



NZX Regulation Decision

Precinct Properties New Zealand Limited ("PCT")

Application for a waiver from NZX Main Board Listing Rule 7.12.2

24 August 2017



Waiver from Rule 7.12.2

Decision

1. Subject to the conditions set out in paragraph 2 below, and on the basis that the information provided by PCT is complete and accurate in all material respects, NZXR grants PCT a waiver from Rule 7.12.2 in respect of routine payments of interest on the PCTHAs.
2. The waiver in paragraph 1 above is granted on the following conditions:
 - a. the timing of, and record date for, the routine payments of interest are disclosed in the PDS for the Offer of the PCTHAs;
 - b. the process for determining the interest rate and the date on which the interest rate will be announced via NZX are disclosed in the PDS;
 - c. the interest rate that will apply to the PCTHAs will be announced via NZX on or before the date the PCTHAs are issued;
 - d. the waiver, its conditions and its implications are disclosed in the PDS; and
 - e. this waiver is published on the Disclose Register in respect of the Offer.
3. The information on which this decision is based is set out in Appendix One to this decision. This waiver will not apply if that information is not or ceases to be full and accurate in all material respects.
4. The Rules to which this decision relates are set out in Appendix Two to this decision.
5. Capitalised terms which have not been defined in this decision have the meanings given to them in the Rules.

Reasons

6. In coming to the decision to provide the waiver set out in paragraph 1 above, NZXR has considered that:
 - a. due to the ability of the PCTHAs to convert into ordinary shares in PCT, the PCTHAs constitute convertible securities and the exception in Rule 7.12.4 does not apply;
 - b. although the PCTHAs are technically convertible securities, they will have interest payment features typical of subordinated Debt Securities while they are Quoted on the NZSX;
 - c. the interest payments to be made on the PCTHAs are routine payments (subject to PCT's satisfaction of a payment condition). The conditions set out in paragraph 2 will ensure that holders of the PCTHAs have certainty as to the amounts and timing of interest payments;
 - d. PCT will be subject to Rule 7.12.6 and as such, will be required to notify NZX immediately, in the event that interest is not paid on the due date; and
 - e. there is precedent for this decision.



Confidentiality

7. PCT has requested this application and any decision be kept confidential until the Offer of the PCTHAs is publicly announced.
8. In accordance with Footnote 1 to Rule 1.11.2, NZXR grants PCT's request.



Appendix One

1. Precinct Properties New Zealand Limited (**PCT**) is a Listed Issuer with Equity Securities Quoted on the NZX Main Board (**NZSX**) as well as Debt Securities, the PCT010 Bonds maturing on 17 December 2021, Quoted on the NZX Debt Market.
2. PCT intends to make a new offer (**Offer**) of up to \$150 million of convertible, subordinated, unsecured, fixed rate notes (**PCTHAs**).
3. The terms for the Offer of PCTHAs are set out in a product disclosure statement (**PDS**). The PCTHAs are governed by the master trust deed dated 27 November 2014 (as amended and restated on 28 June 2016 and 25 August 2017) and a supplemental trust deed dated 25 August 2017.
4. PCT will look to Quote the PCTHAs on the NZSX on or around 28 September 2017.
5. The PCTHAs:
 - a. **Subordination:** PCTHAs are subordinated obligations, ranking behind all claims of unsubordinated creditors of PCT but ahead of shareholders of PCT and holders of other subordinated securities that, by their terms, rank after the PCTHAs;
 - b. **Terms:** PCTHAs have a term of 4 years and will convert at the end of the term into shares in PCT, subject to PCT electing to instead pay a cash amount equivalent to the value of those shares as determined under the terms of the PCTHAs set out in the PDS; and
 - c. **Interest Payments:** PCTHAs have interest payments scheduled to be paid quarterly in arrear, subject to a payment condition that PCT, at the time that the interest payment is due, is not, and would not become by the payment of such an amount, insolvent or in default in respect of any borrowed money.
6. PCT has sought a waiver from NZX Regulation (**NZXR**) from NZX Main Board Listing Rule (**Rule**) 7.12.2 in respect of routine payments of interest on the PCTHAs.



Appendix Two

Rule 7.12 Announcements

Rule 7.12.2 Where any benefit is to be paid or distributed on Quoted Securities (including dividends, interest or bonus issues) or any Conversion of Securities or call on Securities is to take place, the Issuer shall give to NZX, forthwith after any Director's recommendation and at least 10 Business Days before the Record Date to determine entitlements or obligations, full details of the benefit, Conversion or call, including the information in the table below. That information shall be supplied in the form set out in Appendix 7.

Event	Information Required
Dividend	Security description ISIN Total amount of dividend Cents per share Imputation tax credits per share (where applicable to six decimal places) Withholding tax cents per share (where applicable to six decimal places) Source of dividend Payable date Record Date Strike price for any issue in lieu of dividend Excluded income per share (PIE Issuers only, where applicable to six decimal places) Foreign dividend payment credits per share (where applicable to six decimal places)
Interest	Details no less than the equivalent required above for a dividend.
Bonus Issue	Full details of the issue including timing, entitlement and tax information.

Conversions	Full details of the nature and timing of the Conversion including pricing, entitlement and conversion ratio information.
Calls	Full details of the call including the Securities affected, and payment details.

