

NZX Regulation Decision

Stride Property Limited and Stride Investment
Management Limited (SPG)

Application for waivers and rulings from NZX Main Board
Listing Rules 1.6.1, 3.4.3, 3.3.5 to 3.3.15, 3.5, 6.2, 6.3,
7.3.6, 7.12.1, 7.12.3, 7.12.8, 7.12.9, 9.2.1, 10.3.2, 10.4.2
and 11.2

10 June 2016



1. The information on which the decisions below are based on is set out in Appendix One to the decisions. These decisions will not apply if that information is not or ceases to be full and accurate in all material respects.
2. The Rules to which these decisions relate are set out in Appendix Two to these decisions.
3. Capitalised terms which have not been defined in this decision have the meanings given to them in the Rules.

Ruling on “Disqualifying Relationship” in NZX Main Board Listing Rule 1.6.1

Decision

4. Subject to the conditions set out in paragraph 5 below, and on the basis that the information provided by Stride Property Limited (**Stride**) and Stride Investment Management Limited (**SIML**) is complete and accurate in all material respects, NZX Regulation (**NZXR**) rules that for the purposes of the definition for “Disqualifying Relationship” in Rule 1.6.1, any reference to “Issuer”, shall be a reference to “Stapled Group”, and any reference to a “Director of the Issuer” shall be a reference to a “Director of an Issuer that is part of the Stapled Group”.
5. The ruling in paragraph 4 is provided on the following conditions:
 - a. Stride and SIML shall remain a Stapled Group;
 - b. Stride and SIML will each be given a Non-Standard Designation (**NS Designation**) upon SIML’s Listing and the Quotation of the Stapled Securities;
 - c. the NS Designation is disclosed in the Explanatory Memorandum, any Offering Documents for Stride and / or SIML, as well the Stapled Group’s half-year and annual reports; and
 - d. the Explanatory Memorandum, any Offering Documents for Stride and / or SIML, and the Stapled Group’s half-year and full-year reports will include the implications of investing in the Stapled Securities as well as a link to where this ruling can be read.

Reasons

6. In coming to the decision to provide the ruling set out in paragraph 4 above, NZXR has considered that:
 - a. the policy behind the requirement for Issuers to have Independent Directors under Rule 3.3.1(c), is to ensure that Issuers have adequate independence in how their corporate governance is structured. The granting of this ruling will not offend the policy behind Rule 3.3.1(c);
 - b. the commonality of the Stride and SIML Boards through the Mirror Board Structure, is an important feature of the Stapling as well as Stride and SIML’s ability to function as a Stapled Group. By virtue of the Mirror Board Structure, as well as the fact that both Stride and SIML will be parties to a stapling deed, the Directors would likely have a Disqualifying Relationship, for the purposes of each individual Issuer. The requirement to have Independent Directors on each Board would therefore frustrate the Mirror Board



Structure. Furthermore, while the Issuers will have a Mirror Board Structure, the Stapled Group will still be required to have Independent Directors;

- c. the Restructuring, which will give rise to the Mirror Board Structure, will not proceed without the Constitution Amendment being approved by a special resolution of Stride shareholders, which they will be able to vote on at the Special Meeting;
- d. the Non-Standard designation for the Listing of the Issuers will provide an indication to potential investors that Stride and SIML have a unique structure. Furthermore, the condition in paragraph 5(d) above, will help to make information available to investors of the implications of investing in the Stapled Securities, this ruling and the Mirror Board Structure.

Waivers from NZX Main Board Listing Rules 3.3.5 to 3.3.15

Decision

- 7. Subject to the conditions set out in paragraph 8 below, and on the basis that the information provided by Stride is complete and accurate in all material respects, NZXR grants Stride waivers from Rules 3.3.5 to 3.3.15.
- 8. The waivers in paragraph 7 are provided on the following conditions:
 - a. Stride and SIML shall remain a Stapled Group;
 - b. the Stapled Group retains the Mirror Board Structure in all respects;
 - c. the Directors of Stride shall certify to NZXR that Stride will only be able to rely on these waivers while SIML is in compliance with its obligations under Rules 3.3.5 to 3.3.15;
 - d. Stride and SIML will each be given the NS Designation upon SIML's Listing and the Stapled Group's quotation of its Stapled Securities;
 - e. the NS Designation is disclosed in the Explanatory Memorandum, any Offering Documents for Stride and / or SIML, as well the Stapled Group's half-year and annual reports; and
 - f. the Explanatory Memorandum, any Offering Documents for Stride and / or SIML, and the Stapled Group's half-year and full-year reports will include the implications of investing in the Stapled Securities as well as a link to where this waiver can be read.

Reasons

- 9. In coming to the decision to provide the waivers set out in paragraph 7 above, NZXR has considered that:
 - a. the commonality of the Stride and SIML Boards through the Mirror Board Structure, is an important feature of the Stapling as well as Stride and SIML's ability to function as a Stapled Group. SIML will comply with Rules 3.3.5 to 3.3.15 as a conventional Issuer would. The waivers granted to Stride are intended to allow Stride to replicate SIML's compliance with these Rules, and to allow Stride and SIML to give effect to the Mirror Board Structure;



- b. the Restructuring, which will give rise to the Mirror Board Structure, will not proceed without the Constitution Amendment being approved by a special resolution of Stride shareholders, which they will be able to vote on at the Special Meeting;
- c. the conditions in paragraphs 8(b) and (c) above, will help to ensure that Stride will only be able to rely on these waivers while SIML is in compliance with Rules 3.3.5 to 3.3.15. The effect of this will be that so long as the Mirror Board Structure is in effect, the Stapled Group as a totality will be in compliance with these Rules; and
- d. the Non-Standard designation for the Listing of the Issuers will provide an indication to potential investors that Stride and SIML have a unique structure. Furthermore, the condition in paragraph 8(d) above, will help to make information available to investors of the implications of investing in the Stapled Securities, these waivers and the Mirror Board Structure.

Waiver from NZX Main Board Listing Rule 3.4.3

Decision

- 10. Subject to the conditions set out in paragraph 11 below, and on the basis that the information provided by Stride and SIML is complete and accurate in all material respects, NZXR grants Stride and SIML a waiver from Rule 3.4.3, to the extent that a Director of Stride would otherwise be unable to vote because they were “interested” as defined in Rule 3.4.3 in the matter, solely due to being a Director of SIML, and vice versa, but for no other reason.
- 11. The waiver in paragraph 10 is provided on the following conditions:
 - a. Stride and SIML shall remain a Stapled Group;
 - b. the Stapled Group retains the Mirror Board Structure in all respects;
 - c. Stride and SIML will each be given the NS Designation upon SIML’s Listing and the Stapled Group’s quotation of its Stapled Securities;
 - d. the NS Designation is disclosed in the Explanatory Memorandum, the Stapled Group’s Offering Documents, as well the Stapled Group’s half-year and annual reports; and
 - e. the Explanatory Memorandum, any Offering Documents for Stride and / or SIML, and the Stapled Groups half-year and full-year reports will include the implications of investing in the Stapled Securities as well as a link to where this waiver can be read.

Reasons

- 12. In coming to the decision to provide the waiver set out in paragraph 10 above, NZXR has considered that:
 - a. the policy behind Rule 3.4.3 is to prevent situations arising whereby Directors who have a vested interest in a transaction may authorise the entry into, or implementation of, matters that are detrimental to the interests of security holders as a result of that interest. The granting of this waiver will not offend the policy behind Rule 3.4.3;
 - b. given the Mirror Board Structure, the Directors of Stride will likely be “interested” in any matter involving SIML, and vice versa. As such, without a waiver from Rule 3.4.3, the Stride Board will not be able to form a quorum or pass resolutions in relation to a matter involving SIML, and vice versa. The waiver is necessary to facilitate the functioning of

the Stapled Group, which will include making decisions for the benefit of Stapled Security holders;

- c. the Restructuring, which will give rise to the Mirror Board Structure, will not proceed without the Constitution Amendment being approved by a special resolution of Stride shareholders, which they will be able to vote on at the Special Meeting; and
- d. the Non-Standard designation for the Listing of the Issuers will provide an indication to potential investors that Stride and SIML have a unique structure. Furthermore, the conditions above will help to make information available to investors of the implications of investing in the Stapled Securities, this waiver and the Mirror Board Structure.

Ruling on NZX Main Board Listing Rule 3.5

Decision

- 13. Subject to the conditions set out in paragraph 14 below, and on the basis that the information provided by Stride and SIML is complete and accurate in all material respects, NZXR rules that for the purposes of Rule 3.5, any reference to “Issuer” shall be a reference to “Stride” or “SIML” with the intent that remuneration payable to the Directors of Stride and SIML will only need to be approved by the shareholders of one of Stride or SIML.
- 14. The ruling in paragraph 13 is provided on the following conditions:
 - a. Stride and SIML shall remain a Stapled Group;
 - b. the Stapled Group retains the Mirror Board Structure in all respects;
 - c. any Director fees paid to the Directors of Stride or SIML can only be paid out of the pool authorised by Stapled Security holders in accordance with Rule 3.5.1, out of any amounts approved prior to Listing or, where Stride and SIML obtain separate approval from their respective shareholders, out of amounts or a pool that is separately approved; and
 - d. that any ordinary resolution and explanatory notes put to SIML or Stride’s shareholders for the purposes of approving a resolution under Rule 3.5.1, clearly sets out how the pooling of the remuneration of Stride and SIML’s Directors operates, as well as the obligations of Stride and SIML under this Rule.

Reasons

- 15. In coming to the decision to provide the ruling set out in paragraph 13 above, NZXR has considered that:
 - a. the policy behind Rule 3.5 is to ensure that an Issuer’s shareholders are able to determine the type, and the amount, of remuneration which the Issuer’s Directors receive. The granting of this ruling will not offend the policy behind Rule 3.5;
 - b. given the Mirror Board Structure, Stride wants to ensure that its Directors, who will also be Directors of SIML, are not seen to be paid twice. Granting the ruling on Rule 3.5, will enable the remuneration of the Directors of Stride to be approved by the shareholders of SIML (who will also be the shareholders of Stride), when they approve the remuneration of the Directors of SIML, or vice versa. Stride has submitted, and NZXR has no reason not to accept, that requiring Stride to obtain a separate approval from its shareholders, could be confusing for Stapled Security holders;



- c. the Restructuring, which will give rise to the Mirror Board Structure, will not proceed without the Constitution Amendment being approved by a special resolution of Stride shareholders, which they will be able to vote on at the Special Meeting; and
- d. the condition in paragraph 14(c) above, will help to ensure that any remuneration paid to Directors of Stride and SIML, will have been approved by Stapled Security holders; and
- e. the condition in paragraph 14(d) above, will help to ensure that Stapled Security holders are aware of how the pooling of the remuneration of Stride and SIML's Directors operates, as well as the obligations of Stride and SIML under this Rule. These disclosures will help to make sure that Stapled Security holders are adequately informed when they are asked to vote on any resolution pertaining to Rule 3.5.1.

Waivers from NZX Main Board Listing Rules 6.2 and 6.3

Decision

16. Subject to the conditions in paragraph 17 below, and on the basis that the information provided by Stride and SIML is complete and accurate in all material respects, NZXR grants Stride and SIML waivers from Rules 6.2 and 6.3, to the extent that these Rules requires Stride and SIML to issue their own notices, reports and communications to holders of their Securities.
17. The waivers in paragraph 16 are provided on the following conditions:
 - a. Stride and SIML shall remain a Stapled Group;
 - b. Stride and SIML shall provide joint notices, reports and communications to holders of Stapled Securities, as a Stapled Group;
 - c. each of Stride and SIML shall ensure that any notice, report or communication will clearly explain which Issuer was the source of the notice, report or communication;
 - d. Stride and SIML will each be given the NS Designation upon SIML's Listing and the Stapled Group's quotation of its Stapled Securities;
 - e. the NS Designation is disclosed in the Explanatory Memorandum, any Offering Documents for Stride and / or SIML, as well the Stapled Group's half-year and annual reports; and
 - f. the Explanatory Memorandum, any Offering Documents for Stride and / or SIML, and the Stapled Group's half-year and full-year reports will include the implications of investing in the Stapled Securities as well as a link to where these waivers can be read.

Reasons

18. In coming to the decision to provide the waivers set out in paragraph 16 above, NZXR has considered that:
 - a. the policy behind Rules 6.2 and 6.3 is to ensure that the shareholders of an Issuer are notified of, and given sufficient information in order to make an informed decision regarding, any resolution put forward by an Issuer for shareholder approval. The granting of these waivers will not offend the policy behind Rules 6.2 and 6.3;

- b. given the nature of the Stapled Group, the information and resolutions put forward by Stride would likely be the same as the information and resolutions put forward by SIML, and vice versa. It could be confusing to Stride and SIML's shareholders, as well as unnecessary, for holders to receive two identical sets of documents under these Rules. Granting the waiver, will enable Stride and SIML to coordinate all notices, reports and financials, in order to present them to their shareholders as a Stapled Group; and
- c. the condition in paragraph 17(c) above, will help to ensure that, in instances where the information provided is only relevant to Stride or SIML, Stapled Security holders will be able to identify whether the information pertains to Stride or SIML.

Ruling on NZX Main Board Listing Rule 7.3.6

Decision

- 19. Subject to the condition in paragraph 20 below, and on the basis that the information provided by Stride is complete and accurate in all material respects, NZXR rules that for the purposes of Rule 7.3.6, any reference to "Employees", "Directors" and "Associated Persons of Directors", will also be a reference to "Employees of SIML", "Directors of SIML" and "Associated Persons of Directors of SIML".
- 20. The ruling in paragraph 19 is provided on the condition that Stride and SIML shall remain a Stapled Group.

Reasons

- 21. In coming to the decision to provide the ruling set out in paragraph 19 above, NZXR has considered that:
 - a. the policy behind Rule 7.3.6 is to ensure that an Issuer's employee share scheme is conducted by reference to objective criteria, and it is operated in a way which does not unduly dilute existing shareholders. The granting of this ruling will not offend the policy behind Rule 7.3.6;
 - b. as a result of the Stapling, participants in SIML's employee share scheme, will be entitled to hold, or will hold, Stapled Securities. The ruling will allow SIML to facilitate this, as it will enable Stride to issue its ordinary shares to SIML's employee share schemes, in accordance with the terms of those schemes; and
 - c. both Stride and SIML will comply with all of the other aspects of Rule 7.3.6.

Waivers from NZX Main Board Listing Rules 7.12.1, 7.12.3, 7.12.8 and 7.12.9

Decision

- 22. Subject to the conditions in paragraph 23 below, and on the basis that the information provided by Stride and SIML is complete and accurate in all material respects, NZXR grants Stride and SIML waivers from Rules 7.12.1, 7.12.3, 7.12.8 and 7.12.9, to the extent that these Rules require Stride and SIML to release separate announcements.
- 23. The waivers in paragraph 22 are provided on the following conditions:
 - a. Stride and SIML shall remain a Stapled Group;

- b. Stride and SIML shall at all times release joint announcements under the relevant Rules, as a Stapled Group;
- c. each of Stride and SIML shall ensure that any notice, report or communication will clearly explain which Issuer was the source of the notice, report or communication;
- d. in any joint notice released pursuant to Rule 7.12.1, the joint notice shall clearly identify, where appropriate, the information in 7.12.1 (a) to (m) for Stride and SIML separately, as well as any combined information which Stride and SIML propose to include;
- e. Stride and SIML will each be given the NS Designation upon SIML's Listing and the Stapled Group's Quotation of its Stapled Securities;
- f. the NS Designation is disclosed in the Explanatory Memorandum, any Offering Documents for Stride and / or SIML, as well the Stapled Group's half-year and annual reports; and
- g. the Explanatory Memorandum, any Offering Documents for Stride and / or SIML, and the Stapled Groups half-year and full-year reports will include the implications of investing in the Stapled Securities as well as a link to where these waivers can be read.

Reasons

24. In coming to the decision to provide the waivers set out in paragraph 22 above, NZXR has considered that:
- a. the policy behind Rule 7.12.1 is to ensure that the Security holders of an Issuer are notified of any changes to the total equity on issue for that Issuer. The granting of these waivers will not offend the policy behind Rules 7.12.1;
 - b. given the nature of the Stapled Group and the Stapled Securities, information announced by Stride will likely be the same as the information announced by SIML, and vice versa.- It could be confusing to Stride and SIML's shareholders, as well as unnecessary, if they received two identical sets of information under these Rules. Granting the waiver will enable Stride and SIML to coordinate all notices provided under these Rules, in order to present them to their shareholders as a Stapled Group; and
 - c. the conditions in paragraph 23(c), (d) and (e) above will help to ensure that in instances where the information provided is only relevant to Stride or SIML, Stapled Security holders will be able to identify whether the information pertains to Stride or SIML.

Waiver from NZX Main Board Listing Rule 9.2.1 for ongoing transactions

Decision

25. Subject to the conditions in paragraph 26 below, and on the basis that the information provided by Stride is complete and accurate in all material respects, NZXR grants Stride and SIML a waiver from Rule 9.2.1, to the extent that Stride and SIML would be required to obtain shareholder approval before entering into New Investment Vehicle Transactions or New Property Management Transactions.
26. The waiver in paragraph 25 is provided on the following conditions:
- a. Stride and SIML shall remain a Stapled Group;



- b. each of Stride and SIML may enter into one or more Material Transactions in reliance on the waiver only for the purposes of enabling Stride and/or SIML to enter into New Investment Vehicle Transactions;
- c. each of Stride and SIML may enter into one or more Material Transactions in reliance on the waiver only for the purposes of enabling SIML to enter into New Property Management Transactions;
- d. Stride and SIML will each be given the NS Designation upon SIML's Listing and the Stapled Group's Quotation of its Stapled Securities;
- e. the NS Designation is disclosed in the Explanatory Memorandum, any Offering Documents for Stride and / or SIML, as well the Stapled Group's half-year and annual reports; and
- f. the Explanatory Memorandum, any Offering Documents for Stride and / or SIML, and the Stapled Groups half-year and full-year reports will include the implications of investing in the Stapled Securities as well as a link to where this waiver can be read.

Reasons

27. In coming to the decision to provide the waiver set out in paragraph 25 above, NZXR has considered that:

- a. the policy behind Rule 9.2.1 is to regulate transactions where a Related Party to a Material Transaction may gain favourable consideration due to its relationship with the Issuer. NZXR may waive the requirement to obtain the approval of a resolution for the purposes of Rule 9.2.1 if it is satisfied that the involvement of a Related Party to the transaction was unlikely to have influenced the promotion of, or the decision to enter into, the transaction. The granting of this waiver will not offend the policy behind Rule 9.2.1;
- b. given the nature of the Stapled Group, there will be opportunities that it will not be able to pursue without Stride and SIML entering into various intragroup transactions that would, but for a waiver, require shareholder approval under Rule 9.2.1. The waiver will help to ensure that the Stapled Group will be able to pursue these opportunities more efficiently;
- c. the intragroup transactions will likely be such that they will ultimately be beneficial to Stapled Security holders;
- d. the conditions in paragraphs 26(b) and (c) above, will ensure that Stride and SIML will only enter into intragroup transactions which would otherwise require shareholder approval under Rule 9.2.1, where these intragroup transactions are only for the purposes of pursuing New Investment Vehicle Transactions and New Property Management Transactions.

Ruling on “Average Market Capitalisation” in NZX Main Board Listing Rule 1.6.1

Decision

28. Subject to the conditions in paragraph 29 below, and on the basis that the information provided by Stride and SIML is complete and accurate in all material respects, NZXR rules



that for the purposes of the definition for “Average Market Capitalisation” in Rule 1.6.1, any reference to “Issuer” shall be a reference to “Stapled Group”.

29. The ruling in paragraph 28 is provided on the following conditions:

- a. Stride and SIML shall remain a Stapled Group;
- b. Stride and SIML will each be given the NS Designation upon SIML’s Listing and the Stapled Group’s quotation of its Stapled Securities;
- c. the NS Designation is disclosed in the Explanatory Memorandum, any Offering Documents for Stride and / or SIML , as well the Stapled Group’s half-year and annual reports; and
- d. the Explanatory Memorandum, any Offering Documents for Stride and/ or SIML, and the Stapled Groups half-year and full-year reports will include the implications of investing in the Stapled Securities as well as a link to where this ruling can be read.

Reasons

30. In coming to the decision to provide the ruling set out in paragraph 28 above, NZXR has considered that:

- a. the policy behind the thresholds set out in Rules 7.6.4(a), 9.1.1(b), 9.2.2(a) – (e) and 10.1.3(a) – (d), is to ensure that Issuers’ shareholders are able to decide whether certain transactions proceed or not. The granting of this ruling will not offend the policy behind these Rules;
- b. it is likely the market will view the Stapled Group as a single economic entity, and one investment proposition. It is therefore appropriate that the threshold for determining Average Market Capitalisation, for the purposes of the Rules, will be assessed against the market capitalisation of the Stapled Group;
- c. the nature of the Stapled Group and the Stapled Securities are such, that neither Stride nor SIML, will have individual market capitalisations, or have ordinary shares which will have market prices that are readily assessable. The Stapled Group’s market capitalisation will at all times be drawn from the single market price of the Stapled Securities will be calculated based on the number of Stapled Securities on issue. The granting of this ruling will enable Stride and SIML to comply with Rules 7.6.4(a), 9.1.1(b), 9.2.2(a) – (e) and 10.1.3(a) – (d), as a Stapled Group.

Ruling on “Material Information” in NZX Main Board Listing Rule 1.6.1

Decision

31. Subject to the conditions in paragraph 32 below, and on the basis that the information provided by Stride and SIML is complete and accurate in all material respects, NZXR rules that for the purposes of the definition for “Material Information” in Rule 1.6.1, any reference to “Quoted Securities of the Issuer” shall be a reference to “Quoted Securities of the Stapled Group”.

32. The ruling in paragraph 31 is provided on the following conditions:

- a. Stride and SIML shall remain a Stapled Group;

- b. any announcement released pursuant to Rule 10.1 will explain whether the information is material to Stride and/or SIML;
- c. Stride and SIML will each be given the NS Designation upon SIML's Listing and the Stapled Group's Quotation of its Stapled Securities;
- d. the NS Designation is disclosed in the Explanatory Memorandum, the any Offering Documents for Stride and / or SIML, as well the Stapled Group's half-year and annual reports; and
- e. the Explanatory Memorandum, any Offering Documents for Stride and / or SIML, and the Stapled Groups half-year and full-year reports will include the implications of investing in the Stapled Securities as well as a link to where this ruling can be read.

Reasons

33. In coming to the decision to provide the ruling set out in paragraph 31 above, NZXR has considered that:
- a. Stride and SIML have submitted, and NZX has no reason not to accept, that it is unlikely an investor will invest in the Stapled Securities for the sole purpose of being exposed to one of the two Issuers (being either Stride or SIML). It is likely the market will view the Stapled Group as a single economic entity, and one investment proposition. It is therefore appropriate that the threshold for assessing material information is against the effect on the price of the Quoted Securities of the Stapled Group;
 - b. the Quoted Security will be the Stapled Security. Only one price will be available to the market for this Stapled Security. It would be difficult to determine the price for each security which makes up the Stapled Security, in order to assess whether information will have a material effect on the individual prices of these Quoted Securities;
 - c. each of Stride and SIML will remain responsible for, and be required to, undertake their own assessment of whether they hold Material Information for the purposes of the Rules. Each Issuer will need to ensure they meet their own obligations under Rule 10.1.1 of the Rules; and
 - d. the conditions require this Ruling to be regularly disclosed, which will assist in bringing this information to the attention of potential investors.

Waivers from NZX Main Board Listing Rules 10.3.2 and 10.4.2

Decision

34. Subject to the Conditions in paragraph 35 below and on the basis that the information provided by Stride and SIML is complete and accurate in all material respects, NZXR grants Stride and SIML waivers from Rules 10.3.2 and 10.4.2, to the extent that these Rules will prevent Stride and SIML from including the information required in Appendix 1, as a Stapled Group.
35. The waivers in paragraph 34 are provided on the following conditions:
- a. Stride and SIML shall remain a Stapled Group;
 - b. Stride and SIML will release a joint report pursuant to Rule 10.3.1 as a Stapled Group;

- c. Stride and SIML will release a joint report pursuant to Rule 10.4.1 as a Stapled Group;
- d. each of Stride and SIML will include their individual financial statements with any report released by the Stapled Group pursuant to Rule 10.4.1 to the extent required by applicable Financial Reporting Legislation;
- e. with the exception of subparts 1.3(h), 1.3(m), and 1.3(n) of Part A (Preliminary Announcements – Full and Half Year Results), subpart 6 of Part B (Half Year Report), and subpart 7 of Part B of Paragraph 3 of the Appendices to the Rules, Stride and SIML will include the information required in Appendix 1, for the purposes of Rules 10.3.2 and 10.4.2, as a Stapled Group;
- f. Stride and SIML will each be given the NS Designation upon SIML's Listing and the Stapled Group's quotation of its Stapled Securities;
- g. the NS Designation is disclosed in the Explanatory Memorandum, any Offering Documents for Stride and / or SIML, as well the Stapled Group's half-year and annual reports; and
- h. the Explanatory Memorandum, any Offering Documents for Stride and / or SIML, and the Stapled Group's half-year and full-year reports will include the implications of investing in the Stapled Securities as well as a link to where these waivers can be read.

Reasons

36. In coming to the decision to provide the waivers set out in paragraph 34 above, NZXR has considered that:
- a. the policy behind Rules 10.3.2 and 10.4.2 is to ensure that Security holders of an Issuer are adequately aware of the Issuer's financial performance. The granting of these waivers will not offend the policy behind Rules 10.3.2 and 10.4.2;
 - b. Stride and SIML have submitted, and NZX has no reason not to accept, that it is unlikely an investor will invest in the Stapled Securities for the sole purpose of being exposed to one of the two Issuers (being either Stride or SIML). It is likely the market will view the Stapled Group as a single economic entity, and one investment proposition. Given the nature of the Stapled Group, there is a strong likelihood that Stapled Security holders and investors will be interested in the financial performance of Stride and SIML as a Stapled Group. Granting the waivers, will enable Stride and SIML to prepare and release consolidated financial information pertaining to the Stapled Group; and
 - c. the conditions in paragraph 35(d) and (e) above, will help to ensure that in instances where it would be helpful for Stapled Security holders and investors to be aware of certain financial information which is specific to Stride or SIML, this information will be available to the market.

Waiver from NZX Main Board Listing Rule 11.2

Decision

37. Subject to the conditions in paragraph 38 below, and on the basis that the information provided by Stride and SIML is complete and accurate in all material respects, NZXR grants Stride and SIML waivers from Rule 11.2, to the extent that this Rule would otherwise prevent Stride and SIML from issuing statements pursuant to this Rule, as a Stapled Group.

38. The waiver in paragraph 37 is provided on the following conditions:

- a. Stride and SIML shall remain a Stapled Group;
- b. Stride and SIML will release joint statements pursuant to this Rule, as a Stapled Group;
- c. Stride and SIML will each be given the NS Designation upon SIML's Listing and the Stapled Group's quotation of its Stapled Securities;
- d. the NS Designation is disclosed in the Explanatory Memorandum, any Offering Documents for Stride and / or SIML, as well the Stapled Group's half-year and annual reports; and
- e. the Explanatory Memorandum, any Offering Documents for Stride and / or SIML, and the Stapled Groups half-year and full-year reports will include the implications of investing in the Stapled Securities as well as a link to where this waiver can be read.

Reasons

39. In coming to the decision to provide the waivers set out in paragraph 38 above, NZXR has considered that:

- a. the policy behind Rule 11.2 is to ensure that the Security holders of an Issuer are able to request information from the Issuer which will enable them to determine the class, nature and number of Securities of that Issuer, that that person holds. The granting of this waiver will not offend the policy behind Rule 11.2; and
- b. given the nature of the Stapled Group and the Stapled Securities, it is likely that the holder statements issued by Stride would be substantially the same as statements issued by SIML, and vice versa. It could therefore be confusing to Stride and SIML's shareholders, as well as unnecessary, if they received two identical sets of information under these Rules. Granting the waiver, will enable Stride and SIML to coordinate all statements provided under this Rule, in order to present them to their shareholders as a Stapled Group.

Waiver from NZX Main Board Listing Rule 9.2.1 for the Investore Demerger and Investore IPO

Decision

40. Subject to the conditions in paragraph 41 below, and on the basis that the information provided by Stride is complete and accurate in all material respects, NZXR grants Stride a waiver from Rule 9.2.1, to the extent that Stride would be required to obtain shareholder approval before entering into the SPA.

41. The waiver in paragraph 40 is provided on the following conditions:

- a. Stride's Directors, certify to NZXR that:
 - i. neither they, nor their Associated Persons, will obtain a material economic interest in Investore through the Investore IPO (other than by participating as a subscriber in their personal capacity);



- ii. they do not have a relationship with the Substantial Shareholders, and the Substantial Shareholders have no connection to Stride's entry into the SPA with Investore and the Investore IPO, but for being Substantial Shareholders;
 - iii. Stride and Investore will pay and receive (as the case may be) fair value under the terms of the SPA;
 - iv. Stride will obtain independent valuations of all of the properties that were the subject of the Antipodean Acquisition, as well as the properties that are the subject of the LFR Divestment;
 - v. the terms of the SPA are in the best interests of Stride, and it is fair and reasonable to Stride's shareholders (other than Substantial Shareholders and their Associated Persons);
- b. Stride procures that SIML and Investore's Directors, certify to NZXR that:
- i. they are not interested in the Investore Management Agreement (other than immaterial indirect interests by way of shareholdings in Stride, SIML and future interests in Investore, or any interest which was solely created by the director being a director of Stride, SIML and Investore);
 - ii. SIML and Investore will pay and receive (as the case may be) fair value under the terms of the Investore Management Agreement;
 - iii. the terms of the Investore Management Agreement are in the best interests of Stride, and it is fair and reasonable to Stride's shareholders (other than Stride shareholders who are "Associated Persons" of SIML);
- c. the Explanatory Memorandum, any Offering Documents for Stride and / or SIML, and the Stapled Group's half-year and full-year reports, for each year the waiver is relied on, will include a link to where this waiver can be read; and
- d. Stride procures that Investore publishes this waiver as a Disclose Register Entry, and it includes a link to where this waiver can be read in Investore's Offering Documents, and its half-year and annual reports, for each year the waiver is relied on.

Reasons

42. In coming to the decision to provide the waiver set out in paragraph 40 above, NZXR has considered that:
- a. the policy behind Rule 9.2.1 is to regulate transactions where a Related Party to a Material Transaction may gain favourable consideration due to its relationship with the Issuer. NZXR may waive the requirement to obtain the approval of a resolution for the purposes of Rule 9.2.1 if it is satisfied that the involvement of a Related Party to the transaction was unlikely to have influenced the promotion of, or the decision to enter into, the transaction. The granting of this waiver will not offend the policy behind Rule 9.2.1;
 - b. at the time of the entering into the relevant transactions, Investore and SIML will be wholly-owned subsidiaries of Stride. But for the Substantial Shareholders possibly receiving a material economic interest in Investore through the Investore Distribution and Investore IPO, Stride would be able to rely on the exemption in Rule 9.2.3(f), so that shareholder approval would not be required for the related party transaction. Stride has submitted, and NZX has no reason not to agree, that the economic interest gained by

the Substantial Shareholders, is the same as the available to be received by all other shareholders of Stride. Further the Substantial Shareholders have had not opportunity to influence the transaction to their benefit and the Stride Director's will confirm this to NZX;

- c. the conditions in paragraph 41(a) above, gives NZXR comfort that the Directors of Stride and their Associated Persons, will not unduly obtain a material economic interest in Investore through the Investore IPO. The conditions also provide NZXR comfort that the Substantial Shareholders will not participate in the Investore IPO in a way that would uniquely benefit them. Lastly, the conditions gives NZXR comfort that the terms of the SPA are fair to Stride, and fair and reasonable to Stride shareholders will receive fair value under the SPA; and
- d. the conditions in paragraph 41(b) above, gives NZXR comfort that the Directors of SIML and Investore are not interested in the Investore Management Agreement. The conditions also provide NZXR comfort that SIML and Investore (who have entered into the Investore Management Agreement while Subsidiaries of Stride) will obtain fair value under the terms of the Investore Management Agreement. Lastly, the conditions gives NZXR comfort that the terms of the Investore Management Agreement are fair to Stride, and it is fair and reasonable to Stride shareholders (other than Substantial Shareholders and their Associated Persons).



Appendix One

1. Stride Property Limited (**Stride**) is a Listed Issuer with its ordinary shares Quoted on the NZX Main Board.
2. On or about 29 April 2016, Stride transferred its real estate investment management business into its wholly-owned subsidiary, Stride Investment Management Limited (**SIML**), with Stride retaining its property portfolio. As a result of this transfer, Stride no longer has any employees; they are all now employees of SIML.
3. On or about 10 June 2016, Stride and SIML entered into a management agreement, under which SIML will manage Stride's business and its entire property portfolio (**Stride Management Agreement**).
4. SIML currently manages another property fund, Diversified NZ Property Trust which fund is in the process of acquiring the assets of Diversified NZ Property Fund Limited (and which Stride originally contracted to manage but which SIML will undertake on behalf of Stride) (together, **Diversified**). While Stride currently has a 2% interest in Diversified, Diversified is otherwise than as noted above independent of Stride.
5. Stride intends to demerge from SIML (**SIML Demerger**) by distributing its entire holding of SIML's ordinary shares to Stride shareholders on a pro-rata basis (**SIML Distribution**) without consideration. The result will be that Stride shareholders will also become SIML shareholders, where they will hold one SIML share for every one Stride share that they hold.
6. Once the Distribution is completed, Stride plans to staple every Stride share to a SIML share (**Stapling**) by amending its constitution (**Constitution Amendment**), and by entering into a stapling deed with SIML (**Stapling Deed**). The Stapling will result in Stride shareholders holding two securities which are stapled together (the **Stapled Securities**). The effect of the Stapling will be that investors will not be able to buy or sell Stride shares without also buying or selling SIML shares, and vice versa.
7. The Constitution Amendment is subject to a special resolution of shareholders, which they will be able to vote on during a special meeting of Stride shareholders on 30 June 2016 (**Special Meeting**). The SIML Demerger, the SIML Distribution and the Stapling (together, the **Restructuring**), will be subject to the approval of the Constitution Amendment.
8. Immediately before the SIML Demerger, SIML will adopt a new constitution, on the same terms set out in the Constitution Amendment.
9. Stride will apply for Stride's ordinary shares to cease to be Quoted on the NZX Main Board from on or about 11 July 2016. SIML will then List on the NZX Main Board on 12 June 2016. Once this occurs, Stride and SIML (the **Stapled Group**) will become Listed Issuers on the NZX Main Board. Stride and SIML will have their Stapled Securities Quoted for trading with the combined ticker code, "SPG". The Stapled Group will operate to the extent possible as a single-economic entity, and at all times its market capitalisation will represent the price of the Stapled Securities.
10. In November 2015, Investore Property Limited (**Investore**), a wholly-owned subsidiary of Stride, acquired nineteen "large format retail" properties (**LFR Properties**) – single-storey or low level properties comprising retail shops and outlets and car parking areas with more than 50% of the property, generally occupied by, and more than 50% of the rental generally provided by, a single major tenant or a limited number of major tenants under neat leases -

from Antipodean Supermarkets Limited and Antipodean Properties Limited in an arm's length transaction (**Antipodean Acquisition**).

11. Between 29 April 2016 and 9 June 2016, Stride and its subsidiary Stride Holdings Limited will have divested six LFR Properties (**LFR Divestment**) to Investore through a sale and purchase agreement (**SPA**).
12. At, or around, the same time as the Distribution and Stapling, Stride intends to demerge from Investore (**Investore Demerger**) by distributing its holding of shares in Investore to Stride shareholders (**Investore Distribution**). Stride shareholders will receive 1 ordinary share in Investore for every 4 ordinary shares held in Stride.
13. Stride intends for Investore to conduct an initial public offering of its ordinary shares - worth between \$139.5 and \$204.5 million - to certain NZX Participants, existing Stride shareholders, as well as various institutional investors (**Investore IPO**). The terms of the Investore IPO are set out in Investore's product disclosure statement, dated 10 June 2016. Investore has applied to List, and have its ordinary shares Quoted, on the NZX Main Board from on or about 12 July 2016. Upon Investore's Listing and Quotation, Stride will hold approximately 19.9% of Investore's ordinary shares on issue.
14. On 9 June 2016, Investore entered into a sale and purchase agreement with Shopping Centres Australasia Property Group Trustee NZ Limited (**SCA**), for the acquisition of fourteen LFR Properties in total (**SCA Acquisition**). The SCA Acquisition was entered into on an arm's length and commercial basis. On or about 12 July 2016, Investore's acquisition of six LFR Properties from SCA will settle (**First Tranche**); Investore intends to use a part of the Offer's proceeds in order to settle the First Tranche. Investore's acquisition of the remaining eight LFR Properties from SCA will settle between 28 September 2016 and 22 December 2016 (**Second Tranche**).

Ruling on "Disqualifying Relationship" in Rule 1.6.1 – Further Background

15. In accordance with the Stride Management Agreement, the Boards of Stride and SIML will comprise of the same set of Directors. The Boards will also operate under identical charters and policies. SIML's Directors will be appointed by SIML's shareholders by shareholders resolution, or where there is a casual vacancy, by the SIML Board. Those Directors will automatically be deemed to have been appointed as Directors of Stride under Stride's Constitution. A Director that has resigned from the Stride Board will be automatically deemed to have resigned from the SIML Board, and vice versa. As per this waiver application, all of Rules 3.3.5 to 3.3.15 shall apply to SIML, with Stride "mirroring" SIML's compliance with these Rules, creating a mirror board structure for the Stapled Group (**Mirror Board Structure**).
16. It is possible that all of the Directors of Stride and SIML will have a Disqualifying Relationship, because of their roles as Directors of both Issuers, and because Stride and SIML will be parties to the Stapling Deed. As a result, Stride and SIML Directors could reasonably be influenced in a material way, when making decisions in relation to Stride or SIML.

Waivers from Rules 3.3.5 to 3.3.15 – Further Background

17. In order to give effect to the Mirror Board Structure, the obligations under Rules 3.3.5 to 3.3.15 will not be able to be met by both issuers. In order for the obligations to instead be

met by the Stapled Group, SIML will have the obligations for the requirements, and in meeting these requirements Stride will not be required to meet these requirements.

18. The Mirror Board Structure is essential in order for Stride and SIML to operate as a Stapled Group, and to give effect to the Stride Management Agreement.

Waiver from Rule 3.4.3 – Further Background

19. Stride and SIML will have an identical set of Directors. As SIML may receive fees, or increase fees under the Management Agreement, a Stride Director, may be “interested” in any matter involving SIML, as he or she would be a “...a director...of another part to, or person who will or may derive a material financial benefit from, the transaction...”. A similar situation would apply to a SIML Director.

Ruling on Rule 3.5 – Further Background

20. The Stapled Group proposes to have a single remuneration pool for its common Directors, rather than remuneration being approved separately by shareholders of, and being paid by, Stride and SIML. But for the waiver, remuneration could only be paid if an ordinary resolution was approved by the shareholders of Stride and the shareholders of SIML (who will be the same shareholders). The Stapled Group instead propose that the remuneration payable to the common Directors of the Stapled Group, would be approved by a single resolution of Stride or SIML’s shareholders, and it would be paid by Stride or SIML as applicable out of a single pool.

Waivers from Rules 6.2 and 6.3 – Further Background

21. The Stapled Group intends to co-ordinate and distribute consolidated notices, reports and communications to holders of Stapled Securities, in accordance with the Rules and the Companies Act 1993.
22. These consolidated notices, reports and communications will also be released through NZX under the Stapled Group’s ticker code, “SPG”.

Ruling on Rule 7.3.6 – Further Background

23. SIML offers an employee share scheme to its employees. In order to preserve the structure of the Stapling, Stride will also need to be able to issue its ordinary shares to SIML’s employees under the terms of the scheme, at the same time that SIML issues its ordinary shares under the terms of the scheme.
24. Both Stride and SIML will otherwise comply with all of the requirements of Rule 7.3.6.

Waivers from Rules 7.12.1, 7.12.8 and 7.12.9 – Further Background

25. Stride and SIML intend to release consolidated notices relating to the issue, redemption or acquisition of Stapled Securities, through NZX under the Stapled Group’s ticker code, “SPG”.
26. Stride and SIML will have identical dividend policies. Each of Stride and SIML will provide its own disclosure in relation to their compliance with their respective dividend policies for the purposes of Rule 7.12.2 and 7.12.5. Both Issuers will also comply with the requirements of Rule 7.10.7, individually.

Waiver from Rule 9.2.1 for ongoing transactions – Further Background

27. Both parties entered into the Stride Management Agreement while SIML was a wholly-owned subsidiary of Stride. After the SIML Demerger and the SIML Distribution, Stride and SIML will become Related Parties pursuant to Rule 9.2.3(a).
28. Sometime after SIML's Listing and the Quotation of the Stapled Securities:
- a. each of Stride and SIML may enter into one or more Material Transactions for the purposes of enabling Stride and/or SIML to establish or acquire new property investment vehicles (**New Investment Vehicle Transactions**);
 - b. each of Stride and SIML may enter into one or more Material Transactions for the purposes of enabling SIML to establish or acquire new property management opportunities (**New Property Management Transactions**).
29. New Investment Vehicle Transactions and New Property Management Transactions will be intended to be beneficial to the Stapled Group and to holders of Stapled Securities. But for a waiver, these transactions may require shareholder approval under Rule 9.2.1.

Ruling on “Average Market Capitalisation” in Rule 1.6.1 – Further Background

30. The Stapled Group will at all times have a market capitalisation that will be the continuous aggregation of the market value of Stride and SIML's individual net tangible assets. From this, the Stapled Securities will have the single ticker code, “SPG”.
31. With the Stapled Group's consolidated market capitalisation and its single ticker code, neither Stride nor SIML will be able to comply with Rules 7.6.4(a), 9.1.1(b), 9.2.2(a) – (e) and 10.1.3(a) – (d), individually.

Ruling on “Material Information” in Rule 1.6.1 – Further Background

32. The nature of the Stapling, the consolidated market capitalisation of the Stapled Group, and the resulting single market price for the Stapled Securities, will be such that the determination of whether information is material to either Stride or SIML for the purposes of Rule 10.1, will need to be determined on the basis of price of the Stapled Securities.

Waivers from Rules 10.3.1 and 10.4.1 – Further Background

33. The nature of the Stapling will be such that Investors, and in particular holders of the Stapled Securities, will need to be able to assess the consolidated financial performance of Stride and SIML as a Stapled Group.
34. Stride and SIML are each individually required to comply with Financial Reporting Legislation.

Waiver from Rule 11.2 – Further Background

35. Shareholders in Stride and SIML will only be holding the Stapled Securities.

Waiver from Rule 9.2.1 for the Investore Demerger and Investore IPO – Further Background

36. On or about 10 June 2016, Investore and SIML will enter into a management agreement, under which SIML will manage Investore's entire property portfolio (**Investore Management Agreement**).
37. The LFR Divestment is a Material Transaction, while the Antipodean Acquisition, the Investore Demerger and the Investore IPO, are a related series of transactions, of which, the LFR Divestment forms a part of.
38. It is possible that substantial shareholders of Stride (**Substantial Shareholders**), who will be a Related Party of Stride for the purposes of Rule 9.2.3(b), may acquire a material economic interest in Investore for the purposes of Rule 9.2.3(f). Substantial Shareholders will receive shares in Investore through the Investore Distribution, and may also subscribe to the Investore IPO. On this basis, Investore will be a Related Party of Stride for the purposes of Rule 9.2.3(a) at the time of the LFR Divestment, and will not be able to rely on the exemption in Rule 9.2.3(f).



Appendix Two

Rule 1.6 Interpretation

Rule 1.6.1 In these Rules the following terms bear the following meanings:

[...]

Average Market Capitalisation means, in relation to any transaction, the volume weighted average market capitalisation of an Issuer's Equity Securities carrying Votes calculated from trades on the NZSX over the 20 Business Days before the earlier of the day the transaction is entered into or is announced to the market.

[...]

Disqualifying Relationship means any direct or indirect interest or relationship that could reasonably influence, in a material way, the Director's decisions in relation to the Issuer.

Without limiting the definition, a Director shall be deemed to have a Disqualifying Relationship in the following circumstances:

- (a) the Director is a substantial Product Holder of the Issuer or an Associated Person of the Substantial Product Holder (other than solely as a consequence of being a Director of the Issuer); or
- (b) where:
 - (i) the Director has a relationship (other than in his or her capacity as a Director of the Issuer) with the Issuer or a Substantial Product Holder of the Issuer; or
 - (ii) an Associated Person of the Director has a relationship with the Issuer or a Substantial Product Holder of the Issuer; and
 - (iii) by virtue of the relationship in (b)(i) or (b)(ii) that Director or any Associated Person of that Director is likely to derive, in the current financial year of the Issuer, a substantial portion of his, her or its annual revenue from the Issuer during such financial year. For the purposes of this paragraph the annual revenue

a Director or Associated Person of a Director derives from an Issuer does not include dividends and other distributions payable to all holders of a Class of Equity Securities.

[...]

**Material
Information**

in relation to an Issuer is information that:

- (a) a reasonable person would expect, if it were generally available to the market, to have a material effect on the price of Quoted Securities of the Issuer; and
- (b) relates to particular securities, a particular Issuer, or particular Issuers, rather than to securities generally or Issuers generally.

For the purposes of this definition information is generally available to the market:

- (c) if:
 - (i) it is information that has been made known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in relevant securities; and
 - (ii) since it was made known, a reasonable period for it to be disseminated among those persons has expired; or
- (d) if it is likely that persons who commonly invest in relevant securities can readily obtain the information (whether by observation, use of expertise, purchase from other persons, or any other means); or
- (e) if it is information that consists of deductions, conclusions, or inferences made or drawn from either or both of the kinds of information referred to in paragraphs (c) and (d).

In this definition, relevant securities means securities of a kind the price of which might reasonably be expected to be affected by the information. Information that is notified to NZX for disclosure to the market in accordance with these Rules is generally available to the market under paragraph (c) of this definition immediately on it being made available to the market (without limiting how quickly the reasonable period of dissemination in paragraph (c)(ii) of this definition may be satisfied in other cases).



Rule 3.3 Appointment and Rotation of Directors

[...]

- Rule 3.3.5 No person (other than a Director retiring at the meeting) shall be elected as a Director at an annual meeting of Security holders of an Issuer unless that person has been nominated by a Security holder entitled to attend and vote at the meeting. There shall be no restriction on the persons who may be nominated as Directors (other than the holding of qualification shares, if the Constitution so requires) nor shall there be any precondition to the nomination of a Director other than compliance with time limits in accordance with this Rule 3.3.5. The closing date for nominations shall not be more than two months before the date of the annual meeting at which the election is to take place. An Issuer shall make an announcement to the market of the closing date for Director nominations and contact details for making nominations no less than 10 Business Days prior to the closing date for Director nominations. Notice of every nomination received by the Issuer before the closing date for nominations shall be given by the Issuer to all persons entitled to attend the meeting together with, or as part of, the notice of the meeting and the Issuer shall specify in such notice the Board's view on whether or not the nominee would qualify as an Independent Director. 3.3.6 Any person who is appointed as a Director by the Directors shall retire from office at the next annual meeting of the Issuer, but shall be eligible for election at that meeting.
- Rule 3.3.6 Any person who is appointed as a Director by the Directors shall retire from office at the next annual meeting of the Issuer, but shall be eligible for election at that meeting.
- Rule 3.3.7 No Director may appoint another person to act as alternate Director for him or her, except with the consent of a majority of his or her co-Directors. That appointment may be revoked by a majority of his or her co-Directors or by the Director who appointed the alternate. A Director may not be appointed to act as alternate for another Director. No Director shall appoint a deputy or agent otherwise than by way of appointment of an alternate.
- Rule 3.3.8 The Constitution may give a Security holder the right to appoint Directors, so long as:
- (a) the proportion which the number of such Directors bears to the total number of Directors expected to hold office immediately after such appointment does not exceed the proportion of the total Votes of the Issuer attaching to Securities held by the appointer; and
 - (b) if the appointer exercises its rights to appoint Directors, then the appointer has no right to Vote upon the election of other Directors.
- Rule 3.3.9 No term of appointment of an Executive Director of an Issuer or any of its Subsidiaries, shall exceed five years. This provision shall not preclude reappointment of an Executive Director upon expiry of a term of appointment, and shall not affect the terms of the engagement of that Executive Director as an employee.
- Rule 3.3.10 All Directors (other than a Director appointed pursuant to Rule 3.3.8) shall be subject to removal from office as Director by Ordinary Resolution of the Issuer.



Rule 3.3.11 Subject to Rule 3.3.12, at least one third of the Directors or, if their number is not a multiple of three, then the number nearest to one third, shall retire from office at the annual meeting each year, but shall be eligible for re-election at that meeting. Those to retire shall be those who have been longest in office since they were last elected or deemed elected.

Rule 3.3.12 The following Directors shall be exempt from the obligation to retire pursuant to Rule 3.3.11:

(a) Directors appointed pursuant to Rule 3.3.8; and

(b) Directors appointed by the Directors, who are offered for re-election pursuant to Rule 3.3.6; and

(c) one Executive Director (if the Constitution so provides). The Directors referred to in (a) and (c) shall be included in the number of Directors upon which the calculation for the purposes of Rule 3.3.11 is based. The Directors referred to in (b) shall be excluded from that number.

Rule 3.3.13 No resolution to appoint or elect a Director (including a resolution to re-elect any Director under Rule 3.3.6) shall be put to holders of Securities unless:

(a) the resolution is for the appointment of one Director; or

(b) the resolution is a single resolution for the appointment of two or more Directors, and a separate resolution that it be so voted on has first been approved without a Vote being cast against it.

Nothing in this Rule 3.3.13 prevents the election of two or more Directors by ballot or poll.

Rule 3.3.14 An Issuer may, with the prior approval of NZX, provide in its Constitution for the appointment of a person to a special office such as "Founder President". If the person holding that office is a Director, then (subject to Rule 3.3.15) all of the provisions of the Rules as to Directors shall apply to that person.

Rule 3.3.15 A holder of a special office in terms of Rule 3.3.14 who is also a Director shall not be subject to retirement by rotation under Rule 3.3.11, provided that:

(a) the holder of a special office shall retire every fifth year following appointment to the special office, as if Rule 3.3.11 applied to him or her in that year; and

(b) the holder of the special office shall in each year be included in the number of Directors upon which the calculation for the purposes of Rule 3.3.11 is based; and

(c) if an Executive Director holds office and is exempted from retirement by rotation under Rule 3.3.12, this Rule shall not apply, and the holder of the special office shall be subject to retirement by rotation under Rule 3.3.11

Rule 3.4 Proceeding and Powers of Directors

[...]



Rule 3.4.3 Subject to Rule 3.4.4, a Director shall not vote on a Board resolution in respect of any matter in which that Director is interested, nor shall the Director be counted in the quorum for the purposes of consideration of that matter. For this purpose, the term “interested” bears the meaning assigned to that term in section 139 of the Companies Act 1993, on the basis that if an Issuer is not a company registered under that Act, the reference to the “company” in that section shall be read as a reference to the Issuer.

Rule 3.5 Directors' Remuneration

Rule 3.5.1 No remuneration shall be paid to a Director of an Issuer by that Issuer or any of its Subsidiaries in his or her capacity as a Director of the Issuer or any of its Subsidiaries unless that remuneration has been authorised by an Ordinary Resolution of the Issuer, other than remuneration paid to a Director by a Subsidiary that has Equity Securities Quoted. Each such resolution shall express Directors' remuneration as either:

(a) a monetary sum per annum payable to all Directors of the Issuer taken together; or

(b) a monetary sum per annum payable to any person who from time to time holds office as a Director of the Issuer.

Such a resolution may expressly provide that the remuneration may be payable either in part or in whole by way of an issue of Equity Securities, provided that issue occurs in compliance with Rule 7.3.8.

If remuneration is expressed in accordance with (a), then in the event of an increase in the total number of Directors of the Issuer holding office, the Directors may, without the authorisation of an Ordinary Resolution of the Issuer, increase the total remuneration by such amount as is necessary to enable the Issuer to pay to the additional Director or Directors of the Issuer remuneration not exceeding the average amount then being paid to each of the other non-Executive Directors (other than the chairperson) of the Issuer.

No resolution which increases the amount fixed pursuant to a previous resolution shall be approved at a general meeting of the Issuer unless notice of the amount of increase has been given in the notice of meeting. Nothing in this Rule 3.5.1 shall affect the remuneration of Executive Directors in their capacity as executives.

Directors' remuneration for work not in the capacity of a Director of the Issuer or a Subsidiary may be approved by the Directors without Shareholder approval, subject to Rule 9.2 (if applicable).

Rule 3.5.2 An Issuer may make a payment to a Director or former Director of that Issuer, or his or her dependents, by way of a lump sum or pension, upon or in connection with the retirement or cessation of office of that Director, only if the amount of the payment, or the method of calculation of the amount of that payment is authorised by an Ordinary Resolution of the Issuer provided that an Issuer may make a payment to a Director or former Director that was in office on or before 1 May 2004 and has continued to hold office since that date, or to his or her dependents, by way of a lump sum or pension, upon or in connection with the



retirement or cessation of office of that Director, without an Ordinary Resolution of the Issuer provided that the total amount of that payment (or the base for the pension) does not exceed the total remuneration of that Director in his or her capacity as a Director in any three years chosen by the Issuer.

Nothing in this Rule 3.5.2 shall affect any amount paid to an Executive Director upon or in connection with the termination of his or her employment with the Issuer, or the payment of any amount attributable to the contribution (or any normal subsidy related thereto) made by a Director to a superannuation scheme.

Rule 6.2 Notices of Meeting

Rule 6.2.1 The text of any resolution to be put to a meeting of an Issuer for the purposes of Rule 7.3.1, Rule 7.3.5(c), Rule 7.5 or Rule 7.6.5 shall be set out in the notice of the relevant meeting. That notice shall be approved by NZX in accordance with Rule 6.1, and shall contain the precise terms and conditions of the specific proposal to issue, ratify the issue of, acquire, or redeem the Securities in question, or to provide financial assistance. The resolution shall not authorise any issue, acquisition, redemption or assistance which varies in any material respect from the description in the notice. As a minimum, the notice or the papers accompanying it shall state or contain so much of the following information as is applicable:

(a) the number of Securities to be issued, acquired, or redeemed or, if the number is not known, the formula to be applied to determine the number, and the maximum number which may be issued, acquired or redeemed; and

(b) the purpose of the issue, acquisition or redemption; and

(c) the issue, acquisition or redemption price, or if the price is not known, the formula to be applied to determine the price, and the time or times for payment with sufficient detail to enable Security holders to ascertain the terms of issue, acquisition or redemption to or from any party; and

(d) the party or parties to whom the Securities are to be issued, or from whom they are to be acquired, where that is known, and in all cases identifying by name any such parties who are Directors or Associated Persons of the Issuer or any Director; and

(e) in the case of an issue, the consideration for the issue and where that is cash, the specific purpose for raising the cash; and

(f) the period of time within which the issue, acquisition or redemption will be made; and

(g) in the case of an issue, the ranking of the Securities to be issued for any future benefit; and

(h) in the case of a resolution under Rule 7.6.5 authorising the giving of financial assistance, the amount and full terms of that assistance, and the party or parties to whom that assistance is to be given, identifying by



name any such parties who are Directors or Associated Persons of the Issuer or any Director.

- Rule 6.2.2 A notice of meeting to consider a resolution of the nature referred to in Rule 6.2.1 shall be accompanied by an Appraisal Report if;
- (a) the resolution is required by Rule 7.5; or
 - (b) in the case of an issue, the issue is intended or is likely to result in more than 50% of the Securities to be issued being acquired by Directors or Associated Persons of Directors of the Issuer; or
 - (c) in the case of an acquisition or redemption or the giving of financial assistance, it is intended or likely that more than 50% of the Securities to be acquired or redeemed will be Securities held by Directors or Associated Persons of Directors of the Issuer, or that more than 50% of the total financial assistance to be given will be given to such persons.
- Rule 6.2.3 Each notice of meeting of holders of Securities shall contain or be accompanied by sufficient explanation to enable a reasonable person to understand the effect of the resolutions proposed in the notice of meeting.
- Rule 6.2.4 Without limiting Rule 6.2.3, notices in respect of proposed changes to a Constitution or Trust Deed shall be sufficiently explicit to enable the effect of such changes to be understood without reference to the existing or proposed Constitution or Trust Deed. The notice shall state that the changes have been approved by NZX.
- Rule 6.2.5 If:
- (a) resolution is to be proposed at a meeting of shareholders of an Issuer which is a company registered under the Companies Act 1993; and
 - (b) that resolution is passed, shareholders will have the right to require the Issuer to purchase their shares by virtue of section 110 or section 118 of that Act,
- then the notice of meeting to consider that resolution shall contain a prominent statement of the right referred to in (b).
- Rule 6.2.6 A proxy form shall be sent with each notice of meeting of Quoted Security holders and shall:
- (a) as a minimum, (so far as the subject matter and form of the resolutions reasonably permits) provide for two-way voting (for or against) on all resolutions, enabling the Quoted Security holder to instruct the proxy as to the casting of the vote; and
 - (b) not be sent with any name or office (e.g., chairperson of directors) filled in as proxy holder.



So far as is reasonably practicable, resolutions shall be framed in a manner which facilitates two-way voting instructions for proxy holders.

Rule 6.3 Other Notices

Rule 6.3.1 Equity Security holders of all Classes shall be entitled to attend general meetings and to receive copies of all notices, reports and financial statements issued generally to holders of Securities carrying Votes.

Rule 6.3.2 If a holder of a Quoted Security has no registered address within New Zealand and has not supplied to the Issuer an address within New Zealand for the giving of notices, but has supplied an address outside New Zealand or an electronic address, then notices for that Quoted Security holder shall be posted to such physical address or sent electronically to such electronic address, and shall be deemed to have been received by that Quoted Security holder 24 hours after the time of posting.

Rule 7.3 Issue of New Equity Securities

[...]

Rule 7.3.6 An Issuer may issue Equity Securities if:

(a) the issue is made to Employees of the Issuer and may include issues to Directors and Associated Persons of Directors whose participation has been determined by reference to criteria applying to Employees generally; and

(b) the issue is of a Class of Securities already on issue; and

(c) the total number of Equity Securities issued, and all other Equity Securities of the same Class issued to Employees of the Issuer pursuant to this Rule 7.3.6 during the shorter of the period of 12 months preceding the date of the issue and the period from the date on which the Issuer was Listed to the date of the issue, does not exceed 3% of the aggregate of:

(i) the total number of Equity Securities of that Class on issue at the commencement of that period; and

(ii) the total number of Equity Securities of that Class issued during that period pursuant to any of Rule 7.3.1(a), Rule 7.3.4, Rule 7.3.5, and Rule 7.3.10.

Provided that for the purposes of this Rule 7.3.6:

(d) Securities which will, or may, Convert to other Equity Securities shall be deemed to be of the same Class as, and to correspond in number to, the Equity Securities into which they will, or may, Convert; and

(e) where the conversion ratio is fixed by reference to the market price of the underlying Equity Securities, the market price, unless otherwise specified in the terms of the issue, shall be the volume weighted average

market price over the 20 Business Days before the earlier of the day the issue is made or announced to the market.

Rule 7.12 Announcements

Rule 7.12.1 If an Issuer issues, acquires or redeems Quoted Securities, or an Issuer with Equity Securities Quoted issues, acquires or redeems Equity Securities or Securities Convertible into Equity Securities, then the Issuer shall give to NZX for release to the market details of the issue, acquisition or redemption, including:

- (a) Class of Security and ISIN; and
- (b) the number issued, acquired or redeemed; and
- (c) the nominal value (if any) and issue price, acquisition price or redemption price; and
- (d) whether payment was in cash; and
- (e) any amount paid up (if not in full); and
- (f) the principal terms of the Securities (other than for Quoted Securities), for example, the exercise price and exercise date in respect of an Option, or the conversion price and conversion date in respect of Convertible Securities or the ranking of the Securities in relation to other Classes of Securities; and
- (g) the percentage of the total Class of Securities issued, acquired or redeemed; and
- (h) the reason for the issue, acquisition or redemption; and
- (i) the specific authority for the issue, acquisition or redemption (if any); and
- (j) any terms or details of the issue, acquisition or redemption (such as an escrow provision); and
- (k) the total number of Securities of the Class in existence after the issue, acquisition or redemption; and
- (l) in the case of an acquisition of shares by an Issuer which is a company registered under the Companies Act 1993, whether those shares are to be held as Treasury Stock; and
- (m) the dates of issue, acquisition or redemption.

Notices required by this Rule must be given to NZX for public release forthwith after the issue, acquisition or redemption, and in respect of an acquisition effected by an Issuer through NZX's order matching market or through the order matching market of a Recognised Stock Exchange, no later than the end of the Business Day on which the acquisition took place. For the purposes of Rule



7.12.1 the sale or transfer of Treasury Stock by an Issuer shall be deemed to be an issue of Securities.

Rule 7.12.3 Where the date of a call on Quoted Securities has not been stated in an Offering Document or Profile, the Issuer shall notify NZX as soon as a decision has been taken to make a call.

Rule 7.12.8 Where Securities are Convertible at the option of the holder before final maturity the Issuer shall give notice to NZX, and all holders of those Securities, of the option to Convert. That notice:

(a) shall be given:

(i) if the Securities are Convertible on a fixed date or dates, at least six weeks before each such date; or

(ii) if the Securities are Convertible by reason of the occurrence of some event, as soon as practicable after the occurrence of that event, or before the occurrence of that event if it becomes apparent that that event will occur; and

(b) need not be given if the Securities are Convertible at the option of the holder at any time; and

(c) shall disclose any option for Conversion which may be exercised at a later date; and

(d) shall contain a statement to the effect that if a holder of Securities is in any doubt as to whether Conversion is desirable, that holder should seek advice from an Advisor or other financial adviser.

Rule 7.12.9 Immediately following each Conversion of Securities (including Options), the Issuer shall notify NZX of:

(a) the number of Securities Converted and the number and Class of Securities into which they have been Converted; and

(b) details of any interest or dividend conditions attaching to the Securities Converted, and allotted upon Conversion; and

(c) how many Securities of the same Class remain to be Converted.

Rule 9.2 Transactions with Related Parties

Rule 9.2.1 An Issuer shall not enter into a Material Transaction if a Related Party is, or is likely to become:



(a) a direct or indirect party to the Material Transaction, or to at least one of a related series of transactions of which the Material Transaction forms part; or

(b) in the case of a guarantee or other transaction of the nature referred to in paragraph (d) of the definition of Material Transaction, a direct or indirect beneficiary of such guarantee or other transaction,

unless that Material Transaction is approved by an Ordinary Resolution of the Issuer.

Rule 9.2.2 For the purposes of Rule 9.2.1, “Material Transaction” means a transaction or a related series of transactions whereby an Issuer:

(a) purchases or otherwise acquires, gains, leases (as lessor or lessee) or sells or otherwise disposes of, assets having an Aggregate Net Value in excess of 10% of the Average Market Capitalisation of the Issuer; or

(b) issues its own Securities or acquires its own Equity Securities having a market value in excess of 10% of the Average Market Capitalisation of that Issuer, save in the case of an issue pursuant to Rule 7.3.5 where only the market value of those Securities being issued to the Related Party or to any Employees of the Issuer are to be taken into account; or

(c) borrows, lends, pays, or receives, money, or incurs an obligation, of an amount in excess of 10% of the Average Market Capitalisation of the Issuer; or

(d) enters into any guarantee, indemnity, underwriting, or similar obligation, or gives any security, for or of obligations which could expose the Issuer to liability in excess of 10% of the Average Market Capitalisation of the Issuer; or

(e) provides or obtains any services (including without limitation obtaining underwriting of Securities or services as an Employee) in respect of which the actual gross cost to the Issuer in any financial year (ignoring any returns or benefits in connection with such services) is likely to exceed an amount equal to 1% of the Average Market Capitalisation of the Issuer; or

(f) amalgamates, except for amalgamations of a wholly owned Subsidiary with another wholly owned Subsidiary or with the Issuer:

(g) for the purposes of Rule 9.2.2(a), “Aggregate Net Value” means the net value of those assets calculated as the greater of the net tangible asset backing value (from the most recently published financial statements) or market value.

Rule 9.2.3 For the purposes of Rule 9.2.1, “Related Party” means a person who is at the time of a Material Transaction, or was at any time within six months before a Material Transaction:

(a) a Director or executive officer of the Issuer or any of its Subsidiaries; or



(b) the holder of a Relevant Interest in 10% or more of a Class of Equity Securities of the Issuer carrying Votes; or

(c) an Associated Person of the Issuer or any of the persons referred to in (a) or (b), other than a person who becomes an Associated Person as a consequence of the Material Transaction itself (or an intention or proposal to enter into the Material Transaction itself); or

(d) a person in respect of whom there are arrangements other than the Material Transaction itself, intended to result in that person becoming a person described in (a), (b), or (c), or of whom the attainment of such a status may reasonably be expected, other than as a consequence of the Material Transaction itself;

but a person is not a Related Party of an Issuer if:

(e) the only reason why that person would otherwise be a Related Party of the Issuer is that a Director or executive officer of the Issuer is also a Director of that person, so long as:

(i) not more than one third of the Directors of the Issuer are also Directors of that person; and

(ii) no Director or executive officer of the Issuer has a material direct or indirect economic interest in that person, other than by reason of receipt of reasonable Directors' fees or executive remuneration; or

(f) that person is a Subsidiary of, incorporated joint venture of, or unincorporated joint venture participant with, the Issuer and:

(i) no Related Party of the Issuer has or intends to obtain a material direct or indirect economic interest in that Subsidiary, incorporated joint venture, or unincorporated joint venture participant, other than by reason of receipt of reasonable Director's fees or executive remuneration; and

(ii) the Issuer is entitled to participate, directly or indirectly, in at least one half of the income or profits, and the assets, of that Subsidiary, incorporated joint venture, or unincorporated joint venture participant.

Rule 10.3 Preliminary Announcements

[...]

Rule 10.3.2 Each preliminary announcement, whether for a full year or a half year, shall include the information and otherwise address the matters specified by the relevant section of Appendix 1.

Rule 10.4 Annual and Half-Year Reports

[...]

10.4.2 Each Issuer shall within three months after the end of the first six months of each financial year of the Issuer:



(a) deliver to NZX electronically, in the format specified by NZX from time to time; and

(b) make available to each Quoted Security holder in accordance with Rule 10.4.4,

a half-year report. That half-year report shall be delivered to NZX before, or at the same time as, it is made available to Quoted Security Holders in accordance with Rule 10.4.4. That half-year report shall include the information and otherwise address the matters prescribed by the relevant section of Appendix 1.

Rule 11.2 Statements

Rule 11.2.1 Every Issuer shall issue to each holder of Quoted Securities of that Issuer on request, a statement that sets out:

(a) the Class of Securities held by that holder, the total number of Securities of that Class issued by the Issuer, and the number of Securities of that Class held by the holder; and

(b) the register on which the holder's Securities are held, if other than the principal register; and

(c) the rights, privileges, conditions and limitations, including restrictions on transfer (if any) attaching to the Securities held by the holder; and

(d) the relationship of the Securities held by the holder to other Classes of Quoted Securities; and

(e) the holder's number, CSN and the address of the holder; and

(f) the postal address of the registrar of the Securities.

Rule 11.2.2 An Issuer shall not be obliged to provide a holder with the Statement required by Rule 11.2.1 if:

(a) such a Statement has been provided within the previous six months; and

(b) the holder has not acquired or disposed of Securities of the relevant Class since a previous Statement required by Rule 11.2.1 or Rule 11.2.3 was provided; and

(c) the rights attached to Securities of the relevant Class have not been altered since the previous Statement required by Rule 11.2.1 was provided.

Rule 11.2.3 Every Issuer shall issue a Statement including the details in Rule 11.2.4 to each holder of Securities who obtains or disposes of Securities upon an issue or a transfer within five Business Days after the date of allotment of those Securities, or the date of registration of that transfer.



Rule 11.2.4 Where the Statement required by Rule 11.2.3 is issued following a transfer, the Statement shall include the following information:

- (a) all the information specified in Rule 11.2.1(a), Rule 11.2.1(b), Rule 11.2.1(e) and Rule 11.2.1(f), except that the total number of Securities of that Class issued by the Issuer need not be shown; and
- (b) the number of Securities transferred (to or from the holder) in each transfer since the last Statement; and
- (c) where the transfer is submitted by a Market Participant, the subscriber reference provided in that transfer.

Rule 11.2.5 In addition to the requirements of Rule 11.2.1, Statements in respect of Debt Securities shall include the following information:

- (a) the maturity (or conversion) date of the principal together with any optional maturity (or conversion) date; and
- (b) the rate, or formula for calculation of the rate or amounts, of interest and the due dates for the payment of interest and, where appropriate, the date from which interest accrues; and
- (c) the authority under which the issue is made; and
- (d) brief particulars of any Security, or the word “unsecured”; and
- (e) the mode of transfer and minimum amount; and
- (f) the terms of conversion, where applicable; and
- (g) a summary of any other information which is likely to be material to an ordinary purchaser in the market which distinguish the terms of issue from other Debt Securities of other issues and other Issuers, including any rights to early repayment.

