

NZSA reaches agreement with David Sena to support minority shareholder interests as part of transaction between major shareholders at 2 Cheap Cars

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The New Zealand Shareholders' Association (NZSA) has come to agreement with David Sena to include provisions that protect the interests of minority shareholders as part of his purchase of shares from Eugene Williams representing approximately 30% of 2 Cheap Cars' shares.

If approved by shareholders, the transaction will see the Sena Family Trust increase its shareholding to approximately 76% of 2CC's total shares.

The commitments made by Mr Sena are set out below:

1. Mr Sena and associated interests will not utilise the 'creep' provisions of the Takeovers Act for a period of three years from the date of the share acquisition.
2. Mr Sena has also undertaken to maintain a majority of independent directors on the Board
3. Mr Sena will enable consultation with minority shareholders and their representatives prior to the appointment of future independent directors.

This has been announced on the NZX earlier this morning.

This commitment provides greater scope for effective, independent governance creating better alignment between the interests of Mr Sena and minority shareholders.

On the basis of these commitment, NZSA will vote undirected proxies held in support of the proposed sale of shares held by Eugene Williams to interests associated with David Sena at the company's upcoming shareholder meeting.

NZSA CEO, Oliver Mander noted the proactive and professional approach of Mr Sena and 2 Cheap Cars Chair, Michael Stiasny. "As far as we are aware, these commitments are a first for an NZX-listed company and go some way to encouraging greater alignment between the interests of major or controlling shareholders and minority shareholders."

Director Independence

NZSA has recently made a [submission](#) relating to the Director Independence settings of the NZX Corporate Governance Code, including advocacy for a minority interests regime that would allow only minority shareholders to vote on the election of independent directors.

"Around 35% of NZX-listed entities operate with a major shareholder owning 30% or more. NZSA believes that investors need to assure themselves that their interests are aligned with those of the major shareholder."

"In this case, we're pleased that David has come to a voluntary agreement that is likely to improve minority shareholder confidence in this alignment by including provisions that support effective and independent oversight to protect minority interests. 2CC has recovered strongly over the last 12 months, and we feel this agreement provides an appropriate setting for that improved performance to continue."

About NZ Shareholders Association

Since its formation in 2001, the NZSA mission is to represent, promote and protect the interests of investors in shares and other investment products. We aim to promote and encourage an active, efficient, fair and transparent market for raising capital, trading shares and other investment products.

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