



NZX Regulation Decision

Turners Automotive Group Limited (“TRA”)
Application for a ruling on NZX Debt Market
Listing Rule 1.6.1

27 August 2018



Ruling on Rule 1.6.1

Decision

1. Subject to the condition in paragraph 2 below, and on the basis that the information provided by TRA is complete and accurate in all material respects, NZXR rules that for the purpose of the TRA100s, the definition of Minimum Holding in Rule 1.6.1 shall be a holding with \$1,000 principal amount.
2. The Ruling in paragraph 1 above is provided on the condition that TRA clearly and prominently discloses this Ruling in the PDS for the TRA100s.
3. The material information on which these decisions are based is set out in Appendix One. This Ruling will not apply if that information is not, or ceases to be, full and accurate in all material respects.
4. The Rules to which this decision relates are set out in Appendix Two.
5. Capitalised terms that are not defined in this decision have the meanings given to them in the Rules.

Reasons

6. In coming to the decision to provide the Ruling set out in paragraph 1 above, NZXR has considered that:
 - a. the policy rationale behind the definition of Minimum Holding is to set a practical minimum holding amount that provides marketable parcels and reduces unnecessary administration costs;
 - b. TRA has submitted, and NZXR has no reason not to accept, that given the Exchange Offer, and the potential for holders of TRAHBs to convert a portion and exchange the remainder of their holding, some investors may not be able to participate in the Offer if the Minimum Holding is not reduced to \$1,000; and
 - c. this Ruling will not disadvantage holders of TRA100s, as:
 - i. the Minimum Holding provisions in the Rules provide a compliance benefit to the Issuer, as such, any reduction would see TRA forego that benefit with no corresponding impact on security holders; and
 - ii. it will not result in the holding of unmarketable parcels of TRA100s as Debt Securities typically trade in parcels of \$1,000.

Confidentiality

7. TRA has requested that this application, and any decision made in relation to it, be kept confidential until the PDS has been released to the market.
8. In accordance with Footnote 1 to Rule 1.10.2, NZXR grants TRA's request.



Appendix One

1. Turners Automotive Group Limited (**TRA**) is a Listed Issuer with Equity Securities Quoted on the NZX Main Board and Convertible Debt Securities (**TRAHBs**) Quoted on the NZX Debt Market (**Debt Market**). The TRAHBs have a scheduled maturity date of 30 September 2018.
2. TRA intends to make an offer of up to \$25 million (with an option to accept up to \$5 million of oversubscriptions at TRA's discretion) of secured subordinated fixed rate bonds (**TRA100s**) to be Quoted on the Debt Market (**Offer**). The Offer will include an exchange offer component, under which holders of TRAHBs can apply to exchange TRAHBs that they have not elected to convert, for TRA100s (**Exchange Offer**).
3. The Offer will open on or about 28 August 2018 and close on or about 24 September 2018. TRA intends to allot the TRA100s on or about 1 October 2018, and to Quote the TRA100s on the Debt Market on or about 2 October 2018 (**Quotation Date**).
4. The TRA100s will mature on or about 30 September 2021.
5. TRA will release a product disclosure statement (**PDS**) on or prior to the date the Offer opens, setting out the terms of the TRA100s.
6. NZX Debt Market Rule (**Rule**) 1.6.1 and Appendix 2 to the Rules, define the Minimum Holding for Debt Securities as a holding of \$5,000 principal amount. TRA has sought a Ruling from NZX Regulation (**NZXR**) that the Minimum Holding for the TRA100s is reduced to a holding of \$1,000 principal amount.



Appendix Two

NZX Debt Market Listing Rule 1.6.1

Minimum Holding means a parcel or number of Securities as set out in Appendix 2.

Appendix 2 to the NZX Debt Market Listing Rules

Minimum Holdings at any time shall, unless otherwise determined by NZX, be as follows:

[...]

- (c) In relation to Debt Securities, a holding with \$5,000 principal amount.

