



Dividend Reinvestment Plan Offer Document

May 2022

This is an important document, prepared in accordance with the Financial Markets Conduct Act 2013 and Financial Markets Conduct Regulations 2014, and contains a description of the Motor Trade Finance Limited Dividend Reinvestment Plan and its terms and conditions. If you have any questions in relation to the Motor Trade Finance Limited Dividend Reinvestment Plan, please consult your financial adviser.

Key Features

Motor Trade Finance Limited (**MTF**) has established a Dividend Reinvestment Plan (the **Plan**) which offers you the opportunity to reinvest dividends received on some or all of your existing ordinary shares in MTF (**Shares**) into additional Shares. This Offer Document explains how the Plan operates and the terms and conditions of participation.

Shares instead of cash

The Plan provides you, as a holder of Shares, with an opportunity to invest the net proceeds of the cash dividends payable on your Shares in additional fully paid Shares. This is a convenient method of increasing your investment by acquiring further Shares free of brokerage charges. If you wish to continue to receive dividends declared by MTF in cash, no action is required.

Additional Shares acquired under the Plan may, at the discretion of the MTF board (**Board**), be new shares issued by MTF, existing Shares acquired by MTF or its nominee or agent, or any combination of new Shares and existing Shares.

Eligibility

As at the date of this Offer Document, the Plan is only available to holders of Shares who have an address on the MTF share register in New Zealand. However, the Board may amend this policy at any time, in its sole discretion. Participation in the Plan is optional at the election of a shareholder.

Full or partial participation

You may elect to participate in the Plan in respect of all or only some of your Shares.

Participation in the Plan is entirely optional. If you do not wish to participate in the Plan, you do NOT need to do ANYTHING. If you do not participate in the Plan, you will continue to receive cash dividends paid on all of your Shares.

Flexible joining, variation and withdrawal arrangements

Shareholders can join the Plan, vary their participation or withdraw from the Plan at any time by visiting the website of the share registrar, Computershare Investor Services Limited (**Share Registrar** or **Computershare**), at www.investorcentre.com/nz. Alternatively, you may return a physical Participation Notice to Computershare or by scanning it to drp@computershare.co.nz. If you do not have an Investor Centre account, registered holders will need their CSN/Investor Number and Authorisation Code (FIN) to complete the investor validation process. In order to be effective for a particular dividend, any variation or withdrawal must be received by no later than 5.00pm on the working day following the record date for that dividend.

Application of the Plan

The Board will determine whether the Plan will apply to a particular dividend. If the Board determines that the Plan will apply to a particular dividend, then the Plan will apply if you have previously elected or elect to participate in the Plan and you have not withdrawn from the Plan as at 5.00pm on the working day following the record date for that particular dividend.

If the Board determines that the Plan will not apply to a particular dividend, then notwithstanding that you may have previously elected or elect to participate in the Plan before the relevant cut-off time in respect of that dividend, the Plan will not apply to that particular dividend and you will receive the dividend declared by MTF in cash. MTF will publish details of whether the Plan does not apply to a particular dividend on its website at <https://www.mtf.co.nz/about/investors/>.

Issue price

Under the Plan, the price for additional Shares will be calculated using a volume weighted-average price of Shares traded 'on-market' through ShareMart, the share trading platform operated by Computershare. The pricing mechanism is subject to certain conditions, including a minimum price and an overarching discretion of the Board to adjust the price. See clause 4.2 below for further details of how the issue price is calculated.

Shares acquired rank equally and may be sold

Additional Shares acquired under the Plan will rank equally in all respects with existing MTF Shares and may be sold at any time.

Details will be sent to you

If you elect to participate in the Plan, details of your total entitlement and the number of Shares acquired by you under the Plan will be sent to you after each dividend payment.

Terms and Conditions

1. Introduction

Pursuant to MTF's constitution, the Board has approved the establishment of the Plan. Under the Plan, holders of Shares may elect to reinvest the net proceeds of cash dividends or distributions paid on all or any of their fully paid Shares in MTF and receive additional fully paid Shares in MTF (**Additional Shares**). This Offer Document sets out the terms and conditions of the Plan and is issued in compliance with the exclusion for dividend reinvestment plans contained in Schedule 1 to the Financial Markets Conduct Act 2013 and the Financial Markets Conduct Regulations 2014. Accordingly, no product disclosure statement or prospectus is required in respect of the Plan.

2. The Offer

2.1 Offer to all shareholders

Subject to clause 2.4, MTF offers all shareholders the right to elect to participate in the Plan.

2.2 Available options

Shareholders may elect to participate in the Plan by exercising one of the following options:

- **Full Participation**
If you elect full participation, participation in the Plan will apply to all of your Shares.
- **Partial Participation**
If you elect partial participation, only the proportion of Shares nominated by you will be eligible for participation in the Plan.
- **Non-Participation**
If you do not wish to participate and you wish to receive dividends in cash, **you are not required to do anything.**

2.3 Exclusion where liens or charges over Shares

Any Shares over which MTF has exercised a lien or charge in accordance with MTF's constitution or other requirements of law will not be eligible to participate in the Plan.

2.4 Ability to exclude overseas shareholders from the Plan

The Board may, in its absolute discretion, elect not to offer participation under the Plan to any shareholder whose address is outside New Zealand if the Board considers:

- that to do so would risk breaching the laws of places outside New Zealand; and
- it would be unreasonable having regard to the associated costs of ensuring that the laws of those places are complied with.

3. Method of Participation

3.1 Participation Form

To participate in the Plan you must make a participation election in one of the following ways:

- **Online Election:** by visiting the website of MTF's Share Registrar, Computershare: www.investorcentre.com/nz

Log into www.investorcentre.com/nz and select 'My Profile'. Then select 'Reinvestment Plans' from the left-hand menu. Select 'Motor Trade Finance Limited' in the holding line and then 'Apply' to select your participation level. If you do not have an Investor Centre account, you will need your CSN/Investor Number and Authorisation Code (FIN) to register. If you don't have this information available, you can email enquiry@computershare.co.nz or phone +64 9 488 8777.

- **Participation Form:** by completing the Participation Form which accompanies this Offer Document and returning it to Computershare in one of the following manners:

Mail

Computershare Investor Services Limited
Private Bag 92119
Victoria Street West
Auckland 1142

Scan and email

drp@computershare.co.nz

Participation Forms can also be requested from Computershare by email enquiry@computershare.co.nz or phone +64 9 488 8777.

Any reference to a Participation Form in this Offer Document includes making an equivalent online election.

3.2 Participation cut-off

Shareholders will be eligible to participate in respect of a dividend (and any subsequent dividend) if a properly completed Participation Form, or online election, has been received by Computershare by not later than 5.00pm on the working day following the record date for that dividend. Any Participation Form, or online election, received after 5.00pm on the working day following the record date for a dividend will be effective only from the next dividend.

4. Additional Share Entitlement

4.1 General

The number of Additional Shares to be acquired by a shareholder who has elected to participate in the Plan will be:

- based on the net amount of the dividend that is payable to the shareholder and which is being reinvested; and
- calculated on the basis that the issue price of the Additional Shares will be calculated in accordance with clause 4.2.

4.2 Determining the number of Additional Shares

The number of Additional Shares to be acquired by a shareholder who has elected to participate in the Plan will be calculated in accordance with the following formula:

$$\text{Additional Shares} = (S \times D) / C$$

Where:

S is the number of Shares in respect of which an election to participate in the Plan has been made by the shareholder.

D is the amount of the dividend (expressed in cents and fractions of cents and after deduction of any amounts of resident withholding, or other taxes, if any, payable by MTF in respect of the dividend) payable per Share which is reinvested in accordance with the Plan.

C is the volume weighted average sale price for a Share calculated using the most recent 100,000 Shares sold through ShareMart prior to the record date (which must constitute at least two independent transactions), provided that:

- (a) if the sale price calculated based on the above is less than \$2.31 (being the price at which the Company undertook its most recent share buy-back), "**C**" will be \$2.31 per; and
- (b) the Board may make any adjustment to the sale price calculated under this clause 4.2 (including after applying paragraph (a)) as it considers reasonable, including because it believes that any exceptional or unusual circumstances have artificially affected the volume weighted average sale price calculated.

4.3 Fractional entitlements

Where the number of Additional Shares to be acquired by a participating shareholder calculated in accordance with the formula in clause 4.2 includes a fraction, then the number of Additional Shares to be acquired shall be rounded down to the nearest whole number.

Any net amount per Share described as "D" in clause 4.2 which is not applied to acquire Additional Shares because of the application of this clause 4.3 will be retained by MTF for its sole benefit and will not be refunded or paid to a participating shareholder, or held by MTF or the Share Registrar on behalf of a participating shareholder.

4.4 Share price information publicly available

MTF will ensure that, at the time the price for the Additional Shares is set under clause 4.2, it will have no information that is not publicly available that would, or would be likely to, have a material adverse effect on the realisable price of the Shares if the information was publicly available.

5. Operation of the Plan

5.1 Additional Shares

The Board will, on the day that a shareholder who has elected to participate in the Plan would otherwise have been paid a dividend, either issue or arrange the transfer of the Additional Shares to that shareholder in accordance with clause 4.

5.2 Terms and ranking of Additional Shares

Additional Shares acquired by shareholders under the Plan will be issued or transferred on the terms set out in this Plan and, subject to the rights of termination, suspension and modification set out in clause 7, will not be issued or transferred on any other terms and will all be subject to the same rights as each other. The Additional Shares acquired by shareholders under the Plan will, from the date of issue or transfer, rank equally in all respects with each other and with all other Shares of MTF on issue as at that date. Every shareholder eligible to participate in the Plan will be offered a reasonable opportunity to do so.

5.3 **Source of Additional Shares**

Additional Shares to be acquired by shareholders under the Plan may, at the Board's discretion, be:

- new Shares issued by MTF;
- existing Shares acquired by MTF or a nominee or agent of MTF;
- existing Shares acquired by MTF by means of share repurchase (including treasury stock); or
- any combination of new Shares and existing Shares.

5.4 **Compliance with laws and constitution**

Notwithstanding any other provision of this Plan, the Plan will not operate in relation to a dividend (either generally or in respect of a particular shareholder who has elected to participate in the Plan) to the extent that the issue or transfer of Additional Shares under the Plan to such shareholder(s) would breach any applicable law or any provision of MTF's constitution. If and to the extent that the Plan does not operate for such reason in respect of a shareholder who has elected to participate in the Plan, the relevant dividend on such participating Shares will, until such time as the issue is resolved, be paid in the same manner as in respect of Shares which are not participating in the Plan.

5.5 **Restriction on participation**

Notwithstanding any other provision of this Plan, the Board may, in its absolute discretion, notwithstanding an election by a shareholder to participate in the Plan, decide not to issue or transfer, or decide to restrict the number of such Additional Shares issued or transferred to the shareholder under the Plan if the issue or transfer of such Additional Shares would:

- result in that shareholder holding more than 20% of the Shares on issue;
- breach any relevant restriction under MTF's constitution; or
- otherwise result in a shareholding which, in the Board's reasonable discretion, be adverse to the interests of MTF.

In such event, the relevant dividend on such participating Shares will be paid in the same manner as in respect of Shares which are not participating in the Plan.

6. **Statements to Shareholders**

MTF will send to each shareholder who has elected to participate in the Plan, on each dividend payment date, a statement detailing in respect of that shareholder:

- the number of Shares of the shareholder as at the relevant record date;
- the amount of the dividend payable in respect of those Shares;
- the amount of any taxation withheld from the dividend;
- details of the amount of any imputation credits attached to the dividend;
- the amount of the cash dividend used to subscribe for Additional Shares and the amount paid in respect of Shares nominated for participation in the Plan and Shares not nominated for participation in the Plan (if applicable); and

- the number of Additional Shares acquired by the shareholder under the Plan and the issue or transfer price of those Additional Shares determined by the Board under clause 4.2.

7. Termination, Suspension and Modification

7.1 Termination, suspension or modification by MTF

The Board may at any time and from time to time in its sole discretion:

- terminate or modify the Plan. If the Plan is modified, then a Participation Form will be deemed to be a Participation Form under the Plan as modified unless that Participation Form is withdrawn by the shareholder;
- resolve that participation will not apply to the whole or part of any dividend and that the dividend or the balance of the dividend (as the case may be) will be paid in cash;
- resolve that in the event of the subdivision, consolidation or reclassification of the Shares into one or more new classes of Shares, that a Participation Form will be deemed to be a Participation Form in respect of the Shares as subdivided, consolidated or reclassified unless such Participation Form is subsequently changed or withdrawn by the participating shareholder;
- resolve that a Participation Form will cease to be of any effect; or
- resolve that the Plan may be underwritten on such terms as agreed between MTF and an underwriter.

7.2 Prior notice

Notice of any modification or termination by the Board will be given to all shareholders participating in the Plan. The accidental omission to give a notice to, or the non-receipt of a notice by, a shareholder will not invalidate the modification or termination.

7.3 When no notice required

Notwithstanding clause 7.2, MTF may at any time, without the need of any notice:

- modify the Plan to comply with MTF's constitution or any law; or
- make minor amendments to the Plan where such amendments are of an administrative or procedural nature.

7.4 Variation or termination by a participating shareholder

A shareholder may, at any time:

- increase or decrease the number of their Shares which are participating in the Plan by completing and sending a new Participation Form to the Share Registrar; or
- terminate their participation in the Plan by written notice (which, for the avoidance of doubt, includes making an online election) to that effect to the Share Registrar.

7.5 Variation or termination effective

A variation or termination under clause 7.4 will take effect immediately upon receipt by the Share Registrar of the new Participation Form or the written termination notice, as the case may be. Any notice received after 5.00pm on the working day following the record date for a dividend will be not be effective in respect of that dividend, and will only be effective from the next following dividend.

For the avoidance of doubt, a notice received during the period after a record date but before 5.00pm on the working day after that record date will only be effective in respect of the number of shares held on that record date.

7.6 **Death of participating shareholder**

If a shareholder participating in the Plan dies, participation by that shareholder in the Plan will be terminated by MTF upon receipt by MTF of a notice of death in a form acceptable to MTF. Death of one of two or more joint shareholders will not automatically terminate participation.

8. **Reduction or termination of participation where no notice given**

8.1 **Dispositions where partial participation**

If a shareholder disposes of part of its holding of Shares then, unless MTF or the Share Registrar is advised otherwise:

- the Shares disposed of will be deemed to be non-participating Shares from the date MTF registers a transfer of such Shares; and
- if the number of Shares disposed of is more than the number of non-participating Shares held by that shareholder, the disposal will be deemed to include all of the shareholder's non-participating Shares and the balance will be attributed to participating Shares.

8.2 **Dispositions of all of Shares**

If a shareholder disposes of all of their holding of Shares without giving the Share Registrar written notice terminating their participation in the Plan, the shareholder will be deemed to have terminated participation in the Plan from the date that MTF registers a transfer of those Shares.

9. **Taxation**

The taxation consequences for each Shareholder should they elect to participate in the Plan will differ depending upon their particular circumstances. Accordingly, each Shareholder should consult their own tax adviser as to the taxation implications of the Plan. MTF does not accept any responsibility for the financial or taxation effects of a Shareholder's participation or non-participation in the Plan.

10. **Costs**

There are no charges for participation or withdrawal from the Plan. No brokerage costs will be incurred on the acquisition of Additional Shares.

11. **Governing law**

This Offer Document and the Plan, and its operation, are governed by the laws of New Zealand.

12. **Interpretation**

In this Offer Document, a reference to:

- dollar or \$ is to New Zealand currency;
- time is to New Zealand time;
- working day, means a day that is not a Saturday, Sunday or public holiday in Dunedin, New Zealand; and
- include means include without limitation and including is to be construed accordingly.

13. **Other Information**

You have the right to receive from MTF, free of charge, a copy of MTF's most recent annual report and audited consolidated financial statements (complying with the Financial Reporting Act 2013) by downloading them from the Investor Centre section of MTF's website at <https://www.mtf.co.nz/> or, on request, by writing to the registered office of the MTF:

Motor Trade Finance Limited

98 Great King Street Dunedin Central Dunedin, 9016

Phone: +64 3 477 0530

Email: info@mtf.co.nz

Dividend Reinvestment Plan Participation Form

DO NOT COMPLETE THIS FORM IF YOU WISH TO RECEIVE IN CASH ALL DIVIDENDS DECLARED.

Name and Address

Description of Shares

Ordinary Shares Fully Paid

CSN/Holder No.

Shares Held

Registered Holder(s)

Name:

Email address:

Permission to receive investor communications electronically: Yes / No *(strike-out option that is not applicable)*

For efficiency and timeliness of communications, MTF encourages participating shareholders to elect to receive communications electronically if they have not already done so.

The Motor Trade Finance Limited (**MTF**) Dividend Reinvestment Plan (**Plan**) allows you to elect to reinvest the net proceeds of cash dividends or distributions paid on all or any of your fully paid ordinary shares in MTF in fully paid ordinary shares in MTF. Full details of the Plan are set out in the accompanying Dividend Reinvestment Plan Offer Document dated May 2022 (**Offer Document**).

If you wish to participate, or vary an existing participation election, in the Plan, please complete this Participation Form and send it to MTF's Share Registrar at your earliest convenience. Alternatively, you can do so online by visiting <https://www.computershare.com/nz> (refer to clause 3.1 of the Offer Document for further details).

Choose One Alternative Only

I/We elect to participate in the Plan at the level of participation nominated below and elect to reinvest the net amount of any dividends declared in respect of participating shares paid in cash accordingly:

Full Participation

Include all fully paid ordinary shares from time to time registered in my/our name(s).

For full participation please tick (✓) here:

Partial Participation

Include the proportion of fully paid ordinary shares registered in my/our name(s) shown below.

For partial participation please tick (✓) here:

Please specify proportion as a percentage:

%

Note: If you do not complete the above in relation to full participation or partial participation, you will be deemed to have elected not to participate in the Plan.

I/We acknowledge I/we have received and read a copy of the Offer Document.

I/We agree to be bound by the terms and conditions of the Plan as set out in the Offer Document.

I/We acknowledge that this election will continue to apply in respect of any dividend that the Plan applies to until varied or terminated by written notice in accordance with the terms and conditions of the Plan.

I/We warrant that if at any time I/we reside outside New Zealand and accept or continue to participate in the Plan, the offer of the Plan and my/our participation in it does not breach any laws in my/our country of residence.

Signature(s) _____

Dated _____

This Participation Form is not valid unless duly completed and signed. Joint holders must each sign. Companies must execute by an authorised officer or attorney. If signed by an attorney, the power of attorney must either have been previously produced to Computershare Investor Services Limited (the Company's share registrar) or must accompany this Participation Form and a certificate of non-revocation of the power of attorney needs to be enclosed.

A Participation Notice will only take effect in respect of a dividend if it is received by the Share Registrar before 5.00pm on the working day following the record date in respect of that dividend. Participation applies automatically to all subsequent cash dividends until a Notice of Change or Withdrawal is received by the Share Registrar and is effective.