

## Disclosure of beginning to have substantial holding

*Section 276, Financial Markets Conduct Act 2013*

**Note:** This form must be completed in accordance with the instructions at the end of the form.

To NZX Limited  
and  
To Smiths City Group Limited

Date this disclosure made: 27 August 2015

Date on which substantial holding began: 27 August 2015

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

Full name(s): Mercantile Investment Company Limited, Sandon Capital Pty Limited

### **Summary of substantial holding**

Class of quoted voting products: Ordinary Shares

Summary for Mercantile Investment Company Limited, Sandon Capital Pty Limited

For this disclosure,—

- (a) total number held in class: 3,798,366
- (b) total in class: 52,688,150
- (c) total percentage held in class: 7.209%

### **Details of relevant interests**

Details for Mercantile Investment Company Limited

Nature of relevant interest(s): Registered holder and beneficial owner

For that relevant interest,—

- (a) number held in class: 1,399,183
- (b) percentage held in class: 2.656%
- (c) current registered holder(s): Mercantile Investment Company Limited
- (d) registered holder(s) once transfers are registered: n/a

Nature of relevant interest(s): Beneficial owner

For that relevant interest,—

- (a) number held in class: 500,000

- (b) percentage held in class: 0.949%
- (c) current registered holder(s): McNeil Nominees Limited
- (d) registered holder(s) once transfers are registered: n/a

Nature of relevant interest(s): Agreement with Sandon Capital Pty Limited to act 'in concert' in relation to the power to exercise the right to vote attached to ordinary shares.

For that relevant interest,—

- (a) number held in class: 1,899,183
- (b) percentage held in class: 3.605%
- (c) current registered holder(s): One Managed Investments Limited
- (d) registered holder(s) once transfers are registered: n/a

Details for Sandon Capital Pty Limited

Nature of relevant interest(s): Power to exercise, or to control the exercise of, a right to vote attached to ordinary shares and the power to acquire or dispose of, or to control the acquisition or disposal of ordinary shares.

For that relevant interest,—

- (a) number held in class: 1,899,183
- (b) percentage held in class: 3.605%
- (c) current registered holder(s): One Managed Investments Limited
- (d) registered holder(s) once transfers are registered: n/a

Nature of relevant interest(s): Agreement with Mercantile Investment Company Limited to act 'in concert' in relation to the power to exercise the right to vote attached to ordinary shares.

For that relevant interest,—

- (a) number held in class: 1,899,183
- (b) percentage held in class: 3.605%
- (c) current registered holder(s): Mercantile Investment Company Limited and McNeil Nominees Limited
- (d) registered holder(s) once transfers are registered: n/a

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

Details of the transactions or other events requiring disclosure:

On-market purchases of 1,899,183 ordinary shares by Mercantile Investment Company Limited on its own account and through McNeil Nominees Limited as nominee during the period 11 Aug 2015 to 27 Aug 2015 for a total consideration of \$991,567.

On-market purchases of 1,899,183 ordinary shares by One Managed Investments Limited as custodian for Sandon Capital Investments Limited, on 27 Aug 2015 for a total consideration of \$1,004,966. Sandon Capital Pty Limited has the power to exercise, or to control the exercise of, a right to vote attached to the ordinary shares and the power to acquire or dispose of, or to control the acquisition or disposal of the ordinary shares by reason of being the investment manager of Sandon Capital Investments Limited.

Mercantile Investment Company and Sandon Capital Pty Limited entered into the attached agreement dated 27 August 2015 to act 'in concert' in relation to the power to exercise the right to vote attached to ordinary shares.

**Additional information**

Address(es) of substantial product holder(s): Level 11, 139 Macquarie Street, Sydney NSW Australia.

Contact details: Gabriel Radzynski, +61 2 8014 1188, gabriel@sandoncapital.com.au

Nature of connection between substantial product holders: Agreement between Mercantile Investment Company and Sandon Capital Pty Limited to act 'in concert' in relation to the power to exercise the right to vote attached to ordinary shares.

**Certification**

I, Gabriel Francois Radzynski, 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.

# SANDON CAPITAL

Sandon Capital Pty Ltd

ABN 98 130 853 691

AFSL 331 663

Level 11

139 Macquarie Street  
Sydney NSW 2000

Sir Ron Brierley  
Chairman  
Mercantile Investment Company Ltd  
Level 11, 139 Macquarie Street  
Sydney NSW 2000

27 August 2015

**By email**

Dear Sir Ron

## **Smiths City Group Limited (NZX: SCY) - Proposed board changes**

We confirm that funds managed by Sandon Capital Pty Ltd (**Sandon**) currently hold approximately 3.6% of the issued shares in SCY.

We understand that Mercantile Investment Company Ltd (**MVT**) holds approximately 3.6%.

The sole purpose of this letter is to set out the terms upon which Sandon and MVT would agree to act in concert with respect to the affairs of SCY.

We propose that Sandon and MVT act in concert in relation to their conduct as shareholders of SCY.

Each party remains free to deal in SCY securities.

Neither Sandon nor MVT wishes to enter into any other relevant agreement with respect to any other matter relevant to SCY's affairs and they should not be considered as associates for any other purpose.

If you agree to the terms outlined in this letter, please countersign this letter.

Yours sincerely



**Gabriel Radzyminski**  
Sandon Capital Pty Ltd

I agree to the arrangements set out above.



Name: Sir Ron Brierley