

Friday, 5 August 2022

NZ RegCo enquiries regarding NZA Board

On 19 July 2022, NZ Automotive Investments Limited (**NZA**) announced that:

- David (Yusuke) Sena, a director and major shareholder of NZA, had notified NZA that he intended to put a proposal to the company's annual shareholder meeting (**ASM**) on 25 August 2022 to remove all of NZA's independent, non-executive directors.
- NZA's independent directors - Charles Bolt, Tim Cook and Tracey Rowsell - together with executive director and founder shareholder Eugene Williams, had resigned from NZA.
- NZA had received nominations from Mr Sena for the appointment of Julian Davidson, Jason Lewthwaite and Gordon Shaw as NZA directors, to be voted on by shareholders at the ASM.

On 20 July 2022, NZA announced that Mr Lewthwaite had withdrawn his consent to be nominated as a director.

On 4 August 2022, NZA announced that Mr Davidson had also withdrawn his consent, and that Michael Stiassny had been invited by Mr Sena to join NZA's board. Mr Sena had advised NZA that Mr Stiassny and Mr Shaw would accept an invitation to join the NZA board from 21 August to fill the casual vacancies arising from the other director resignations.

NZ RegCo has been made the aware of the steps taken by Mr Sena in identifying and nominating Mr Shaw and Mr Stiassny.

The NZX Listing Rules impose governance requirements on NZA. This includes a requirement for NZA to have at least two independent directors. NZ RegCo regards these governance requirements as fundamental obligations for NZX listed issuers, and critical for the protection of shareholder interests. Issuers that fail to meet these requirements may be placed into suspension by NZ RegCo.

NZ RegCo is concerned about the circumstances of the exit of the resigning directors, and notes the involvement of Mr Sena in the nomination and intended appointment of Mr Shaw and Mr Stiassny.

NZ RegCo has requested that NZA provide it, by close of business Monday 8 August, with information relevant to considering NZA's continued ability to comply with its NZX Listing Rules corporate governance obligations. This includes requesting the current NZA board's assessment of the independence of Gordon Shaw and Michael Stiasny, and the basis for that determination.

Under the NZX Listing Rules, the NZA notice of meeting to consider the appointment of Mr Stiasny and Mr Shaw must also include information on the current NZA board's view on whether or not those candidates qualify as independent directors. That notice of meeting must be sent to NZA shareholders not less than 10 working days before the ASM.

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About NZ RegCo

NZ RegCo is an independently governed entity, responsible for monitoring and enforcing compliance by listed issuers and accredited market participants with NZX's market rules. To learn more about NZ RegCo please visit: www.nzregco.com