

**This is an important letter and requires your immediate attention. If you are in doubt as to how to deal with it, you should consult your legal, financial or other professional adviser.**

26 February 2020

Dear shareholder

### **Minimum holding buy-back and divestiture notice**

As announced to ASX Limited (**ASX**) today, 26 February 2020, LatAm Autos Limited ACN 169 063 414 (ASX code: LAA) (**Company** or **LAA**), has been advised that ASX would likely remove the Company from the official list of ASX (**De-Listing**) subject to satisfaction of a number of conditions including that:

- LAA shareholders approve the De-Listing by special resolution; and
- the De-Listing not take place for at least 1 month after shareholder approval is obtained to give shareholders an opportunity to sell their LAA shares and/or options on market prior to De-Listing if they do not want to hold securities in an unlisted entity.

The Company also announced to ASX that:

- it will undertake a minimum holding buy-back of fully paid ordinary shares (**Shares**) in the Company that are less than a marketable parcel i.e. a parcel of Shares worth less than A\$500 based on the ASX closing sale price of a Share, to provide smaller shareholders an additional liquidity facility to exit their holdings prior to De-Listing; and
- it intends to undertake a pro-rata non-renounceable rights offer at \$0.03 per Share to raise up to around \$5 million if the De-Listing is approved by LAA shareholders.

The minimum holding buy-back will be undertaken in accordance with division 2 of part 2J.1 of the *Corporations Act 2001* (Cth) (**Corporations Act**) and on an 'opt-out' basis in accordance with clause 11 of the Company's constitution. The price at which the Company will buy back Shares is \$0.03 each. This represents a 25% premium to the ASX closing sale price of \$0.024 for a Share on 31 January 2020 (being the last trading before the Shares were suspended from quotation on 3 February 2020 pending the announcement of the proposed restructure and capital raising) and a 9.2% premium to the 1-month volume weighted average price of Shares traded on ASX up to 31 January 2020.

Under clause 11 of the Company's constitution, a shareholder who holds less than a marketable parcel of Shares may be required to sell those Shares in accordance with a procedure for their sale notified to the shareholder by the Company, unless the shareholder notifies the Company in writing that the shareholder wants to keep the Shares. This is the 'opt-out' basis mentioned above. To invoke it, the Company must give to each of its shareholders who holds less than a marketable parcel a divestiture notice that complies with clause 11.

If you wish to participate in the proposed rights offer, you will need to retain your Shares until the date for determining entitlements under the rights offer. In that case, you may need to opt out of the minimum holding buy-back (see below). You should consider the prospectus in deciding whether to participate in the proposed rights offer. If you wish to participate and acquire further Shares under the proposed rights offer you will need to complete the entitlement and acceptance/application form that will accompany the prospectus.

## Eligible Shareholders

The time set by the Company for determining the shareholders (**Eligible Shareholders**) who hold less than a marketable parcel for the purpose of receiving a divestiture notice under clause 11 of the Company's constitution is 7:00 pm (Melbourne time) on 25 February 2020 (**Record Date**). In the circumstances, as you held a parcel of Shares at 7:00 pm (Melbourne time) on the Record Date worth less than \$500 based on the last ASX closing sale price of a Share on the Record Date (being \$0.024) you are an Eligible Shareholder.

## 6 week opt-out period

Under clause 11 of the Company's constitution an unmarketable parcel of Shares held by an Eligible Shareholder may be sold on such terms as the directors of the Company determine if the Eligible Shareholder has not notified the Company in writing that the Eligible Shareholder wants to keep the Shares before a specified date that is at least 6 weeks after the divestiture notice is sent to the Eligible Shareholder provided the Shares held by the Eligible Shareholder on that date continue to be less than a marketable parcel. The specified date is 10 April 2020 (**Divestiture Date**).

## Minimum holding buy-back terms

Unless you opt-out (see below), if all of the Shares (**your Shares**) that you are the registered holder of at 7:00 pm (Melbourne time) on the Divestiture Date continue to be worth less than \$500 based on the ASX closing sale price of a Share on that date, the Company will agree to buy back from you, and you will agree or be taken to have agreed to sell to the Company, all of your Shares under a buy-back agreement on the terms (**Buy-Back Terms**) set out below:

1. The Company agrees to buy back from you, and you agree to sell and transfer to the Company, all of your Shares for \$0.03 each (**Buy-Back Consideration**) free from all mortgages, charges, liens, encumbrances (whether legal or equitable) and adverse interests of any nature and restrictions on transfer of any kind, on the next business day after the Divestiture Date or, if the buy-back agreement is still subject to a condition set out in paragraph 2 below (**Defeating Condition**) at that time, on the date the buy-back agreement becomes unconditional (**Completion Date**).
2. The buy-back agreement is subject to the fulfilment of the following Defeating Conditions:
  - (a) A special resolution approving the De-Listing of the Company is passed by the shareholders of the Company by 31 May 2020.
  - (b) ASX does not withdraw its conditional approval of the De-Listing of the Company or change any of the conditions of the De-Listing on or before the date shareholders approve the De-Listing.
3. The Defeating Conditions are conditions subsequent. The non-fulfilment of any condition subsequent does not prevent the buy-back agreement to sell your Shares from arising, but may result in the buy-back agreement becoming void and of no effect. The Company alone is entitled to the benefit of the Defeating Conditions or to rely on any non-fulfilment of any of them. The Company may waive all or any of the Defeating Conditions generally or in relation to any specific occurrence by making an ASX announcement to the effect that the relevant condition or conditions are waived to the relevant extent. This announcement may be made at any time on or before 31 May 2020. If by the end of that date, a Defeating Condition has not been fulfilled and the Company has not waived that condition, the buy-back agreement will become automatically void and of no effect.
4. If the buy-back agreement becomes unconditional, the Company agrees to pay the Buy-Back Consideration for your Shares on or before 21 days after the Completion Date. Payment of the Buy-Back Consideration to which you become entitled will be made in Australian currency:

3.

- (a) by electronic funds transfer to an Australian bank account notified by you to the Company for the making of payments to you provided sufficient details of the bank account have been provided to the Company for this purpose; and
- (b) in any other case, by cheque which will be sent to you at your risk by ordinary post (or in the case of overseas shareholders, by airmail) to your address as shown in the Company's register of members.

5. You:

- (a) represent and warrant to the Company that you have full power and capacity to sell and transfer (and at the time the transfer of your Shares to the Company is registered you will be selling and transferring) the full legal and beneficial ownership of your Shares free from all mortgages, charges, liens, encumbrances (whether legal or equitable) and adverse interest of any nature and restrictions on transfer of any kind;
- (b) irrevocably appoint the Company (or any nominee or nominees of the Company) as your attorney to execute all such documents, transfers and assurances and to do all such other things on your behalf as may be necessary or desirable to transfer or otherwise convey to the Company your Shares, from the time the buy-back agreement becomes unconditional until the registration of the transfer of those Shares; and
- (c) agree that in exercising the powers conferred by the above power of attorney, the attorney is entitled to act in the interest of the Company.

6. The buy-back agreement is governed by the laws of Victoria.

If the buy-back agreement arises, all rights attaching to your Shares will be suspended under section 257H(1) of the Corporations Act until the Shares are cancelled or the buy-back agreement becomes null and void. Immediately after the registration of the transfer to the Company of your Shares that are bought back by the Company, those Shares will be cancelled under section 257H(3) of the Corporations Act.

#### **Divestiture notice**

The Company **hereby notifies** you that:

- 1. If you wish to keep your Shares, you must notify the Company in writing accordingly before the Divestiture Date. A share retention form is enclosed for this purpose – see below.
- 2. If you do not notify the Company in writing that you wish to keep your Shares before the Divestiture Date:
  - (a) a buy-back agreement for the sale of all of your Shares on the Buy-Back Terms will arise;
  - (b) all of Your Shares are liable to be sold to the Company in accordance with the Buy-Back Terms; and
  - (c) if your Shares are held in a CHESS holding and if they remain in a CHESS holding after the Divestiture Date, the Company may, without further notice, move those Shares from the CHESS holding to an issuer sponsored holding or a certificated holding for the purposes of divestment by the Company in accordance with the Buy-Back Terms.

## Your options in relation to the minimum holding buy-back

### *Sell your Shares*

If you wish to sell your Shares for \$0.03 each, you do not need to take any action. By refraining from taking any action, you will be taken to have agreed to sell to the Company all of your Shares in accordance with the Buy-Back Terms.

You will not incur any brokerage or stamp duty in respect of the sale of your Shares to the Company under the minimum holding buy-back. Any taxation consequences arising from the sale of your Shares will be your responsibility.

### *Retain your Shares*

If you wish to keep your Shares, you may elect to opt-out of the buy-back by completing the **enclosed share retention form** and sending the completed form to the Company or its share registrar, Boardroom Pty Limited, in accordance with the instructions on the form, so that it is received **before** the Divestiture Date.

If the completed share retention form is not received before the Divestiture Date, your Shares are liable to be sold to the Company under the Buy-Back Terms. Accordingly, if you decide to keep your Shares, you should allow enough time for your completed share retention form to be received by **the day before** the Divestiture Date i.e. by **9 April 2020**.

### Key dates\*

Minimum holding buy-back	
Record Date – date for determining Eligible Shareholders who will participate in the minimum holding buy-back	25 February 2020 at 7:00 pm (Melbourne time)
Despatch minimum holding buy-back terms and divestiture notice to Eligible Shareholders and give to ASX	26 February 2020
General meeting to approve De-Listing	31 March 2020
Last day for receipt of share retention notices	9 April 2020
Divestiture Date – date before which share retention notices must be received	10 April 2020
Unmarketable parcels of Eligible Shareholders that have not opted out will be bought back and transferred to Company	14 April 2020
Payment of Buy-Back Consideration	1 May 2020

*\*These key dates are subject to change. The Company reserves the right to change the dates, including the date of the general meeting to approve the De-Listing, without prior notice, subject to the Corporations Act, ASX Listing Rules and the Company's constitution. Any extension of the general meeting date may have a consequential effect on the anticipated date for transfer of any bought-back shares and/or the payment of any Buy-Back Consideration.*

As announced to ASX, the Company reserves the right not to proceed with the De-Listing (and, therefore, the minimum holding buy-back which is conditional on shareholder approval of the De-Listing) and/or the proposed capital raising in its absolute discretion, including if in the view of the Company's directors a superior proposal emerges or circumstances otherwise change requiring the Company to re-assess the merits of the De-Listing, minimum holding buy-back and/or capital raising. The Company continues to assess its options including engaging in confidential non-binding discussions with one or more parties regarding potential strategic transactions. LAA will update shareholders as required in accordance with its continuous disclosure obligations.

This letter does not take into account your individual investment objectives, financial situation or particular needs. You should seek independent professional advice when deciding whether to retain your Shares or if you have any questions on how the buy-back may affect you.

If you require further information in respect of the buy-back, please contact the Company's share registry, Boardroom Pty Limited, on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia).

Yours faithfully

A handwritten signature in black ink, appearing to read 'Melanie Leydin', with a stylized flourish at the end.

**Melanie Leydin**  
Company secretary  
For and on behalf of LatAm Autos Limited



LatAm Autos Limited  
ABN 12 169 063 414

All correspondence to  
Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001

Tel: 1300 737 760 (within Aust)  
Tel: + 61 2 9290 9600 (outside Aust)  
Fax: + 61 2 9279 0664

[www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)  
corporateactions@boardroomlimited.com.au

Subregister

SRN/HIN.

## Share Retention Form

**IMPORTANT:** This is an important document and requires your immediate attention. LatAm Autos Limited (the **Company**) is implementing a minimum holding buy-back (**buy-back**) for holders of parcels of the Company's shares valued at less than A\$500. Further details regarding the buy-back are set out in the letter to you from the Company dated 26 February 2020, which accompanies this Form. If you do not want your parcel of shares in the Company to be sold under the buy-back, you must complete this Form and return it so that it is received by the Company or its share registry on or before 9 April 2020. If you are in any doubt as to how to deal with this Form, you should consult your professional adviser. If your shareholding in the Company increases in value to A\$500 or more as at 10 April 2020 by on-market purchases or otherwise, then your holding will not be sold under the buy-back.

### A Number of shares held as at the Record Date

The number of shares in the Company that you held at 7:00pm (Melbourne time) on 25 February 2020:

### B Retention of shares

I / We being a shareholder/shareholders of the Company having received a divestiture notice from the Company under clause 11 of the Company's constitution that my/our shares in the Company are liable to be sold to the Company under the minimum holding buy-back hereby give notice to the Company that I/we want to keep my/our shares.

### C Contact details (Enter your contact details below)

CONTACT NAME	TELEPHONE NO. (WORK)	TELEPHONE NO. (HOME)	EMAIL ADDRESS
	( )	( )	

### D Shareholder's Signature

By signing and returning this Form, I / we confirm that I / we understand that my / our shares will **NOT BE SOLD** under the buy-back.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Day      Month      Year

**This Form must be received on or before  
9 April 2020**

LODGEMENT INSTRUCTIONS ARE ON THE REVERSE OF THIS FORM

# Additional Information

## How to complete this Form

- A. This is the number of shares in the Company that you held at 7:00pm (Melbourne time) on 25 February 2020.
- B. If you would like to retain your shares in the Company, please mark the box on the front of this Form and return it to the Company's share registry in accordance with the lodgement instructions below. If this Form is not received on or before 9 April 2020, and you have not otherwise validly notified the Company that you wish to retain your shares, if you still hold less than a marketable parcel of shares on 10 April 2020 and subject to satisfaction of the defeating conditions of the buy-back, all of your shares in the Company will be sold to the Company under the buy-back. **IF YOU WOULD LIKE TO SELL YOUR SHARES (AND THE COMPANY TO SEND YOU THE BUY-BACK CONSIDERATION), YOU SHOULD NOT COMPLETE THIS FORM.**
- C. Enter your contact details so we may contact you regarding your Form.
- D. The Form **must** be signed to be considered valid. In the spaces provided, you must sign this Form as follows:
- Individual:** Where the holding is in only one name, this Form is to be signed by the securityholder.
- Joint Holding:** Where the holding is in more than one name, all the securityholders must sign.
- Power of Attorney:** To sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this Form when you return it.
- Companies:** This Form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this Form must be signed by that person. **Please indicate the office held by signing in the appropriate place.**

## Lodgement of this Form

If you wish to retain your shares in the Company, complete this Form and send the completed Form to the Company's registered office at level 4, 96-100 Albert Road, South Melbourne, VIC, 3205 or to the Company's share registry (see address details below) by 9 April 2020. If you are sending your Form by post, please allow sufficient time for collection and delivery by postal services. To be valid, your completed Form must be received on or before 9 April 2020.

### Mailing address:

LatAm Autos Limited  
C/- Boardroom Pty Limited  
GPO Box 3993  
SYDNEY NSW 2001

### Delivery address:

LatAm Autos Limited  
C/- Boardroom Pty Limited  
Level 12, 225 George Street  
SYDNEY NSW 2000

## Consolidation of shareholdings

If you have more than one holding on the LatAm Autos Limited share register, you should consider consolidating them. For further information regarding this, please contact Boardroom Pty Limited on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia).

## Changes of address supported by your signature(s)

If your address is not exactly as shown at the top of this Form, please provide your correct details below. This is only relevant for Issuer Sponsored registered holdings. CHESS holders must notify your sponsoring broker for amendments to holdings on the CHESS Subregister.

CHANGE OF ADDRESS DETAILS – ISSUER SPONSORED ONLY		
SIGN HERE FOR ADDRESS AMENDMENTS		

Shareholder 1 (Individual) /  
Sole Director and Sole Company Secretary

Joint Shareholder 2  
(Individual) / Director

Joint Shareholder 3  
(Individual) / Director / Company Secretary  
(Delete one)

## Privacy Statement

Boardroom Pty Limited advises that Chapter 2C of the *Corporations Act 2001* (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your shareholding and if some or all of the information is not collected then it might not be possible to administer your shareholding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on the Application Form. Our privacy policy is available on our website (<http://www.boardroomlimited.com.au/Privacy.html>).