

## Disclosure of beginning to have substantial holding

*Section 276, Financial Markets Conduct Act 2013*

**To** NZX Limited (NZX)  
and  
**To** NZ Automotive Investments Limited (**NZAI**)

Date this disclosure made: 25 February 2021

Date on which substantial holding began: 25 February 2021

### **Substantial product holder(s) giving disclosure**

Full name(s): Eugene Williams and TLR Williams Trustee Company Limited (as trustees of the E & Co Trust) (together, the **Williams Trustees**)

### **Summary of substantial holding**

Class of quoted voting products: Ordinary shares in NZAI (NZX Code: NZA)

Summary for the Williams Trustees

For this disclosure,—

- (a) total number held in class: 32,418,250
- (b) total in class: 45,554,500
- (c) total percentage held in class: 71.164%

### **Details of relevant interests – 1**

Details for the Williams Trustees

Nature of relevant interest(s): The Williams Trustees are joint registered holders of 20,915,000 ordinary shares in NZAI. Eugene Williams is also a beneficial owner of those jointly held shares.

For that relevant interest,—

- (a) number held in class: 20,915,000
- (b) percentage held in class: 45.912%
- (c) current registered holder(s): Eugene Williams and TLR Williams Trustee Company Limited
- (d) registered holder(s) once transfers are registered: Not applicable

For a derivative relevant interest, also—

- (a) type of derivative: Not applicable
- (b) details of derivative: Not applicable

- (c) parties to the derivative: Not applicable
- (d) if the substantial product holder is not a party to the derivative, the nature of the relevant interest in the derivative: Not applicable

### **Details of relevant interests – 2**

Details for the Williams Trustees

Nature of relevant interest(s): The Williams Trustees entered into a Sale Process Deed dated 15 February 2021 with David (Yusuke) Sena and TLR (Sena) Trustee Service No.2 Limited as trustees of the Sena Family Trust (**Sena Trustees**) in respect of the potential sell down of the NZAI shares they respectively hold which are not subject to, or are to be released from, the escrow obligations referred to in section 3.4 of NZAI's listing profile dated 25 February 2021 (**Sale Process Deed**). Please also refer to NZAI's substantial product holder notice dated 25 February 2021. As a result, the Williams Trustees have a relevant interest in 55% of the shares held by the Sena Trustees (being 11,503,250 ordinary shares in NZAI). A copy of the Sale Process Deed, being the document under which this relevant interest arises, is **attached**.

For that relevant interest,—

- (a) number held in class: 11,503,250
- (b) percentage held in class: 25.252%
- (c) current registered holder(s): David (Yusuke) Sena and TLR (Sena) Trustee Service No.2 Limited
- (d) registered holder(s) once transfers are registered: Not applicable

For a derivative relevant interest, also—

- (a) type of derivative: Not applicable
- (b) details of derivative: Not applicable
- (c) parties to the derivative: Not applicable
- (d) if the substantial product holder is not a party to the derivative, the nature of the relevant interest in the derivative: Not applicable

### **Details of transactions and events giving rise to substantial holding**

Details of the transactions or other events requiring disclosure:

Relevant interest 1 – The Williams Trustees became substantial product holders in NZAI upon NZAI's ordinary shares being quoted on the NZX Main Board on 25 February 2021.

Relevant interest 2 – On 15 February 2021, the Sena Trustees and the Williams Trustees entered into the Sale Process Deed, which came into effect upon quotation of NZAI's ordinary shares on the NZX Main Board on 25 February 2021.

**Additional information**

Address(es) of substantial product holder(s): Level 4, 4 Graham Street, Auckland, 1010, New Zealand

Contact details: Eugene Williams | +64 0273831070 | eugene@2cheapcars.co.nz

Nature of connection between substantial product holders: The Williams Trustees are joint registered holders of ordinary shares in NZAI. Eugene Williams is also a beneficial owner of these jointly held shares.

Name of any other person believed to have given, or believed to be required to give, a disclosure under the Financial Markets Conduct Act 2013 in relation to the financial products to which this disclosure relates: Sena Trustees, Tracy Rowsell and NZAI

**Disclosure has effect for purposes of directors' and senior managers' disclosure**

Eugene Williams is also a director of NZAI. This disclosure also constitutes disclosure for the purposes of the directors' and senior managers' disclosure obligations.

**Certification**

I, Eugene Williams, certify that, to the best of my knowledge and belief, the information contained in this disclosure is correct and that I am duly authorised to make this disclosure by all persons for whom it is made.

## **SALE PROCESS DEED**

**Eugene Hamilton Williams and TLR Williams Trustee Company Limited as  
trustees of the E & Co Trust**

**Yusuke (David) Sena and TLR (Sena) Trustee Service No.2 Limited as trustees  
of the Sena Family Trust**

Relating to the sale of ordinary shares in NZ Automotive Investments Limited  
held by the named parties



## Parties

1. Eugene Hamilton Williams and TLR Williams Trustee Company Limited as trustees of the E & Co Trust
2. Yusuke (David) Sena and TLR (Sena) Trustee Service No.2 Limited as trustees of the Sena Family Trust

## Background

- A. NZ Automotive Investments Limited (**NZAI**) has applied to the NZX to list and have the Ordinary Shares quoted on the NZX Main Board.
- B. Each party is the registered holder of 20,915,000 Ordinary Shares.
- C. The parties have agreed that they will retain the legal and/or beneficial ownership of their aggregate Shares for the Restricted Periods in accordance with the terms set out in the Escrow Deed. In particular, under the Escrow Deed, subject to a few exceptions, the parties agreed that they will not dispose of their interests in the Shares until the first day after the date on which NZAI releases to NZX its results announcement in respect of the full year ended 31 March 2023.
- D. This deed records the parties' understanding as to how they propose to sell their Shares, which are not subject to, or are released from, the escrow obligations under the Escrow Deed during the Restricted Periods. In particular, during the First Restricted Period and the Second Restricted Period, it is intended that the parties sell sufficient amount of Shares to third parties such that NZAI obtains an appropriate spread of shareholders to ensure a sufficiently liquid market of its Ordinary Shares on the NZX Main Board.

## Terms

### 1. Definitions

- 1.1. **Defined Terms.** In this deed, the following initially capitalised terms shall have the meanings specified:

<b>Affiliate</b>	in relation to any person, means a person that directly or indirectly, through one or more intermediaries, owns or controls or is owned or controlled by or is under common ownership or control with the person and, in relation to a family trust, means any beneficiary (ascertained or discretionary) of that trust.
<b>Business Day</b>	a day on which the NZX Main Board is open for trading.
<b>Cut-off Date</b>	in respect of each Restricted Period, the last day on which Shares can be traded by the parties in that Restricted Period having regard to the restrictions on trading under NZAI's financial products trading policy (as waived or amended by NZAI's board from time to time).
<b>Date of Quotation</b>	the first day on which the Ordinary Shares are quoted on the NZX Main Board.
<b>Escrow Deed</b>	an escrow deed dated on or about the date of this deed, under which the parties undertake to NZAI and NZX Limited that they will not dispose of their Shares during the Restricted Periods, except as set

out in that deed.

<b>First Restricted Period</b>	the period from the Date of Quotation and ending on 31 March 2021.
<b>FMC Act</b>	Financial Markets Conduct Act 2013, as amended from time to time.
<b>NZX</b>	NZX Limited and includes its successors and assigns and as the context permits includes any duly authorised delegate of NZX.
<b>NZX Listing Rules</b>	the listing rules applying to the NZX Main Board in force from time to time.
<b>NZX Main Board</b>	the main board equity securities market operated by NZX.
<b>Ordinary Shares</b>	ordinary shares in NZAI.
<b>Released Shares</b>	the Shares which are not subject to, or are released from, the escrow obligation under the Escrow Deed.
<b>Respective Portion</b>	<p>(a) in respect of the First Restricted Period, an amount that is half of the Shares which are not subject to the escrow obligations under the Escrow Deed during that Restricted Period; and</p> <p>(b) in respect of each other Restricted Period, an amount that is half of the Released Shares released from the escrow obligation under the Escrow Deed as at the start of that Restricted Period.</p>
<b>Restricted Periods</b>	the First Restricted Period, Second Restricted Period and Third Restricted Period.
<b>Second Restricted Period</b>	the period from the first day following expiry of the First Restricted Period and ending on 31 March 2022.
<b>Shares</b>	all of the Ordinary Shares of which a party is the registered holder at the Date of Quotation.
<b>Third Restricted Period</b>	the period from the first day following expiry of the Second Restricted Period and ending on 31 March 2023.
<b>Takeovers Code</b>	the takeovers code approved under the Takeovers Regulations 2000.
<b>Unsold Shares</b>	in respect of each Restricted Period, the Shares comprising that portion of a party's Respective Portion that have not been sold by that party as at 10:00 a.m. on the third Business Day prior to and excluding the Cut-off Date for that Restricted Period.

1.2. **Interpretation.** In the interpretation of this deed, unless the context otherwise requires or specifically otherwise stated:

- 1.2.1 reference to a statute or a provision of a statute includes all statutes amending, consolidating or replacing the statute or provision referred to and includes all subsidiary or delegated legislation;
- 1.2.2 references to a document or agreement (including a reference to this deed) includes it as varied, supplemented, novated or replaced, except to the extent prohibited by this deed or that other agreement or document;

- 1.2.3 references to dates and times are to New Zealand dates and times;
  - 1.2.4 section, clause and other headings are for ease of reference only and do not form any part of the context or affect this deed's interpretation;
  - 1.2.5 including and similar words do not imply any limitation;
  - 1.2.6 every right, power and remedy of a party remains unrestricted and may be exercised without prejudice to each other at any time; and
  - 1.2.7 any term of this deed which binds more than one party binds the relevant parties severally and not jointly.
2. **Conditional on listing**
- 2.1. **Condition.** This deed will be void and of no effect if NZAI is not listed, and the Ordinary Shares are not quoted, on the NZX Main Board before [31 March 2021].
  - 2.2. **De-listing.** This deed will be void and of no effect if NZAI is de-listed from the NZX Main Board.
3. **Sale during the Restricted Periods**
- 3.1. **Sale amount.** Each of the parties agrees and undertakes to each other that, during the Restricted Periods, they will not sell more than half of the Released Shares, unless:
    - 3.1.1 clauses 3.2 and 3.3 apply and to the extent permitted in those clauses; or
    - 3.1.2 otherwise agreed between the parties in writing.
  - 3.2. **Sale Notice.** If by 10.00 a.m. on the third Business Day prior to (and excluding) the Cut-off Date for a Restricted Period one party (**Non-Selling Party**) has not sold all of its Respective Portion for that Restricted Period, the other party (**Selling Party**) may deliver a written notice (**Sale Notice**) to the Non-Selling Party stating that the Selling Party wishes to sell a further portion of the Selling Party's own Shares (**Seller Sale Shares**), the number of which Seller Sale Shares will be stated in the Sale Notice and will be equal in number to or part or all of the Non-Selling Party's Unsold Shares. The Non-Selling Party has until 4.00 p.m. on the Business Day immediately following the date of its receipt of the Sale Notice (**Response Deadline**) to respond to the Sale Notice by written notice (**Response Notice**) to the Selling Party, indicating whether the Non-Selling Party:
    - 3.2.1 agrees to the sale by the Selling Party of its Seller Sale Shares; or
    - 3.2.2 does not agree to the sale by the Selling Party of its Seller Sale Shares on the basis that it will instead sell such number of its own Shares (**Non-Seller Sale Shares**) that is equal to or exceeds the number of Seller Sale Shares stipulated in the Sale Notice.
  - 3.3. **Response Notice.** Upon receipt of:
    - 3.3.1 a Response Notice pursuant to clause 3.2.1 or where it has received no Response Notice from the Non-Selling Party by the Response Deadline, the Selling Party shall be free to sell its Seller Sale Shares prior to 4.00 p.m. on the Cut-off Date; or
    - 3.3.2 a Response Notice pursuant to clause 3.2.2, the Selling Party may not sell any Seller Sale Shares and the Non-Selling Party must sell its Non-Seller Sale Shares prior to 4.00 p.m. on the Cut-off Date.
  - 3.4. **Keep each other informed.** To the extent permitted by law, the parties agree that they will keep each other informed at all times as to their respective sell-down plans during the Restricted Periods, including:

- 3.4.1 the outcome of consulting with, or any opinions or recommendations from, any professional adviser(s) in relation to the sale of the Shares by either or both of the parties during the Restricted Periods;
- 3.4.2 the brokerage that they propose to use to sell the Shares; and
- 3.4.3 any sell order(s) that they make with such brokerage, with as much notice as practicably possible to the other.

The purpose of keeping each other informed of their sell-down plans is to ensure an orderly sale process of the Shares, without undermining or depressing the price of the Shares.

- 3.5. **Other restrictions.** The right of a party to deal with Shares is also subject to any other restrictions which may be applicable, including under NZAI's financial products trading policy, the Escrow Deed, the NZX Listing Rules and the FMC Act.

#### 4. **Exceptions**

- 4.1. **Exceptions.** Notwithstanding the restrictions set out in clause 3.1 of this deed, a party (the **Transferring Party**) may transfer all or part of its Shares (including the Released Shares) to an Affiliate or Affiliates, provided that the Affiliate(s) must enter into a replacement deed with the party that is not the Transferring Party in relation to the Released Shares transferred on the same terms as this deed for the remainder of the Restricted Periods (with such deed to also require and permit such person to transfer the applicable part of the Shares (including the Released Shares) back to the Transferring Party if it ceases to be an Affiliate of the Transferring Party).
- 4.2. **Takeovers.** Clause 3.1 of this deed will not apply in relation to any full or partial takeover offer made under the Takeovers Code or similar scheme or arrangement, provided that any such takeover offer or similar scheme or arrangement is not made, whether directly or indirectly, by the relevant party or an Affiliate of it. For clarity, if a full or partial takeover offer is made or proposed to be made during the Restricted Periods, directly or indirectly by a person who is not the party or an Affiliate of it, then that party may sell, or agree, or offer to sell all or any part of its Shares (including the Released Shares) to the offeror under that offer.

#### 5. **Notices**

- 5.1. **Address for Notices.** Every notice under this deed shall be in writing and deemed validly given if delivered personally by hand or sent by email to the email address below or to such other email address as the addressee may designate by notice in writing to the other party:

<b>Eugene Hamilton Williams and TLR Williams Trustee Company Limited as trustees of the E &amp; Co Trust</b>	Email: Eugene@2cheapcars.co.nz/Tracy.rowsell@bdo.co.nz
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<b>Yusuke (David) Sena and TLR (Sena) Trustee Service No.2 Limited as trustees of the Sena Family Trust</b>	Email: David@2cheapcars.co.nz/Tracy.rowsell@bdo.co.nz
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- 5.2. **Receipt.** Every notice sent pursuant to this deed shall be deemed to have been received:

- 5.2.1 in the case of personal delivery by hand, at the time of delivery;
- 5.2.2 in the case of email, on the earlier of:
  - (a) when the sender receives an automated message from the email system of the intended recipient confirming delivery; and




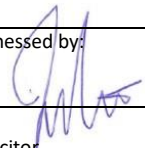
- (b) three hours after the time the email is sent (as recorded on the device from which the sender sent the email) unless the sender receives, within that three hour period, an automated message that the email has not been delivered.

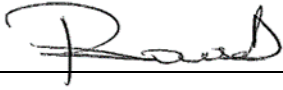
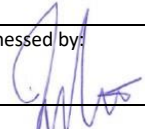
Notwithstanding any provision in this clause, any notice given after 5.00 p.m., or on a day which is not a Business Day, shall be deemed to be given at 9.00 a.m. on the next Business Day.



**6. General**

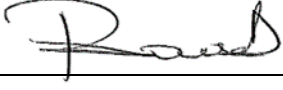
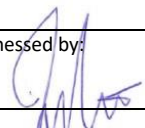
- 6.1. **No waiver.** No failure to exercise and no delay in exercising any right under this deed shall operate as a waiver of that right nor shall any single or partial exercise of any right preclude any further or other exercise of that right or any other right. No waiver is effective unless it is in writing.
- 6.2. **Partial invalidity.** If any provision of this deed is invalid, void or unenforceable at law, such provision shall:
  - 6.2.1 be severable,
  - 6.2.2 be deemed to be deleted from this deed; and
  - 6.2.3 not affect the validity, existence, legality or enforceability of the remaining provisions, but only if the severance does not materially affect the purpose of, or frustrate, this deed.
- 6.3. **Amendment or termination.** Any variation to, or termination of, this deed requires the written agreement of all parties to this deed.
- 6.4. **Governing law.** This deed is governed by, and shall be construed in accordance with, New Zealand law and the parties agree to submit to the jurisdiction of the New Zealand courts.
- 6.5. **Equitable relief.** Each party acknowledges that damages alone would be an inadequate remedy for breach of its obligations under this deed and the appropriate remedies for such a breach will include an order for specific performance, injunctive relief, any other equitable relief and/or damages.
- 6.6. **Independent legal advice.** The parties acknowledge that they have had the opportunity to obtain independent legal advice with respect to this deed.
- 6.7. **Counterparts.** This deed may be signed in two or more counterparts (by electronic means or otherwise), with each counterpart taken to be an original and all counterparts taken together constituting due execution of this deed by the parties.

**Executed** by the parties and dated: 15 February 2021

<b>SIGNED by Eugene Hamilton Williams as trustee of the E &amp; Co Trust:</b>			
Signature:			
Whose signature was witnessed by:			
Signature:		Name:	Cheol Je (Joshua) Woo
Occupation:	Solicitor	Address:	Auckland

<b>SIGNED by TLR Williams Trustee Company Limited by its sole director, as trustee of the E &amp; Co Trust:</b>			
Signature:		Name:	Tracy Leanne Rowsell (Director)
Whose signature was witnessed by:			
Signature:		Name:	Cheol Je (Joshua) Woo
Occupation:	Solicitor	Address:	Auckland

<b>SIGNED by Yusuke (David) Sena as trustee of the Sena Family Trust:</b>			
Signature:			
Whose signature was witnessed by:			
Signature:		Name:	Cheol Je (Joshua) Woo
Occupation:	Solicitor	Address:	Auckland

<b>SIGNED by TLR (Sena) Trustee Service No.2 Limited by its sole director, as trustee of the Sena Family Trust:</b>			
Signature:		Name:	Tracy Leanne Rowsell (Director)
Whose signature was witnessed by:			
Signature:		Name:	Cheol Je (Joshua) Woo
Occupation:	Solicitor	Address:	Auckland