

Disclosure of change in nature of relevant interest

Section 278, Financial Markets Conduct Act 2013

To NZX Limited
and
To Methven Limited

Relevant event being disclosed: Assignment of power to control the disposal of Shares and commitment to vote Ordinary Shares in favour of a scheme of arrangement under Part 15 of the Companies Act 1993.

Date of Relevant Event: 14 December 2018

Date this disclosure made: 17 December 2018

Date last disclosure made: 4 September 2018

Substantial product holder(s) giving disclosure

Full name(s): Brendan Jon Lindsay, Jeffrey John Parsonson, Wayne Derek Anderson and Simon Middleton Palmer (as trustees of the Lindsay Investment Trust)

Summary of substantial holding

Class of quoted voting products: Methven Limited Ordinary Shares – security code MVN

Summary for Lindsay Investment Trust

For this disclosure,—

- (a) total number held in class: 14,617,976
- (b) total in class: 73,482,816
- (c) total percentage held in class: 19.89%

For last disclosure,—

- (a) total number held in class: 14,617,976
- (b) total in class: 73,482,816
- (c) total percentage held in class: 19.89%

Details of transactions and events giving rise to relevant event:

On 14 December 2018, Lindsay Investment Trust entered into a voting commitment deed with GWA Group Limited (GWA) in relation to 14,617,976 Shares in connection with the proposed acquisition by GWA of all of the shares in Methven by way of a scheme of arrangement under Part 15 of the Companies Act 1993 for not less than \$1.60 per share (Scheme). Under the voting commitment deed, Lindsay Investment Trust has agreed that until the termination of the scheme of arrangement it will procure that the legal holder not sell Shares other than to GWA and to procure that the legal holder vote all the shares in Methven held or controlled by Lindsay Investment Trust as at 14 December 2018

in favour of any resolution put to the shareholders of Methven to approve or otherwise facilitate the Scheme and to vote against any resolution put to the shareholders of Methven to approve or otherwise facilitate any transaction that would be inconsistent with the Scheme. **The relevant document is attached (8 pages).**

Details after relevant event:

Details for Lindsay Investment Trust

Nature of relevant interest: Beneficial owner of the Shares, as qualified by the voting commitment deed referred to above.

For that relevant interest:

- (a) total number held in class: 14,617,976
- (b) total in class: 73,482,816
- (c) total percentage held in class: 19.89%
- (d) registered holder: Forsyth Barr Custodians Limited
- (e) beneficial owner: Lindsay Investment Trust

Additional information

Address of substantial product holders: Lindsay Investment Trust. PO Box 91-391, Victoria Street West, Auckland 1142

Contact details: Simon Palmer. +64 21 797 836. smp@lindsayinvestments.com

Nature of connection between substantial product holders: The substantial product holders are the Trustees of the Lindsay Investment Trust

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: GWA Group Limited

Certification

I, **Simon Middleton Palmer** 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.

VOTING COMMITMENT
STRICTLY CONFIDENTIAL
(SUBJECT TO CLAUSE 4)

DEED DATED 14 December 2018

PARTIES

1. **GWA Group Limited (the Bidder)**
2. Brendan Jon Lindsay, Jeffrey John Parsonson, Wayne Derek Anderson and Simon Middleton Palmer, as trustees of the **Lindsay Investment Trust (the Shareholder)**

BACKGROUND

- A. The Shareholder is the holder or controller of ordinary shares in Methven Limited (the **Target**) that are subject to a proposed scheme of arrangement by which the Bidder (or a wholly owned subsidiary of Bidder) would acquire all of the ordinary shares in the Target.
- B. This deed sets out the terms and conditions on which the Shareholder has agreed to vote in favour of the proposed scheme of arrangement.

THIS DEED RECORDS THAT:

1. **DEFINITIONS AND INTERPRETATION**

Definitions: In this deed, unless the context indicates otherwise:

Scheme means a scheme of arrangement under Part 15 of the Companies Act 1993 by which the Bidder (or a wholly owned subsidiary of Bidder) would acquire all of the Target Shares for cash consideration of no less than NZ\$1.60 per Target Share and having terms which permit Target to pay, without a reduction in the offer price, a dividend in connection with the announcement of its FY19 half results of not more than five cents per Target Share payable out of FY19 profits;

Scheme Implementation Agreement means an agreement between the Bidder and the Target dated on or about the date of this deed relating to implementation of the Scheme in the form provided to the Shareholder;

Scheme Meeting means any meeting of Target shareholders for the purposes of section 236A(2)(a) of the Companies Act 1993 ordered by the High Court of New Zealand to be convened under section 236(2)(b) of the Companies Act 1993 (and includes any adjourned meeting);

Specified Shares means those Target Shares held or controlled by the Shareholder as at the date of this deed, being 14,617,976 Target Shares which represent 19.89% of the Target Shares;



Superior Proposal has the meaning given to it in the Scheme Implementation Agreement; and

Target Share means a fully paid ordinary share in the Target.

2. VOTING THE SPECIFIED SHARES

2.1 Number of Target Shares: The Shareholder acknowledges that it holds or controls the Specified Shares and that the Specified Shares are subject to the Scheme.

2.2 Commitment to Vote:

(a) Until this deed is terminated in accordance with clause 6.3, the Shareholder will procure that the legal holder of the Specified Shares will vote, or will appoint the chairman of the Target as its proxy and direct the chairman to vote, all of the Specified Shares in favour of any resolution to be put to the Target shareholders at the Scheme Meeting to approve or otherwise facilitate the Scheme (or any resolution put to a subsequent meeting of Target shareholders to approve or otherwise facilitate an alternative increased proposal from the Bidder (or a wholly owned subsidiary of Bidder)).

(b) If at any time after the Scheme Implementation Agreement has been entered into but before the circumstances set out in clauses 12.9(a) and (b) of the Scheme Implementation Agreement apply, there is a Target shareholder vote in relation to any transaction (including any competing scheme of arrangement under Part 15 of the Companies Act or any asset sale) the implementation of which would be inconsistent with the Scheme, then the Shareholder will vote, or will procure that the chairman of the Target is appointed as proxy and that the chairman is directed to vote, all of the Specified Shares against that transaction (and any other resolution to implement or facilitate that transaction) at any meeting of Target shareholders (including any adjourned meeting).

2.3 No Dealing: The Shareholder will not, and will procure that the legal holder of the Specified Shares will not, before the termination of this deed do, or agree to do, directly or indirectly, any of the following:

(a) sell, transfer, grant or permit any encumbrance (including a charge, mortgage, security interest, lien, option, right of pre-emption, first right of refusal or other adverse interest of any nature) over, or otherwise dispose of, any interest in, or control over, any of the Specified Shares (or agree to do any of the foregoing);

(b) invite, solicit, encourage, initiate or otherwise facilitate any person other than the Bidder (or a wholly owned subsidiary of Bidder) to acquire any interest in, or control over, any of the Specified Shares; or

(c) except as required by clause 2.2 above, fetter its right to vote any of the Specified Shares.



2.4 Permitted Dealings: Clause 2.3 does not prevent:

- (a) the Shareholder from voting in favour of the Scheme;
- (b) the Shareholder from transferring the Specified Shares to the Bidder (or a wholly owned subsidiary of Bidder) on the Scheme becoming effective; or
- (c) any act, matter or thing undertaken by the Shareholder with the Bidder's prior written approval.

3. ACKNOWLEDGEMENTS

3.1 Shareholder Acknowledgments: The Shareholder acknowledges that:

- (a) the Bidder and the Target may refer to the covenants given by the Shareholder under this deed, including in any scheme booklet prepared by the Target to be sent to Target shareholders in connection with a Scheme Meeting, so long as any such reference also mentions the Bidder's acknowledgments given in clause 3.2); and
- (b) the execution of this deed will give the Bidder a relevant interest (as defined in the Financial Markets Conduct Act) in the Specified Shares, which the Bidder is required to immediately disclose that relevant interest, and a copy of this deed.

3.2 Bidder Acknowledgments: The Bidder warrants to the Shareholder that the Scheme Implementation Agreement contains the following provision:

"The Bidder represents to the Target (for itself and on behalf of each Shareholder) that Bidder will continue to support the design, innovation and manufacturing base for the Target's taps and showers business in New Zealand. This support will involve ensuring that the Target's taps and showers business in Auckland, New Zealand remains an innovation and research & development centre for the Bidder's overall business and that, as a consequence, jobs relating to these functions are retained in New Zealand."

4. CONFIDENTIALITY

The Shareholder will keep this deed and its terms confidential until the Bidder lodges a substantial product holder notice in relation to the Specified Shares, or the Bidder or the Target otherwise announces the existence of this deed and its terms to the main board financial market operated by NZX Limited, to the ASX and/or in the Scheme materials, whichever is earlier.

5. WARRANTIES

5.1 Power to Enter Into Deed: Each party warrants and represents to the other that it has the legal right, authority and full power to enter into this deed and to perform its obligations under it and has taken all necessary corporate and other action to authorise this deed's execution, delivery and performance.

5.2 Binding Obligation: Each party warrants and represents to the other that this deed constitutes valid and binding obligations enforceable against that party in accordance with its terms.



6. GENERAL

6.1 Costs: Each party will bear its own costs and expenses in connection with the negotiation, preparation and implementation of this deed.

6.2 Entire Agreement: This deed records the entire agreement and understanding between the parties relating to the matters dealt with in this deed. This deed supersedes all previous agreements or understandings (whether written, oral or both) between the parties relating to such matters. The parties acknowledge that:

- (a) this deed has been concluded on commercial, arms' length terms;
- (b) they are not acting jointly or in concert;
- (c) other than as set out in this deed, there are no ongoing covenants between the parties; and
- (d) the legal relationship between the parties will cease on the implementation of the Scheme.

6.3 Termination:

- (a) This deed will automatically terminate (without prejudice to either party's rights and remedies in respect of any breach by the other party occurring before such termination) if:
 - (i) the Scheme becomes effective; or
 - (ii) the Scheme Implementation Agreement is terminated in accordance with its terms.
- (b) Shareholder may terminate this deed by notice to the Bidder if the Target receives a Superior Proposal and the circumstances set out in clauses 12.9(a) and (b) of the Scheme Implementation Agreement apply (those clauses relating to the Bidder deciding not to match a Superior Proposal).
- (c) Bidder may terminate this deed at any time by written notice to the Shareholder.
- (d) If this deed is terminated under clause 6.3(a), 6.3(b) or 6.3(c):
 - (i) except for this 6.3(d), this deed has no further force and effect; and
 - (ii) the parties will otherwise be released from their obligations under this deed and no party will have any claim against any other party arising under or in connection with such termination except any breach occurring before termination.

6.4 Compliance with applicable law: Nothing in this deed requires any party to do any act, matter or thing in contravention of the Takeovers Code, the Overseas Investment Act 2005, the Financial Markets Conduct Act 2013 or the Companies Act 1993.

6.5 Counterparts: This deed may be signed in any number of counterpart copies which, read together, will constitute one and the same document. Any party may enter into this deed by signing any such counterpart.



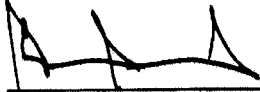
- 6.6 Trustee Liability:** To the extent to which any person enters into this deed in his or her capacity as a professional trustee of any trust and has no other interest in the assets of the trust, the liability of that person is limited to the assets for the time being of that trust. This clause does not limit that person's liability in case of any fraud or wilful breach of their obligations under the terms of the relevant trust or this deed.
- 6.7 Unconditionally Bound:** The Shareholder acknowledges its intention to be immediately and unconditionally bound by the provisions of this deed.
- 6.8 Variation and waiver:**
- (a) This deed may only be varied in writing signed by the parties.
 - (b) No waiver of any breach, or failure to enforce any provision, of this deed at any time by either party will in any way affect, limit or waive that party's right thereafter to enforce and compel strict compliance with the provisions of this deed.
- 6.9 Severability:** If any part of this deed is held by any court or administrative body of competent jurisdiction to be illegal, void or unenforceable such determination will not impair the enforceability of the remaining parts of this deed, which will remain in full force, and such provision will be deemed to be modified to the extent necessary to render it legal, valid and enforceable.
- 6.10 Governing Law and Jurisdiction:** This deed is governed by the laws of New Zealand. The parties submit to the exclusive jurisdiction of the New Zealand courts in respect of all matters relating to this deed.

[Signatures follow]



EXECUTED AND DELIVERED AS A DEED

SIGNED on behalf of **GWA Group Limited**
by:



Signature of director



Name of director



Signature of director



Name of director

SIGNED by the trustees of the **LINDSAY INVESTMENT TRUST** by:

BRENDAN JON LINDSAY
(trustee)

JEFFREY JOHN PARSONSON
(trustee)

WAYNE DEREK ANDERSON (trustee)
In the presence of:
Witness:*

SIMON MIDDLETON PALMER (trustee)

Signature of witness

Full name of witness

Occupation of witness

Address of witness

**The witness must not be a party to this deed.*

EXECUTED AND DELIVERED AS A DEED

SIGNED on behalf of **GWA Group Limited**
by:

Signature of director

Signature of director

Name of director

Name of director

SIGNED by the trustees of the **LINDSAY INVESTMENT TRUST** by:



BRENDAN JON LINDSAY *by his attorney*
(trustee)



JEFFREY JOHN PARSONSON *by his attorney*
(trustee)



WAYNE DEREK ANDERSON (trustee)
In the presence of: *by his attorney*
Witness:*



SIMON MIDDLETON PALMER (trustee)



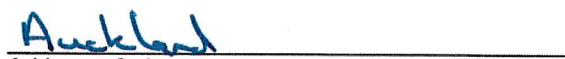
Signature of witness



Full name of witness



Occupation of witness



Address of witness

**The witness must not be a party to this deed.*

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

I, SIMON MIDDLETON PALMER of Auckland, Solicitor certify:

1. By deed dated 28 March 2006 BRENDAN JON LINDSAY appointed me his Attorney.
2. That I have not received notice of any event revoking the power of attorney.

SIGNED at Auckland this 14th December 2018



SIMON MIDDLETON PALMER

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

I, SIMON MIDDLETON PALMER of Auckland, Solicitor certify:

1. By Deed dated 22 September 2009 JEFFREY JOHN PARSONSON appointed me his Attorney.
2. That I have not received notice of any event revoking the power of attorney.

SIGNED at Auckland this 14th December 2018



SIMON MIDDLETON PALMER

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

I, SIMON MIDDLETON PALMER, of Auckland Solicitor certify:

1. By Deed dated 25th day of September 2003 WAYNE DEREK ANDERSON appointed me his Attorney.
2. That I have not received notice of any event revoking the power of attorney.

SIGNED at Auckland this 14th December 2018



SIMON MIDDLETON PALMER