink and Hastings as a Director requires that a plurality of the total votes cast with respect to Common Shares present, or represented, and entitled to vote at the Meeting vote in favor of his election. (Please note that brokers or other nominees who hold shares for you no longer have the discretionary authority to vote your uninstructed shares in the election of directors.) In the event Mr. Fink or Mr. Hastings is unable to serve, the persons designated as proxies will cast votes for such other person in their discretion as a substitute nominee. The Board of Directors has no reason to believe that either of the foregoing nominees will be unavailable, or if elected, will decline to serve. Messrs. Fink and Hastings are residents of the United States. Certain information is set forth below for each of the nominees for Director, as well as for each Director whose term of office will continue after the Meeting.

NOMINEES FOR DIRECTOR TERM TO EXPIRE 2018

Name	Age	Principal Occupation And Other Information
Scott Fink	54	<p>Mr. Fink has served as a Director of the Company since August 11, 2004. In 2001, Mr. Fink was awarded the Hyundai of New Port Richey, Florida dealership, where he is currently President and Owner. He has since opened four additional automobile franchises in the Tampa Bay area Hyundai, Mazda and Chevrolet of Wesley Chapel and Volkswagen of New Port Richey. In 1998, Mr. Fink formed S&T Collision Centers, which currently operates out of locations in Clearwater and Brandon, Florida. Prior to 1998, Mr. Fink owned and operated a Toyota and a Mitsubishi Dealership in Clearwater, Florida. Mr. Fink also previously worked for Ford Motor Company in various management positions. Mr. Fink received his Bachelor of Science degree in Accounting from Wagner College, Staten Island, New York.</p>

Given his extensive business experience Mr. Fink brings a unique combination of leadership, financial and business analytical skills and acute business judgment to the Board. This led to the conclusion that he should continue to serve as a Director of our Company.

Robin J. Hastings	61	<p>Mr. Hastings is the Chief Operating Officer of United Ocean Services (UOS), a subsidiary of International Shipholding Corporation, a New York Stock Exchange-listed company. UOS is a U.S. flag shipping company with primary operations in the Gulf of Mexico. He has worked in various capacities for his present company, under different ownership, for 27 years. During his tenure, Mr. Hastings has worked for National Gypsum Company, American Shipbuilding Company and TECO Transport & Trade. Mr. Hastings began his career in the financial arena of TECO Transport & Trade in 1987. He was promoted to Assistant Controller of TECO Transport & Trade before it was purchased by investors and renamed United Maritime Group (UMG) in 2008. Mr. Hastings held the positions of Controller, Vice President of Commercial Operations and Logistics, and ultimately Chief Operating Officer of United Ocean Services and remained as COO when International Shipholding purchased UOS in 2012. Mr. Hasting received both his Bachelors degree in Accounting and Finance and his Masters degree in Business Administration from the University of South Florida (USF) in Tampa, Florida.</p>
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Mr. Hastings brings considerable financial, accounting and operating skills and experience to the Board. This led to the conclusion that he should serve as a Director of our Company.

DIRECTORS CONTINUING IN OFFICE TERM TO EXPIRE 2016

Name	Age	Principal Occupation And Other Information
Ralph T. Finkenbrink	54	<p>Mr. Finkenbrink has served as President and Chief Executive Office of the Company since May 31, 2014, and as Chairman of the Board since July 1, 2014. He has served as a Director of the Company since 2002. Mr. Finkenbrink previously served as Senior Vice President, Chief Financial Officer and Secretary of the Company from 1997 through May 2014 and Vice President Finance of the Company from 1992 to July 1997. He joined the Company in 1988 and served as Controller of Nicholas Financial and NDS until 1992. Prior to joining the Company, Mr. Finkenbrink was a staff accountant for MBI, Inc. from January 1984 to March 1985 and Inventory Control Manager for the Dress Barn, Inc. from March 1985 to December 1987. Mr. Finkenbrink received his Bachelor of Science Degree in Accounting from Mount St. Mary's University in Emmitsburg, Maryland.</p>

Mr. Finkenbrink has been with the Company for 27 years, serving in various senior executive capacities for 23 years. Given his lengthy tenure with the Company, Mr. Finkenbrink brings the continuity of mission and values on which the Company was established. He also brings valuable operational and financial analytical skills and experience, as well as industry knowledge, to the Board. This led to the conclusion that he should serve as a Director of our Company.

Kevin D. Bates	45	<p>Mr. Bates was elected as a Director of the Company on July 1, 2014 and has served as Senior Vice President Branch Operations of the Company since May 31, 2014. He has been employed by the Company in various capacities since April 1, 1997, most recently as Vice President of Marketing from June 2011 through May 2014 and Regional Vice President from April 2009 through May 2014. During his more than 17-year tenure with the Company, Mr. Bates also previously served as Branch Manager and Regional Director of the Company. Mr. Bates received his B.S. degree in Business Management from St. Bonaventure University in 1993.</p>
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Given his lengthy tenure with the Company, Mr. Bates provides the Board with information gained from hands-on management of Company operations, helping to identify near-term and long-term goals, challenges and opportunities. This led to the conclusion that he should serve as a Director of our Company.

DIRECTOR CONTINUING IN OFFICE TERM TO EXPIRE 2017

Name	Age	Principal Occupation And Other Information
Stephen Bragin	85	Mr. Bragin has served as a Director of the Company since February 10, 1999. Mr. Bragin is currently the Vice President, Treasurer and a member of the Board of Directors of Curlew Hills Memory Gardens. He is the retired Regional Development Director at the University of South Florida. Mr. Bragin is also a former principal and Vice President (retired) of David Bilgore & Company and a former member of the Board of Directors of Interest Bank. He served in the U.S. Army and is a Korean War veteran. Mr. Bragin received his Bachelor of Science degree from the University of Pennsylvania (Wharton School).

Mr. Bragin has served on the Company's Board for over 15 years, supporting institutional continuity with Company and industry knowledge accumulated through all phases of industry and economic cycles, and through the Company's expansion over that period. Mr. Bragin's diverse and considerable experience allows him to bring to the Board significant leadership skills, as well as a diversity of viewpoint in judgment. This led to the conclusion that he should serve as a Director of our Company.

PROPOSAL 2: RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS

The Board of Directors and Audit Committee recommend the ratification of the appointment of Dixon Hughes Goodman LLP as Independent Auditors of the Company for the fiscal year ending March 31, 2016, and urge each shareholder to vote FOR such proposal. Executed and unmarked proxies in the accompanying form will be voted at the Meeting in favor of such proposal.

During the fiscal year ended March 31, 2015, the Company engaged Dixon Hughes Goodman LLP to provide certain audit services, including the audit of the Company's annual consolidated financial statements and internal control over financial reporting, quarterly reviews of the condensed consolidated financial statements included in the Company's Forms 10-Q, services performed in connection with filing this Proxy Statement and Information Circular and the Annual Report on Form 10-K by the Company with the U. S. Securities and Exchange Commission (SEC), attendance at meetings with the Audit Committee and consultation on matters relating to accounting, tax and financial reporting. Dixon Hughes Goodman LLP has acted as the independent registered public accounting firm for the Company since December 31, 2003.

The Audit Committee has appointed Dixon Hughes Goodman LLP as Independent Auditors of the Company for the fiscal year ending March 31, 2016, and the Board of Directors and Audit Committee propose the ratification of such appointment. If our shareholders do not ratify the appointment of Dixon Hughes Goodman LLP at the Meeting, then the Audit Committee will reconsider its selection of Dixon Hughes Goodman LLP. No representative of Dixon Hughes Goodman LLP will be present at the Company's Annual General Meeting or available at the Meeting to answer any questions or make any statements with respect to the Company.

Vote Required

Assuming a quorum is present, approval of the ratification of the appointment of Dixon Hughes Goodman LLP as Independent Auditors of the Company for the fiscal year ending March 31, 2016 requires that a majority of the total votes cast with respect to Common Shares present, or represented, and entitled to vote at the Meeting vote in favor of such proposal.

Fees for Audit and Non-Audit Related Matters

The fees charged by Dixon Hughes Goodman LLP for professional services rendered to the Company in connection with all audit and non-audit related matters were as follows:

	Fiscal Year Ended March 31,	
	2015	2014
Audit Fees (1)	\$393,000	\$373,000
Audit Related Fees (2)	\$ 31,020	\$ 49,957
Tax Fees (3)	\$ 48,775	\$ 43,750
All Other Fees	None	None

- (1) Audit fees consist of fees for the integrated audit of the Company's annual consolidated financial statements and internal control over financial reporting and reviews of the Company's condensed consolidated financial statements included in the Company's quarterly reports on Form 10-Q.
- (2) Audit related fees for the fiscal year ended March 31, 2014 consisted primarily of fees for the audit of the Company's retirement plan and also included (a) fees for workpaper access provided in connection with third-party due diligence relating to a proposed acquisition of the Company and (b) professional services rendered in connection with related filings with the SEC and consents to incorporate audit reports in such SEC filings. Audit related fees for the fiscal year ended March 31, 2015 consisted primarily of fees for the audit of the Company's retirement plan and also professional services rendered in connection with filings with the SEC related to the recently completed modified Dutch auction tender offer.
- (3) Fees incurred were for income tax return preparation and other compliance services.

The Audit Committee has concluded that Dixon Hughes Goodman LLP's provision of the services described above is compatible with maintaining Dixon Hughes Goodman LLP's independence. The Audit Committee pre-approved all of such services. The Audit Committee has established pre-approval policies and procedures with respect to audit and permitted non-audit services to be provided by the Company's independent auditors.

Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Auditors

The Audit Committee's policy is to pre-approve all audit and permissible non-audit services provided by the Company's independent auditors in order to assure that the provision of such services does not impair the auditor's independence. These services may include audit services, audit-related services, tax services and other services. Pre-approval is generally provided for up to one year and any pre-approval is detailed as to the particular service or category of services and is generally subject to a specific budget. Management is required to periodically report to the Audit Committee regarding the extent of services provided by the independent auditors in accordance with this pre-approval, and the fees for the services performed to date. During each of the fiscal years ended March 31, 2015 and 2014, respectively, all services were pre-approved by the Audit Committee in accordance with this policy.

PROPOSAL 3: APPROVAL OF THE NICHOLAS FINANCIAL, INC.

2015 OMNIBUS INCENTIVE PLAN

The Board of Directors recommends a vote FOR the approval of the Nicholas Financial Inc. 2015 Omnibus Incentive Plan. Abstentions and broker non-votes will not be counted for purposes of determining whether a majority of votes has been cast in favor of this proposal. Proxies solicited by the Board will be voted FOR approval of the Nicholas Financial, Inc. 2015 Omnibus Incentive Plan, unless a shareholder specifies otherwise.

Our Board of Directors has adopted the Nicholas Financial, Inc. 2015 Omnibus Incentive Plan (the Omnibus Incentive Plan or Plan), subject to approval by the holders of our Voting Common Shares at the Meeting. If approved by our shareholders, the Plan will allow for the granting of equity and cash incentive awards to eligible individuals, including the issuance of up to 750,000 Common Shares pursuant to awards under the Plan. Awards under the Plan are intended to support the creation of long-term value and business returns for our shareholders. We believe the Plan strikes an appropriate balance between rewarding performance and limiting shareholder dilution, while providing our company with the flexibility to meet changing compensation needs.

Authorized Shares and Stock Price

Our Articles authorize the issuance of 50,000,000 Common Shares. There were 7,708,281 Voting Common Shares issued and outstanding as of the Record Date, and the market value of a Common Share as of that date was \$12.96.

To determine the number of Common Shares to be authorized under the Plan, our Board of Directors considered the needs of our Company for shares, based on the current and expected future equity grant mix, and the potential dilution that awarding the requested shares may cause to existing shareholders. Our Board of Directors also considered the need for shareholder approval of the performance goals in the Plan to maintain our ability to grant awards that qualify as performance-based compensation under Section 162(m) of the Internal Revenue Code of 1986 (the Code). Such performance-based compensation is not included in the limit of \$1,000,000 per year per covered executive on compensation that is deductible by us. Our existing equity incentive plan, the Nicholas Financial, Inc. Equity Incentive Plan (the Equity Plan), has only 8,615 Common Shares remaining available thereunder for future awards.

Our Board of Directors determined that 750,000 Common Shares should be authorized under the Plan. Our Board of Directors is seeking shareholder approval for the Plan and the pool of shares available under the Plan. Because this proposal to approve the Plan does not contemplate the amount or timing of specific equity awards in the future, it is not possible to calculate with certainty the number of years of awards that will be available and the amount of subsequent dilution that may ultimately result from such awards.

Summary of the Terms of the Plan

The following is a summary of the material provisions of the Plan, a copy of which is attached hereto as [Appendix A](#) and incorporated by reference herein. This summary is qualified in its entirety by reference to the full and complete text of the Plan. Any inconsistencies between this summary and the text of the Plan will be governed by the text of the Plan.

Purpose and Effective Date

The purpose of the Plan is to promote the best interests of our Company and our shareholders by providing our and our affiliates' key employees and non-employee directors with an opportunity to acquire a proprietary interest in our Company or receive other incentive compensation on the potentially favorable terms that the Plan provides. We intend that the Plan will promote continuity of management and increased incentive and personal interest in the welfare of our Company and its affiliates by those key employees and directors who are primarily responsible for shaping and carrying out the long-range plans of our Company and securing its continued growth and financial success, all of which benefits our shareholders. The Plan became effective when it was approved by our Board of Directors, subject as to any awards granted prior to approval by our shareholders at the Meeting to such approval.

Administration and Eligibility

The Compensation Committee of our Board of Directors, or any successor committee with similar authority that the Board may appoint, which in either case consists of not less than two members of the Board who meet the 'outside director' requirements of Section 162(m) of the Code and the 'non-employee director' requirements of Rule 16b-3(b)(3) under the Securities Exchange Act of 1934 (the 'Exchange Act') (either referred to as the 'Committee') will administer the Plan as to participants other than non-employee directors. Our Board of Directors will administer the Plan as to non-employee directors. We refer herein to the Committee or the Board, as applicable, as the 'Administrator'. The Plan authorizes the Administrator to interpret the provisions of the Plan; prescribe, amend and rescind rules and regulations relating to the Plan; correct any defect, supply any omission, or reconcile any inconsistency in the Plan, any award or any agreement covering an award; and make all other determinations necessary or advisable for the administration of the Plan, in each case in its sole discretion.

To the extent applicable law permits, the Board may delegate to another committee of the Board, or the Compensation Committee may delegate to one or more of our officers, any or all of their respective authority and responsibility as an administrator of the Plan. However, no such delegation is permitted with respect to stock-based awards made to any participant who is subject to the reporting requirements of Section 16(a) of the Exchange Act or the liability provisions of Section 16(b) of the Exchange Act at the time any such delegated authority or responsibility is exercised unless the delegation is to another committee of the Board consisting entirely of non-employee directors.

The Administrator may designate any of the following as a participant from time to time, to the extent of the Administrator's authority: any officer or other employee of our Company or

its affiliates; any individual who we or one of our affiliates has engaged to become an officer or employee; any consultant or advisor who provides services to the Company or its affiliates; or any director, including a non-employee director. Currently the persons eligible to participate in the Plan consist of approximately 335 employees and three non-employee directors.

Types of Awards

The Plan permits the grant of stock options (including incentive stock options), stock appreciation rights, restricted stock, restricted stock units, performance shares, performance units, annual cash incentives, long-term cash incentives, dividend equivalent units and other types of stock-based awards. These award types are described in further detail below.

Stock Subject to the Plan

The Plan provides that 750,000 Common Shares are reserved for issuance under the Plan. The Plan also provides that we may issue an aggregate of 750,000 Common Shares upon the exercise of incentive stock options.

The number of shares reserved under the Plan will be depleted on the date of grant of an award by the maximum number of shares, if any, with respect to which the award is granted. In general, if an award granted under the Plan lapses, expires, terminates or is cancelled without the issuance of shares under, or the payment of other compensation with respect to the shares covered by, the award, if it is determined during or at the conclusion of the term of an award that all or some portion of the shares under the award will not be issuable on the basis that the conditions for such issuance will not be satisfied, if shares are forfeited under an award or if shares are issued under any award and we reacquire them pursuant to rights reserved upon the issuance of the shares, then such shares will again be available for issuance under the Plan, except that shares reacquired pursuant to reserved rights may not be issued pursuant to incentive stock options. Shares purchased by the Company using proceeds from option exercises, shares tendered or withheld in payment of the exercise price of an option or as a result of the net settlement of an outstanding stock appreciation right, or shares tendered or withheld to satisfy federal, state or local tax withholding obligations, may not be re-credited to the reserve.

If any of our Common Shares subject to awards granted under the Equity Plan would again become available for new grants under the terms of such plan if such plan were still in effect after the effective date of the Plan (taking into account the Equity Plan's provisions concerning termination or expiration, if any), then those Common Shares will be available for the purpose of granting awards under the Plan, thereby increasing the number of Common Shares available for issuance under the Plan.

Options

The Administrator will generally determine all terms and conditions of each option. However, the grant date may not be any day prior to the date that the Administrator approves the grant, the exercise price may not be less than the fair market value of the shares subject to the option as determined on the date of grant (except that, to the extent permitted by and consistent

with the requirements of Code Section 409A, the exercise price may vary during the term of the option if the Administrator determines that there should be adjustments to the exercise price relating to achievement of performance goals and/or to changes in an index or indices that the Administrator determines is appropriate (but in no event may the exercise price per share be less than the fair market value of a share as determined on the date of grant)), and the option must terminate no later than ten years after the date of grant. To the extent permitted by the Administrator, and subject to such procedures as the Administrator may specify, the payment of the exercise price of options may be made: (1) by delivery of cash or other of our shares or other securities having a then fair market value equal to the purchase price of such shares; (2) by delivery to us or our designated agent of an executed irrevocable option exercise form together with irrevocable instructions to a broker-dealer to sell or margin a sufficient portion of the shares and deliver the sale or margin loan proceeds directly to us to pay for the exercise price; (3) by surrendering the right to receive shares otherwise deliverable to the participant upon exercise of the award having a fair market value at the time of exercise equal to the total exercise price; or (4) by any combination of (1), (2) and/or (3). Except to the extent otherwise set forth in an award agreement or as required by applicable law, a participant will have no rights as a holder of our Common Shares as a result of the grant of an option until the option is exercised, the exercise price and applicable withholding taxes are paid and the shares subject to the option are issued thereunder.

Stock Appreciation Rights

The Administrator will generally determine all terms and conditions of each stock appreciation right. A stock appreciation right is the right of a participant to receive cash in an amount, and/or Common Shares with a fair market value, equal to the appreciation of the fair market value of a Common Share during a specified period of time. However, the grant date may not be any day prior to the date that the Administrator approves the grant, the grant price may not be less than the fair market value of the shares subject to the stock appreciation right as determined on the date of grant and the stock appreciation right must terminate no later than ten years after the date of grant.

Performance and Stock Awards

The Administrator will generally determine all terms and conditions of each award of shares, restricted stock, restricted stock units, performance shares or performance units. Restricted stock means Common Shares that are subject to a risk of forfeiture, restrictions on transfer or both a risk of forfeiture and restrictions on transfer. Restricted stock unit means the right to receive a payment equal to the fair market value of one Common Share. Performance share means the right to receive Common Shares, including restricted stock, to the extent performance goals are achieved. Performance unit means the right to receive a payment valued in relation to a unit that has a designated dollar value or the value of which is equal to the fair market value of one or more Common Shares, to the extent performance goals are achieved. The terms and conditions that the Administrator will determine include the length of the vesting and/or performance period, but any period of vesting applicable to restricted stock or restricted stock units that are not subject to a performance goal and that are granted to a participant other

than a non-employee director may not lapse more quickly than ratably over three years from the date of grant, subject to the Plan's provisions on accelerated vesting in specified circumstances.

Incentive Awards

The Administrator has the authority to grant annual and long-term incentive awards. An incentive award is the right to receive a cash payment to the extent performance goals are achieved. The Administrator will determine all of the terms and conditions of each incentive award, including the performance goals, the performance period, the potential amount payable and the timing of payment, provided that the Administrator must require that payment of all or any portion of the amount subject to the award is contingent on the achievement of one or more performance goals during the period the Administrator specifies, although the Administrator may specify that all or a portion of the goals are deemed achieved upon a participant's death, disability or (for awards not intended to qualify as performance-based compensation within the meaning of Code Section 162(m)) retirement, or such other circumstances as the Administrator may specify. For long-term incentive awards, the performance period must relate to a period of more than one fiscal year.

The Administrator has the authority to grant dividend equivalent units in connection with awards other than options, stock appreciation rights or other stock rights within the meaning of Code Section 409A. A dividend equivalent unit is the right to receive a payment, in cash or Common Shares, equal to the cash dividends or other distributions that we pay with respect to a Common Share. No dividend equivalent unit granted in tandem with another award may include vesting provisions more favorable to the participant than the vesting provisions, if any, to which the tandem award is subject, and no dividend equivalent unit may provide for payment of performance shares or performance units prior to their vesting.

Other Stock-Based Awards

The Administrator may grant to participants other types of awards that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, Common Shares, either alone or in addition to or in conjunction with other awards, and payable in shares or cash. Subject to the limits of the Plan, an award may include the issuance of unrestricted Common Shares, which may be awarded in payment of director fees, in lieu of cash compensation, in exchange for cancellation of a compensation right, as a bonus, or upon the attainment of performance goals or otherwise, or rights to acquire Common Shares. The Administrator will generally determine all terms and conditions of the award, except that any award that provides for purchase rights must be priced at 100% of fair market value on the date of the award.

Minimum Vesting and Performance Periods

Despite any provision of the Plan that requires a minimum vesting and/or performance period for an award, the Administrator, at the time an award is granted or any later date, may subject an award to a shorter vesting or performance period to take into account a participant's hire or promotion, or may accelerate or shorten the vesting or deem an award to be earned, in

whole or in part, in the event of a participant's death, disability, retirement, termination by the Company or an affiliate without cause or a change of control. However, once established, the Administrator shall have no discretion to increase the amount of compensation payable under an award that is intended to be performance-based compensation under Code Section 162(m), although the Administrator may decrease the amount of compensation participant may earn under such an award.

Performance Goals

For purposes of the Plan, performance goals means one or any combination of the following (in all cases after excluding items the Administrator determines will be excluded in fixing the performance goals):

Return on equity for the performance period for the Company on a consolidated basis; return on net assets for the performance period for the Company on a consolidated basis, for any one or more affiliates or divisions of the Company and/or for any other business unit or units of the Company as defined by the Administrator at the time of selection;

Earnings from operations for the performance period for the Company on a consolidated basis, for any one or more affiliates or divisions of the Company and/or for any other business unit or units of the Company as defined by the Administrator at the time of selection;

Pre-tax profits for the performance period for the Company on a consolidated basis, for any one or more affiliates or divisions of the Company and/or for any other business unit or units of the Company as defined by the Administrator at the time of selection;

Net earnings for the performance period for the Company on a consolidated basis, for any one or more affiliates or divisions of the Company and/or for any other business unit or units of the Company as defined by the Administrator at the time of selection.

Net earnings per share for the performance period for the Company on a consolidated basis.

Net cash provided by operating activities for the performance period for the Company on a consolidated basis, for any one or more affiliates or divisions of the Company and/or for any other business unit or units of the Company as defined by the Administrator at the time of selection.

Market price per Common Share for the performance period.

Total shareholder return for the performance period for the Company on a consolidated basis.

Number of branch openings for the performance period for the Company on a consolidated basis, for any one or more affiliates or divisions of the Company and/or for any other business unit or units of the

Company as defined by the Administrator at the time of selection.

Minimum charge-off (i.e., bad debt write-offs) for the performance period for the Company on a consolidated basis, for any one or more affiliates or divisions of the Company and/or for any other business unit or units of the Company as defined by the Administrator at the time of selection.