

30 June 2020

NZX Rulings and Waivers

At the time of corporatisation of Precinct in 2010, NZX granted, subject to a number of conditions, waivers from, and made rulings in respect of, certain Listing Rules in respect of Precinct and in force at that time. On 18 May 2020, certain of these waivers were re-documented as waivers under the current NZX Listing Rules.

NZX has therefore granted, subject to the conditions below, waivers from, and made rulings in respect of, the following Listing Rules in respect of Precinct:

1. A waiver from Listing Rule 2.4.1, to allow the Precinct to give 15%+ Shareholders the right to appoint a director to the board of Precinct. This waiver is conditional on:
 - the constitution of Precinct contains a provision requiring that the Precinct board consist of a minimum of seven directors if a 15%+ Shareholder has exercised its appointment right; and
 - in the event that a 15%+ Shareholder appoints a director, Rule 2.4.1(b) will apply so that the 15%+ Shareholder must not also vote upon the election of other directors.

2. A waiver from Listing Rule 2.7.1, to the extent necessary to allow the manager to elect two directors to the board of Precinct who shall not be required to retire in accordance with Rule 2.7.1. This waiver is conditional on:
 - this waiver is subject to the Precinct constitution containing provisions that outline the corporate governance arrangements as described in Appendix One of the waiver decision (a copy of which is available at <https://www.nzx.com/announcements/353278>), and these remain in full force and effect, and materially the same as set out in the waiver decision, unless Precinct shareholders vote to amend the Precinct constitution or NZXR agrees to exercise its discretion to amend the terms of the waiver;
 - each director appointed by the manager is identified in each annual report of Precinct as having been appointed by the manager, including a statement that as that director has been appointed by the manager, the director is not required to retire in accordance with Rule 2.7.1;
 - in the event that the manager elects not to exercise its right to elect two directors of the board of Precinct (and any directors appointed by the manager are retired by the manager), the conditions as to election of directors independent of the manager shall not apply; and
 - Precinct has a non-standard designation.

3. A waiver from Listing Rule 5.2 to the extent that additional Precinct shareholder approval is not required where the management agreement is transferred to a holder of more than 50% of Precinct's shares. This waiver is provided on the condition:
- that the terms of the management agreement are not materially altered as part of a transfer of the management agreement to the controlling shareholder or its nominee, unless the alterations are approved by PCT Shareholders in accordance with Rule 5.2 or made in accordance with a waiver granted by NZXR.

Non-standard Designation

Pursuant to the above waivers, Precinct's constitution contains certain provisions which are not ordinarily contained in the constitution of a company listed on the NZX, including provisions allowing for the appointment of directors by the manager and by any shareholder holding more than 15% of Precinct shares. Precinct has been given a non-standard designation by NZX due to the inclusion of these provisions in its constitution.