

15 August 2018

**EXISTING CONVERTIBLE BONDS TO REDEEM OR CONVERT ON MONDAY 1 OCTOBER 2018 AT  
HOLDER ELECTION  
AND NEW BOND OFFER CONSIDERED**

We are writing to you as a holder of interest bearing secured convertible bonds (NZX: TRAHB) (*Existing Convertible Bonds*) issued by Turners Automotive Group Limited (then known as Turners Limited). As the scheduled maturity date is a Sunday, the Existing Convertible Bonds redemption or conversion will occur on the following business day, Monday, 1 October 2018.

- You have the option to convert your Existing Convertible Bonds at maturity into fully paid shares in Turners, by giving notice by 5.00 pm on 30 August 2018 as set out below.
- If you do not elect to convert your Existing Convertible Bonds, they will instead be redeemed (and the principal amount repaid, in accordance with their terms) at maturity.
- Turners is also considering making a new offer of 3 year secured subordinated fixed rate bonds (*New Bonds*), to replace the Existing Convertible Bonds. The New Bonds are expected to be offered to Existing Convertible Bondholders on the basis set out below.

A form of conversion notice for the Existing Convertible Bonds is included with this letter. Further details are set out below. **If you would like to convert your Existing Convertible Bonds, you must return a completed conversion notice in time to be received by Computershare by 5.00pm on 30 August 2018.**

Turners is considering making a new offer of up to \$25 million of New Bonds, with the ability to accept up to \$5 million oversubscriptions at Turners' discretion, to replace the Existing Convertible Bonds.

The interest rate for the New Bonds is expected to be set at 5.5% per annum. The New Bonds will not have a conversion feature.

The New Bonds are expected to be offered to Existing Convertible Bondholders and to other investors who are New Zealand residents.

In the event of any scaling of applications, Turners intends to give preference to Existing Convertible Bondholders who are New Zealand resident and who have not elected to convert their Existing Convertible Bonds. Turners intend to allow such holders to request that Turners apply some or all of the redemption proceeds from their Existing Convertible Bonds to subscribe for New Bonds.

Investors can register their interest in the new offer by contacting Turners or their financial advisor. Indications of interest will not constitute an obligation or commitment of any kind.

No money is currently being sought and applications for the New Bonds cannot currently be made. If Turners offers the New Bonds, the offer will be made in accordance with the Financial Markets Conduct Act 2013.

**Further details and instructions for conversion of Existing Convertible Bonds**

The conversion of an Existing Convertible Bond will occur on the basis of the following formula:

$$\text{Number of Shares} = \frac{\text{Principal Amount}}{\text{Conversion Amount}}$$

The Conversion Amount for each Existing Convertible Bond is the lesser of:

- (a) \$3.75; and
- (b) a 5% discount to the average daily volume weighted price of the Shares in the 90 days prior to the maturity date as determined by an independent adviser appointed by Turners.

Existing Convertible Bonds that are not converted by the holder are scheduled to be redeemed on Monday 1 October 2018 (being the business day immediately following the scheduled maturity date, which is a Sunday).

Holders who wish to convert their Existing Convertible Bonds should complete the conversion notice included with this letter and return it to the office of the registrar, Computershare, or alternatively to a Primary Market Participant or approved financial intermediary. Completed conversion notices must be returned in time to be received by Computershare by 5.00pm on 30 August 2018.

If you are in any doubt as to whether conversion is desirable, you should seek advice from an NZX Advisor or other financial adviser.

Yours sincerely

**Todd Hunter**  
Chief Executive Officer  
Turners Automotive Group Limited

Turners Automotive Group Limited  
**CONVERSION NOTICE**

**Please complete this form using BLOCK CAPITAL LETTERS**

This notice (*Conversion Notice*) is for use by holders of Turners interest bearing secured convertible bonds which have a scheduled maturity date of 30 September 2018 (*Bonds*), who wish to Convert some or all of their holding of Bonds into fully paid shares in Turners (*Shares*). As the scheduled maturity date is a Sunday, Conversion will occur on Monday, 1 October 2018.

Capitalised words used in this Conversion Notice have the same meaning given to them in the product disclosure statement for the offer of the Bonds dated 22 August 2016.

Bondholders who wish to Convert their Bonds need to return a completed Conversion Notice to the office of the Registrar, Computershare Investor Services Limited (*Computershare*), or alternatively to a Primary Market Participant or approved financial intermediary. **Conversion Notices must be returned in time to be received by the Registrar by 5.00pm on 30 August 2018.**

**A. Bondholder details and information**

<b>Holder #1:</b>	Title	First name(s)	Surname
<b>Joint holder #2:</b>	Title	First name(s)	Surname
<b>Joint holder #3:</b>	Title	First name(s)	Surname
<b>Company / Trust / Account Designation (if applicable):</b>			
<b>Postal Address:</b>			
<b>Email Address:</b>			

☐ Tick this box and ensure your email address is entered above if you would like to receive communications from Turners in future by electronic means (rather than by mail).

<b>Principal Amount of Bonds held:</b>	\$
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**Common Shareholder Number (CSN):**

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A CSN is a nine digit number commencing with 31, 32 or 33. The registered Bondholder name(s) for the CSN must match the name(s) on this Conversion Notice.

**B. Election to Convert**

You may elect to Convert some or all of your holding of Bonds. An election to Convert some only of your holding of Bonds must be made in an integral multiple of \$1,000. Any Bonds which you do not Convert will be redeemed in accordance with their terms.

You may choose only ONE of the payment options below, please tick the box next to your selected option (✓)

<input type="checkbox"/>	<b>Option 1:</b>	<b>Convert all Bonds held:</b> I/we irrevocably instruct Turners to Convert all of our holding of Bonds on the Maturity Date.
<input type="checkbox"/>	<b>Option 2:</b>	<b>Convert some only of Bonds held:</b> I/we irrevocably instruct Turners to Convert the following Principal Amount of Bonds on the Maturity Date:
		\$ (must be an integral multiple of \$1,000)

**C. Share and dividend payment details**

Shares issued on Conversion will be registered in the name(s) of the registered Bondholders.

You may receive dividends from Turners in the future. Dividends will be paid to the same account nominated for Bond interest payments unless you indicate otherwise.

Payments will only be made by direct credit or credit to a cash management account.

You may choose only ONE of the payment options below, please tick the box next to your selected option (✓)

<input type="checkbox"/>	<b>Option 1:</b>	<b>Pay dividends to the same New Zealand bank account or cash management account nominated for the Bonds</b>																																							
<input type="checkbox"/>	<b>Option 2:</b>	<b>Payment to another nominated New Zealand bank account</b>																																							
Pay by direct credit to the following account																																									
<table><tr><td>Bank</td><td colspan="3">Address</td></tr><tr><td>Account:</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td>Bank</td><td>Branch</td><td colspan="10">Account No.</td><td colspan="4">Suffix</td></tr></table>			Bank	Address			Account:																			Bank	Branch	Account No.										Suffix			
Bank	Address																																								
Account:																																									
	Bank	Branch	Account No.										Suffix																												
<input type="checkbox"/>	<b>Option 3:</b>	<b>Payment to another cash management account with my broker</b>																																							
Pay by direct credit to my cash management account																																									
<table><tr><td>Broker</td><td>Cash management account number</td></tr></table>			Broker	Cash management account number																																					
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#### D. IRD number

Current IRD number

Resident withholding tax (RWT) will be deducted from any dividends on the Shares paid unless you provide a valid RWT exemption certificate.

☐ Exempt – please tick this box if you hold an RWT exemption certificate from Inland Revenue and attach a copy of the Certificate of Exemption.

#### E. Declaration and signature

I/We hereby irrevocably elect to Convert Bonds as set out above. I/We agree to be bound by the terms and conditions of this Conversion Notice.

I/We declare that all details and statements made by me/us in this Conversion Notice are complete and accurate. I/We certify that, where information is provided by me/us in this form about another person, I am/we are authorised by such person to disclose the information to you.

I/We acknowledge that a Conversion Notice cannot be withdrawn or revoked once it has been submitted. **Please read the whole of this Conversion Notice before signing. This Conversion Notice will be void unless properly completed.**

Signature	Holder/director #1	Date	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
		> Day	> Month	> Year		
Signature	Joint holder/director #2	Date	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
		> Day	> Month	> Year		
Signature	Joint holder/director #3	Date	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
		> Day	> Month	> Year		

#### Certificate of non-revocation of power of attorney (only complete this section if you are acting as attorney of the Holder)

I	Name	of	Address
Occupation	certify		
1.	That by deed dated the	Day	day of Month/Year
Name of person for whom attorney is signing			
appointed me his / her / its attorney on the terms and conditions set out in that deed.			
2. That I have executed this Conversion Notice as attorney under that appointment and pursuant to the powers thereby conferred upon me.			
3. That I have not received notice of any event revoking the power of attorney.			
Signed at	Location	this	Day day of Month 2018
Signature of attorney			

\*A copy of the relevant power of attorney document must accompany this form unless already held by Computershare.

INFORMATION: Any personal information provided by Holders Converting Bonds will be held by Turners or the Registrar at their registered addresses or such other place as is notified. This information will be used for the purposes of managing your investment in Turners. Under the Privacy Act 1993, you have the right to access and correct any personal information held about you.