

Disclosure of beginning to have substantial holding

Section 276, Financial Markets Conduct Act 2013

To NZX Limited

and

To Fliway Group Limited

Date this disclosure made: 9 April 2015

Date on which substantial holding began: 9 April 2015

Substantial product holder(s) giving disclosure

Full name(s): Duncan John Hawkesby.

Summary of substantial holding

Class of quoted voting products: Fully paid ordinary shares (FLI).

Summary for Duncan John Hawkesby.

For **this** disclosure,—

- (a) Total number held in class: 24,629,576
- (b) Total in class: 45,437,910
- (c) Total percentage held in class: 54.20%

Details of relevant interests

Details for Duncan John Hawkesby.

Nature of relevant interest(s):

Duncan John Hawkesby as trustee of The D & G Hawkesby Trust (together with the other trustee, Gretchen Sarah Hawkesby) is the registered holder and beneficial owner of 24,604,576 fully paid ordinary shares in Fliway Group Limited (the **D & G Trust Shares**) and has the power to exercise a vote attached to, and to dispose of, the D & G Trust Shares. On 5 March 2015, Duncan John Hawkesby and Gretchen Sarah Hawkesby, as trustees of The D & G Hawkesby Trust (the **Trustees**), entered into an Escrow Deed under which the Trustees agreed that they will, except as provided in that Deed, continue to hold the legal and beneficial ownership of the D & G Trust Shares following the completion of the initial public offer by Fliway Group Limited until the date that Fliway Group Limited releases its preliminary results for the financial half year ending 31 December 2015.

A copy of the Escrow Deed is attached to this notice (7 pages).

For that relevant interest,—

- (a) number held in class: 24,604,576

- (b) percentage held in class: 54.15%
- (c) current registered holder(s): Duncan John Hawkesby and Gretchen Sarah Hawkesby as trustees of The D & G Hawkesby Trust.
- (d) registered holder(s) once transfers are registered: Not applicable.

For a derivative relevant interest, also—

- (a) type of derivative: Not applicable.
- (b) details of derivative: Not applicable.
- (c) parties to the derivative: Not applicable.
- (d) if the substantial product holder is not a party to the derivative, the nature of the relevant interest in the derivative: Not applicable.

Details for Duncan John Hawkesby.

Nature of relevant interest(s):

Duncan John Hawkesby as trustee of the Jess Hawkesby Family Trust (together with the other trustees, Katherine Janette Hawkesby and Jessica Constance Hawkesby) is the registered holder of 25,000 ordinary shares in Fliway Group Limited (the **Jess Hawkesby Family Trust Shares**) and has the power to exercise a vote attached to, and to dispose of, the Jess Hawkesby Family Trust Shares.

No relevant agreement document needs to be attached under regulation 139.

For that relevant interest,—

- (a) number held in class: 25,000
- (b) percentage held in class: 0.06%
- (c) current registered holder(s): Duncan John Hawkesby, Katherine Janette Hawkesby and Jessica Constance Hawkesby as trustees of the Jess Hawkesby Family Trust.
- (d) registered holder(s) once transfers are registered: Not applicable.

For a derivative relevant interest, also—

- (a) type of derivative: Not applicable.
- (b) details of derivative: Not applicable.
- (c) parties to the derivative: Not applicable.
- (d) if the substantial product holder is not a party to the derivative, the nature of the relevant interest in the derivative: Not applicable.

Details of transactions and events giving rise to substantial holding

Details of the transactions or other events requiring disclosure:

Duncan John Hawkesby became a substantial product holder (for the purposes of the Financial Markets Conduct Act 2013) upon the shares of Fliway Group Limited being quoted on the NZX Main Board, which is a licensed market operated by NZX Limited.

Additional information

Address of substantial product holder:

c/o Fliway Group Limited
66 Westney Road
Mangere
Manukau City
New Zealand

Contact details:

Tel: +64 9 255 4600
Duncan.Hawkesby@fliway.com

Name of any other person believed to have given, or believed to be required to give, a disclosure under the Financial Markets Conduct Act 2013 in relation to the financial products to which this disclosure relates:

Gretchen Sarah Hawkesby as trustee of The D & G Hawkesby Trust.

Disclosure has effect for purposes of directors' and senior managers' disclosure

Duncan John Hawkesby is also a director of Fliway Group Limited. Pursuant to section 302 of the Financial Markets Conduct Act 2013, this disclosure also constitutes disclosure by Duncan John Hawkesby for the purposes of the directors' and senior managers' disclosure obligations.

Certification

I, Duncan John Hawkesby, 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.

Escrow Deed

Fliway Group Limited

Fliway

and

**Duncan John Hawkesby and Gretchen Sarah Hawkesby as
trustees of The D&G Hawkesby Trust**

Selling Shareholders

Date *5 March 2015*

BELL GULLY

AUCKLAND VERO CENTRE, 48 SHORTLAND STREET
PO BOX 4199, AUCKLAND 1140, DX CP20509, NEW ZEALAND
TEL 64 9 916 8800 FAX 64 9 916 8801

This **Escrow Deed** is made on 5 March

2015

between (1) **Fliway Group Limited (Fliway)**

and (2) **Duncan John Hawkesby and Gretchen Sarah Hawkesby as trustees of The D&G Hawkesby Trust (Selling Shareholders)**

Introduction

- A. The Selling Shareholders are the legal and beneficial owner of all of the fully paid ordinary shares in Fliway.
- B. Fliway intends to conduct an initial public offer and listing of its ordinary shares on the NZX Main Board market of NZX Limited (**NZX**) (the **IPO**).
- C. The Selling Shareholders propose to sell a proportion of their shares in Fliway pursuant to the IPO.
- D. The Shareholders have agreed that, except as expressly permitted under this Deed, they will continue to hold the legal and beneficial ownership of the shares in Fliway that they retain following the completion of the IPO (the **Retained Shareholding**) from the date on which Fliway's ordinary shares are first quoted on the NZX Main Board until the date Fliway releases its preliminary results for the financial half year ending 31 December 2015.

Interpretation

In this Deed, unless the context otherwise requires:

- A. the singular includes the plural and the plural includes the singular;
- B. other parts of speech and grammatical forms of a word or phrase defined in this Deed have a corresponding meaning;
- C. a reference to a party to a document includes that party's successors and permitted assignees;
- D. a reference to time is a reference to Auckland time (unless specified otherwise) and, where the day on or by which anything is to be done is not a Business Day, that thing must be done on or by the next Business Day; and
- E. specifying anything in this Deed after the words 'include' or 'for example' or similar expressions does not limit what else is included.

It is declared

1. Retained Shareholding

The Selling Shareholders agree and undertake that they will retain the legal and beneficial ownership of the Retained Shareholding from the date Fliway's ordinary shares are first quoted on the NZX Main Board (the **Listing Date**) until the date Fliway releases its preliminary results for the financial half year ending 31 December 2015 (the **Escrow Period**). The Selling Shareholders' obligations under this clause 1 are subject to the terms and conditions of this Deed.

2. Prohibition on disposal or transfer of Retained Shareholding

2.1 Prohibition

The Selling Shareholders agree and undertake that, subject to clauses 3, 4, 5 and 6, during the Escrow Period they will not:

- (a) sell or otherwise dispose of, directly or indirectly; or
- (b) do, or omit to do, any act if the act or omission would have the effect of transferring effective control of,

all or any part of the Retained Shareholding without the prior written approval of the Non-Interested Directors, Fliway and NZX (at their respective discretions, but subject to clauses 3, 4 and 5 of this Deed). The Selling Shareholders acknowledge that their ability to deal with shares in Fliway is also subject to restrictions imposed by the NZX Main Board Listing Rules and the Financial Markets Conduct Act 2013.

2.2 Non-Interested Directors

For the purposes of clause 2.1, **Non-Interested Directors** means, in relation to any decision, directors of Fliway that are not "interested" for the purposes of the Companies Act 1993.

3. Takeover offer

Notwithstanding clauses 1 and 2, if:

- (a) a full or partial offer is made under the Takeovers Code (being the Takeovers Code set out in the schedule to the Takeovers Code Approval Order 2000) (**Takeover Offer**) in relation to the fully paid ordinary shares in Fliway (**Shares**) is sent to the Selling Shareholders pursuant to Rule 43 of the Takeovers Code; or
- (b) any information memorandum or other documentation (**Shareholder Materials**) convening a meeting of the shareholders of Fliway to vote on any scheme of arrangement or other arrangement, having a substantially similar effect to a Takeover Offer in relation to the Shares, is sent to the Selling Shareholders (**an Arrangement**),

then, whether or not the Takeover Offer or Arrangement remains subject to unsatisfied conditions, the Selling Shareholders may transfer all or any part of the Retained Shareholding by way of acceptance of that Takeover Offer (including pursuant to a pre-bid agreement, or lock up agreement) or pursuant to the Arrangement.

4. Granting of a security interest

Notwithstanding clauses 1 and 2, the Selling Shareholders may create, or agree to create, a security interest over or in respect of all or any part of the Retained Shareholding in favour of a registered bank or other similar recognised lending institution, provided that the bank or institution enters into an escrow deed with Fliway in relation to the Retained Shareholding on the same terms as this Deed, to take effect from the enforcement of the security interest, for the remainder of the Escrow Period.

5. Transfers to Associated Persons

5.1 Permitted transfers

Notwithstanding clauses 1 and 2, the Selling Shareholders may transfer all or any part of the Retained Shareholding to an Associated Person with the Non-Interested Directors' prior written approval (to be given at their respective discretions), provided that the Associated Person must enter into a Deed with Fliway (which Fliway must promptly execute) in relation to the applicable part of the Retained Shareholding transferred on the same terms as set out in this Deed for the remainder of the Escrow Period (with such deed to also require and permit such person to transfer the applicable part of the Retained Shareholding back to the Selling Shareholders if it ceases to be an Associated Person of the Selling Shareholders).

5.2 Associated Person

For the purposes of clause 5.1, **Associated Person** has the meaning given to that term from time to time in the listing rules of the NZX Main Board.

6. Change in trustee

Notwithstanding clauses 1 and 2, either of the Shareholders may transfer the Retained Shareholding to any new or replacement trustee of The D&G Hawkesby Trust provided that the new or replacement trustee first enters into a Deed with Fliway (which Fliway must promptly execute) in relation to the Retained Shareholding on the same terms as set out in this Deed.

7. Share register matters

7.1 Direction to share registrar

To give effect to clauses 1 and 2 of this Deed, the Selling Shareholders will sign and deliver to Fliway's share registrar a direction in respect of the Retained Shareholding, in favour of Fliway, requesting that Fliway's share registrar tag that shareholding in its system as being unavailable for transfer during the Escrow Period.

7.2 Notice to registrar of release from restriction

If the Retained Shareholding (or any part of it), in respect of which a direction has been given under clause 7.1, is to be released from the restrictions in accordance with this Deed, the Selling Shareholders may, by notice in writing to Fliway, request that Fliway instructs its share registrar to remove or amend the tag attaching to the Retained Shareholding (or any part of it) and to release the same from the restrictions on transfer.

7.3 Removal of restrictions

Following receipt of a notice referred to in clause 7.2, Fliway will procure that its share registrar immediately remove or amend the tag attaching to the Retained Shareholding and release the same from the restrictions on transfer to the extent permitted under this Deed.

8. General

8.1 Approval of NZX to variation or amendment

Fliway shall not agree a variation or amendment of this Deed without the prior written approval of NZX Limited.

8.2 Notification of NZX

Fliway shall advise NZX immediately if it becomes aware of a breach or likely breach of this Deed, and shall, in consultation with NZX, take such steps as NZX may require to enforce this Deed, or to prevent or remedy a breach of it.

8.3 Specific performance

The Selling Shareholders acknowledge that damages alone would be an inadequate remedy for breach of their obligations under this Deed and the appropriate remedies for such a breach will include orders for specific performance, injunctive relief, and other equitable relief and/or damages.

8.4 Independent legal advice

The Selling Shareholders acknowledge that they have had the opportunity to obtain independent legal advice with respect to this Deed.

8.5 Counterparts

This Deed may be executed in two or more counterparts (by email or otherwise), each of which when signed will be deemed to be an original, and such counterparts together will constitute a single instrument.

8.6 Governing law and jurisdiction

This Deed is governed by, and is to be construed in accordance with, the laws of New Zealand. The parties irrevocably and unconditionally submit to the non-exclusive jurisdiction of the Courts of New Zealand in relation to any disputes arising out of or in connection with this Deed.

8.7 Contracts Privity Act

The provisions of this Deed are for the benefit of, and are intended to be enforceable by, each of NZX, the Non-Interested Directors and any shareholder of Fliway under the Contracts (Privity) Act 1982.

Execution

Executed and delivered as a deed.

SIGNED by Duncan John Hawkesby)
as a Trustee of The D&G Hawkesby)
in the presence of:)

Duncan John Hawkesby

Witness Signature

Katie Francis Green

Witness Occupation **Solicitor**
Auckland

Place of residence

SIGNED by Gretchen Sarah Hawkesby)
as a Trustee of The D&G Hawkesby)
in the presence of:)

Gretchen Sarah Hawkesby

Witness Signature

Naomi Ripeka Kora

Witness Occupation **Solicitor**
Auckland

Place of residence

Signed on behalf of Fliway Group Limited
by

Director

Director

Print Name

Print Name

Execution

Executed and delivered as a deed.

SIGNED by Duncan John Hawkesby)
as a Trustee of The D&G Hawkesby)
in the presence of:)

Duncan John Hawkesby

Witness Signature

Witness Occupation

Place of residence

SIGNED by Gretchen Sarah Hawkesby)
as a Trustee of The D&G Hawkesby)
in the presence of:)

Gretchen Sarah Hawkesby

Witness Signature

Witness Occupation

Place of residence

Signed on behalf of Fliway Group Limited
by



Director

Craig Stobo

Print Name



Director

Alan Isaac

Print Name