

5 December 2016

Dear Hellaby Shareholder

NOTICE OF VARIATION OF TAKEOVER OFFER BY BAPCOR IN RESPECT OF HELLABY HOLDINGS

-) *Offer price increased to \$3.60 in cash per Hellaby Share*

-) *ACC has agreed to accept the revised Offer in respect of all of its remaining Hellaby Shares. Two other shareholders have also agreed to accept the revised Offer, which would take total acceptances to approximately 40%*

-) *Offer closing date extended to 18 January 2017*

We refer to the takeover offer (**Offer**) by Bapcor Finance Pty Ltd (**Bapcor**) dated 21 October 2016 to purchase all of the equity securities in Hellaby Holdings Limited (**Hellaby**). Capitalised terms used but not defined in this letter have the meanings given to them in the offer document for the Offer (the **Offer Document**).

1. Variations to the Offer

(a) Increase in the Offer price

After careful consideration, Bapcor has decided to increase the price offered for the Hellaby Shares from \$3.30 in cash per Hellaby Share to a new price of \$3.60 in cash per Hellaby Share.

Bapcor will not be increasing its Offer price further.

If you have already accepted the Offer in respect of your Hellaby Shares, your acceptance will remain valid and the increased price will apply to your acceptance.

(b) Extension of Offer Period to 18 January

Bapcor also advises that it has extended the closing date for the Offer from 11.59pm on 20 December 2016 to 11.59pm on **18 January 2017**. That extension means that the last date that Bapcor may now declare the Offer unconditional has also been extended from 11.59pm on 3 January 2017 to 11.59pm on 1 February 2017.

The other terms and conditions of the Offer remain unchanged, including the consideration offered for the TBS Right.

2. ACC to accept Offer in respect of all of its shares

Accident Compensation Corporation (**ACC**) has already accepted the Offer for 750,000 Hellaby Shares. Bapcor has now entered into a lock-up agreement with ACC under which ACC has irrevocably agreed to accept Bapcor's revised Offer in respect of all of its remaining shareholding in Hellaby. ACC's remaining Hellaby Shares comprise approximately 8.3% of the total Hellaby Shares.

In addition, further new lock-up agreements in respect of 1,261,898 Hellaby Shares have been signed with two other shareholders.

Once Bapcor receives these acceptances, Bapcor will have received acceptances in respect of an aggregate of 39.68% of the total Hellaby Shares.¹ Further details of these new lock-up agreements are set out in the Schedule to this letter.

3. Further report in relation to classes of securities

As the consideration for the Hellaby Shares has been increased, under the Takeovers Code this letter must be accompanied by a further report from an independent adviser in respect of the fairness between classes of securities in relation to the offer as varied.

Accordingly, enclosed with this letter is a copy of the further report prepared by independent adviser Northington Partners Limited certifying that, in its opinion, the consideration and terms offered for the TBS Right are fair and reasonable in comparison with the consideration (as increased) and terms offered for the Hellaby Shares. The basis for such calculation is that the consideration offered for the TBS Right is within the current value range assessed by Northington Partners Limited and the terms of the Offer for the Hellaby Shares and the TBS Right being otherwise equivalent.

Acceptance Form and important contacts

If you have not already accepted the Offer in respect of your Hellaby Shares but wish to do so, please use the Acceptance Form which is enclosed with this letter or which was provided with the Offer Document.

If you have any questions about the Offer, you should contact the share registrar for the Offer, Computershare Investor Services Pty Limited (Australia):

Telephone: 0800 524 531 (within New Zealand) or +61 3 9415 4826 (outside New Zealand)
Facsimile: +64 9 488 8787
Email: bapcoracceptances@computershare.com.au

Yours faithfully

Bapcor Finance Pty Ltd

Darryl Abotomey

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¹ Comprising the number of acceptances received by Bapcor as at 5.00pm (NZT) on Friday, 2 December 2016, together with the 9,341,898 Hellaby Shares that are the subject of the new lock-up agreements.

Schedule

Lock-Up Agreements

On 2 December 2016, Bapcor entered into lock-up agreements (**Lock-Up Agreements**) with each of the following parties (the **Lock-Up Parties**) pursuant to which they have each agreed to accept, or procure the acceptance of, Bapcor's revised Offer in respect of the relevant number of Hellaby Shares (as set out alongside their names below):

Lock-Up Parties	Securities subject to Lock-Up Agreement	Percentage of class¹
Accident Compensation Corporation	8,080,000 fully paid ordinary shares ²	8.27%
Pengana Capital Limited (as the investment manager of the Pengana Asia Special Events Master Fund and the Lyxor/Pengana Asia Special Events Fund)	706,144 fully paid ordinary shares	0.72%
Aspiring Asset Management Limited	555,754 fully paid ordinary shares	0.57%
Total	9,341,898 fully paid ordinary shares	9.56%

Notes:

¹ The percentage numbers are rounded to two decimal places.

² The 8,080,000 Hellaby Shares that are subject to ACC's Lock-Up Agreement, when aggregated with the 750,000 Hellaby Shares that ACC has already accepted (as referred to in paragraph 8 of Appendix 1 of the Offer Document), represent all of the 8,830,000 Hellaby Shares owned or controlled by ACC.

The material terms of the Lock-Up Agreements entered into by Bapcor and the Lock-Up Parties are:

- (a) The Lock-Up Parties each agreed to accept, or procure the acceptance of, the Offer in respect of the Hellaby Shares subject to the Lock-Up Agreement within two business days after the date on which Bapcor releases this variation notice to NZX.
- (b) Each Lock-Up Party's obligation to accept, or procure the acceptance of, the Offer in respect of the Hellaby Shares subject to the relevant Lock-Up Agreement, was conditional on Bapcor varying the Offer in accordance with the Takeovers Code to increase the consideration from \$3.30 in cash per Hellaby Share to \$3.60 in cash per Hellaby Share.
- (c) The Lock-Up Parties have each agreed that, unless the Lock-Up Agreement is terminated or the Offer lapses or is withdrawn, they will not dispose of, encumber or deal in any way with, any of the Hellaby Shares which are subject to the Lock-Up Agreement, except to accept, or procure the acceptance of, the Offer or as otherwise provided in the Lock-Up Agreement.
- (d) Nothing in the Lock-Up Agreements confers on Bapcor or any other party the ability, or right, to hold or control (as defined in the Takeovers Code) the voting rights attaching to the Hellaby Shares of the relevant Lock-Up Party and no party will become the holder or controller of such voting rights except following payment of the purchase price to the relevant Lock-Up Party under the Offer.

The full terms of the Lock-Up Agreements are set out in Bapcor's substantial product holder disclosure dated 5 December 2016.