NZX Regulation Decision

Synlait Milk Limited (“SML”)
Application for waivers from NZX Main Board Listing Rules 7.3.1(a), 7.10.1, 7.10.2, 7.10.8, 7.11.1 and 9.2.1

19 September 2016
**Background**

1. The information on which these decisions are based is set out in Appendix One to this decision. These waivers 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.

3. Capitalised terms that are not defined in these decisions have the meanings given to them in the Rules.

**Waiver from Rule 7.3.1(a)**

**Decision**

4. Subject to the conditions in paragraph 5 below and on the basis that the information provided by SML is complete and accurate in all material respects, NZX Regulation (NZXR) grants SML a waiver from NZX Main Board Listing Rule (Rule) 7.3.1(a) so that SML is not required to obtain shareholder approval for the issue of the New Shares in connection with the Offer.

5. The waiver in paragraph 4 above is provided on the conditions that:

   a. the issue of the New Shares is conducted in accordance with Rule 7.3.4(a) (read in conjunction with Rules 7.3.4(d) to 7.3.4(h)), except for the requirement in Rule 7.3.4(a) that the Offer is Renounceable; and

   b. instead of the requirement in Rule 7.3.4(a) that the Offer is Renounceable SML ensures that an Institutional Bookbuild and a Retail Bookbuild occur pursuant to the Offer Document.

**Reasons**

6. In coming to the decision to provide the waiver set out in paragraph 4 above, NZXR has considered that:

   a. Rule 7.3.1(a) is designed to prevent the dilution of shareholders’ interests without their prior approval. The policy of Rule 7.3.4(a) is that shareholder approval is not required where all shareholders have the same entitlement to participate in the issue because those shareholders have the opportunity to avoid dilution;

   b. Rule 7.3.4(a) recognises that an Issuer may make a pro-rata renounceable rights issue without the prior approval of its shareholders under Rule 7.3.1(a). The issue of the New Shares is consistent with the policy of Rule 7.3.4(a). The New Shares will be offered on a pro-rata basis to Eligible Institutional Shareholders and Eligible Retail Shareholders, and they will have the opportunity to maintain their existing proportionate rights. The New Shares will not be offered to Ineligible Shareholders, which is consistent with the policy of Rule 7.3.4(h) for offers conducted in accordance with Rule 7.3.4(a);

   c. the Offer may provide a return to shareholders who do not, or are unable to, exercise their entitlement, in the form of any Institutional Premium and Retail Premium reached in the Institutional Bookbuild and Retail Bookbuild (respectively) in excess of the Entitlement Price. Accordingly, while the Offer is not strictly Renounceable in accordance with the
definition in the Rules, it does fulfil the purpose of the requirement for an offer to be Renounceable;

d. the conditions in paragraph 5(a) and (b) ensure that any exceptions to the proportionate nature of the issue must be conducted in accordance with Rules 7.3.4(d) – (h) and pursuant to the Offer Document;

e. accordingly, NZXR is satisfied that the policy of Rule 7.3.1(a) will not be offended by the granting of this waiver; and

f. there is precedent for this decision.

Waiver from Rule 7.10.1

Decision

7. On the basis that the information provided by SML is complete and accurate in all material respects, NZXR grants SML a waiver from Rule 7.10.1 to enable Eligible Institutional Shareholders to be notified of their entitlement prior to the Record Date, and to enable that notification to occur by means other than by physical letters of entitlement.

Reasons

8. In coming to the decision to provide the waiver set out in paragraph 7 above, NZXR has considered that:

a. the policy behind Rule 7.10.1 is to ensure that letters of entitlement are sent as soon as possible after the Record Date for an entitlement. This ensures that shareholders have the maximum amount of time in which to consider how to deal with their entitlement. NZXR is satisfied that the granting of this waiver will not offend this policy;

b. the waiver will only apply to Eligible Institutional Shareholders. NZXR accepts SML's submission that due to the proposed structure of the Offer, SML will need to calculate the entitlements of its Eligible Institutional Shareholders prior to the Record Date, and inform the Eligible Institutional Shareholders of their entitlement in time for them to participate in the Institutional Entitlement Offer;

c. Rule 7.10.1 contemplates that an Issuer will not know the identity of entitled shareholders prior to the Record Date. In this case, the Eligible Institutional Shareholders will be known prior to the Record Date. NZXR does not consider the policy behind Rule 7.10.1 would be to preclude notification of entitlements prior to the Record Date when such entitlements are known;

d. SML will need to notify Eligible Institutional Shareholders of their entitlement in as timely manner as possible, which may include means other than physical letters of entitlement;

e. with regard to Eligible Retail Shareholders, SML will be required to comply with Rule 7.10.1; and

f. there is precedent for this decision.

Waiver from Rule 7.10.2
Decision

9. Subject to the condition set out in paragraph 10 below and on the basis that the information provided by SML is complete and accurate in all material respects, NZXR grants SML a waiver from Rule 7.10.2 to the extent that it would otherwise require the Institutional Entitlement Offer to remain open for twelve Business Days.

10. The waiver in paragraph 9 above is provided on the condition that the announcement and Offer Document will clearly state that a shorter than usual offer period will be available to Eligible Institutional Shareholders under the Institutional Entitlement Offer.

Reasons

11. In coming to the decision to provide the waiver set out in paragraph 9 above, NZXR has considered that:

   a. the policy behind Rule 7.10.2 is to ensure that shareholders have sufficient time to consider, and act on, an entitlement offer;

   b. the waiver only applies in respect of Eligible Institutional Shareholders. NZXR accepts that Eligible Institutional Shareholders are accustomed to considering offers and making investment decisions at short notice and therefore will not require the full amount of time contemplated under Rule 7.10.2;

   c. the Retail Entitlement Offer will be open for the full twelve Business Day period as required by Rule 7.10.2;

   d. therefore the policy behind Rule 7.10.2 will not be offended by granting this waiver; and

   e. there is precedent for this decision.

Waiver from Rule 7.10.8

Decision

12. Subject to the condition set out in paragraph 13 below and on the basis that the information provided by SML is complete and accurate in all material respects, NZXR grants SML a waiver from Rule 7.10.8 to the extent that the Rule would otherwise require notification of the Offer five Business Days before the Ex Date.

13. The waiver in paragraph 12 above is provided on the condition that the Offer is notified to the market in accordance with Rule 7.10.8 no later than the Ex Date for the Offer.

Reasons

14. In coming to the decision to provide the waiver set out in paragraph 12 above, NZXR has considered that:

   a. the policy behind Rule 7.10.8 is to provide shareholders and stakeholders within the market sufficient notice of an upcoming entitlement. It also provides an opportunity for investors to trade in or out of that relevant security;
a. NZXR has been advised that the shortened notification period of the Record Date does not provide any issues for SML’s share registry;

b. it is a feature of an AREO that an Issuer does not provide five Business Days prior notification of the Record Date and without waiving the Rule, SML would be unable to undertake the Offer;

c. NZXR accepts SML’s submissions regarding the benefits of the AREO structure, as set out in paragraphs 100 and 11 in Appendix One, which compensate for the shortened advance notice period; and

d. there is precedent for this decision.

**Waiver from Rule 7.11.1**

**Decision**

15. Subject to the condition set out in paragraph 16 below and on the basis that the information provided by SML is complete and accurate in all material respects, NZXR grants SML a waiver from Rule 7.11.1 to the extent that the Rule would otherwise require the allotment of New Shares to Bright in respect of subscriptions received under the Institutional Entitlement Offer to occur within five Business Days of the closing date for the Institutional Entitlement Offer.

16. The waiver in paragraph 15 above is provided on the condition that the allotment of New Shares to Bright occurs, in part, on the allotment date for the Institutional Entitlement Offer, and in part, on the allotment date for the Retail Entitlement Offer.

**Reasons**

17. In coming to the decision to provide the waiver set out in paragraph 15 above, NZXR has considered that:

a. the policy of Rule 7.11.1 is to ensure that, where application monies have been submitted, subscribers obtain the benefit of their investment without undue delay;

b. Bright will submit part of its money upon the conclusion of the Institutional Entitlement Offer, with the remainder of its money submitted upon the close of the Retail Entitlement Offer. This arrangement is designed to allow Bright to subscribe to its full entitlement under the Institutional Entitlement Offer (i.e. the Takeovers Code Benefit) without falling afoul of the Takeovers Code. As Bright will be required to submit its money and then be allotted New Shares, at the same time as Eligible Institutional Shareholders and then at the same time as Eligible Retail Shareholders, in effect, Bright will not be denied the benefit of its capital for any greater period than would have otherwise been the case, as a result of this waiver;

c. accordingly, NZXR is satisfied the granting of this waiver will not offend the policy of the Rule; and

d. there is precedent for this decision.

**Waiver from Rule 9.2.1**
Decision

18. Subject to the conditions set out in paragraph 19 below and on the basis that the information provided by SML is complete and accurate in all material respects, NZXR grants SML a waiver from Rule 9.2.1 to the extent that all Related Parties can participate in the Offer without prior shareholder approval.

19. The waiver in paragraph 18 is provided on the conditions that:

a. the Independent Directors certify, in a form acceptable to NZX, that:
   i. the terms of the Offer are fair and in the best interests of SML shareholders, other than the Related Parties or SML shareholders that are Associated Persons of the Related Parties;
   ii. SML will pay and receive fair value under the Offer;
   iii. SML was not influenced in its decision to enter into the Offer by the interests of the Related Parties;
   iv. the Related Parties will derive no benefit as a result of the Related Party relationship, over and above the Takeovers Code Benefit;

b. the issue of the New Shares is conducted in accordance with Rule 7.3.4(a) (read in conjunction with Rules 7.3.4(d) to 7.3.4(h)), except for the requirement in Rule 7.3.4(a) that the Offer is Renounceable;

c. instead of the requirement in Rule 7.3.4(a) that the Offer is Renounceable SML ensures that an Institutional Bookbuild and a Retail Bookbuild occur pursuant to the Offer Document;

d. the allotment of New Shares to Bright occurs, in part, on the allotment date for the Institutional Entitlement Offer, and in part, on the allotment date for the Retail Entitlement Offer; and

e. the waiver, its conditions and effects are disclosed in the Offering Document relevant to the Proposed Offer and annual report for the year in which the Proposed Offer takes place.

Reasons

20. In coming to the decision to provide the waiver set out in paragraph 19 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 approval of a Material Transaction if it is satisfied that the involvement of any Related Party is plainly unlikely to have influenced the promotion of, or the decision to enter into, the transaction. NZXR is comfortable that the granting of this waiver will not offend the policy of this Rule;

b. the participation by Related Parties in the Institutional Entitlement Offer or the Retail Entitlement Offer will be on identical terms (including as to price and ratio) as the Eligible
Institutional Shareholders or the Eligible Retail Shareholders (respectively) in SML on the Record Date. Accordingly, any Related Parties will not gain favourable consideration due to their relationship with SML;

c. the certifications required by the condition in paragraph 19(a) above, gives NZXR comfort that:

   i. the Related Parties did not influence SML’s decision to enter into the Offer;

   ii. the Offer is fair, reasonable and in the best interests of SML’s shareholders other than the Related Parties or their Associated Persons; and

   iii. none of the Related Parties will gain favourable consideration due to their relationship with SML;

d. the Takeovers Code Benefit is only being permitted so that Bright does not trigger the Takeovers Code; and

e. there is precedent for this decision.

Confidentiality

21. SML has requested that this application and any decision be kept confidential until after the Offer is disclosed to the market by SML.

22. In accordance with Footnote 1 to Rule 1.11.2, NZXR grants SML’s request.
Appendix One

1. Synlait Milk Limited (SML) is a Listed Issuer with Securities Quoted on the NZX Main Board.

2. SML proposes to undertake a capital raising (Offer) by way of a pro rata offer of new shares in SML (New Shares). The Offer will be made in the form of an accelerated renounceable entitlement offer (commonly referred to as an AREO). The Offer is to be conducted in the following stages:

   a. **Institutional Entitlement Offer:** An accelerated pro-rata entitlement offer at a fixed price (Entitlement Price) to institutional shareholders resident in New Zealand and various overseas jurisdictions (Eligible Institutional Shareholders). Institutional shareholders of SML who are not Eligible Institutional Shareholders are ineligible overseas institutional shareholders (Ineligible Overseas Institutional Shareholders) on the grounds that it would be unduly onerous for SML to make the Offer available those shareholders;

   b. **Institutional Bookbuild:** New Shares not taken up by Eligible Institutional Shareholders, along with New Shares in respect of entitlements that would have been offered to any Ineligible Overseas Institutional Shareholders, are offered under a bookbuild to a broad audience of institutional investors (Institutional Bookbuild). If the price achieved in the Institutional Bookbuild is higher than the Entitlement Price, the excess (Institutional Premium) will be shared (on a pro rata basis) between the shareholders who did not, or who were not able to, take up their entitlement;

   c. **Retail Entitlement Offer:** Following completion of the Institutional Bookbuild, a pro rata offer of New Shares at the same price and ratio as the Institutional Entitlement Offer to retail shareholders in New Zealand who did not receive an offer under the Institutional Entitlement Offer (Eligible Retail Shareholders). Retail shareholders of SML who are not Eligible Retail Shareholders are ineligible overseas retail shareholders (Ineligible Overseas Retail Shareholders) on the grounds that it would be unduly onerous for SML to make the Offer available those shareholders; and

   d. **Retail Bookbuild:** New Shares not taken up by Eligible Retail Shareholders, along with New Shares in respect of entitlements that would have been offered to any Ineligible Overseas Retail Shareholders, are offered under a bookbuild to a broad audience of institutional investors (Retail Bookbuild). If the price achieved in the Retail Bookbuild is higher than the Entitlement Price, the excess (Retail Premium) will be shared (on a pro rata basis) between the shareholders who did not, or who were not able to, take up their entitlement.

3. As part of the Offer, SML will conduct a “private placement” offer in the United States, under which one institutional shareholder which is based in the United States, will be invited by SML to subscribe for New Shares through the Institutional Entitlement Offer, Institutional Bookbuild and the Retail Bookbuild (US Private Placement).

4. The US Private Placement will not be managed by the Underwriters. The US Private Placement will not be a private placement in the conventional sense (i.e. it is not a separate institutional offer operating outside the Offer), and this terminology is only used to reflect the US securities law exemption which SML is expecting to rely on in order to allow one institutional shareholder which is based in the United States, to participate in the Institutional Entitlement Offer, the Institutional Bookbuild and the Retail Bookbuild.
5. Eligible Institutional Shareholders and Eligible Retail Shareholders will be offered New Shares on a basis that would (if accepted by all shareholders) maintain the existing proportionate rights of each shareholder (relative to all other shareholders) to votes and distributions. New Shares in respect of entitlements that are not taken up, or not able to be taken up, by shareholders will be offered through the Institutional Bookbuild and the Retail Bookbuild, providing an opportunity for shareholders that do not, or are not eligible to, take up their entitlements to receive value for them. Entitlements will not be able to be traded or sold privately by shareholders.

6. The New Shares will be of the same class and have the same rights as SML’s ordinary shares that are currently on issue and will be quoted on the NZX Main Board on their allotment.

7. The Offer will be underwritten by First NZ Capital Securities Limited (FNZ or the Underwriter), with whom SML will enter into an underwriting agreement (Underwriting Agreement). The Underwriter may also enter into sub-underwriting arrangements. The Underwriter will not underwrite the entitlements of Bright Dairy Holding Limited (Bright) and Munchkin Inc (Munchkin). Bright and Munchkin are supportive of the Offer. Bright, it intends to participate only to maintain (but not increase) its percentage shareholding in SML, and it is working through final approval procedures. Munchkin has committed to take up its entitlement.

8. The Offer will be conducted in accordance with the following timetable:

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| 19 September 2016   | • Announcement of Offer  
                      |   • Offer document released to NZX  
                      |   • Opening Date for Institutional Entitlement Offer  
                      |   • Trading Halt begins                                                                   |
| 20 September 2016   | • Closing date for Institutional Entitlement Offer  
                      |   • Ex-date                                                                                   |
| 21 September 2016   | • Institutional Bookbuild  
                      |   • Record date (5:00pm (NZ time)) for Institutional Entitlement Offer and Retail Entitlement Offer |
| 22 September 2016   | • Trading Halt ends on open of trading  
                      |   • Last day for mail-out of retail letters of entitlement  
                      |   • Retail Entitlement Offer opens                                                             |
| 27 September 2016   | • Settlement and allotment date for Institutional Entitlement Offer  
                      |   • Institutional Bookbuild                                                                   |
| 11 October 2016     | • Closing date for Retail Entitlement Offer at 5:00pm (NZ time)         |
| 13 October 2016     | • Trading Halt begins  
                      |   • Retail Bookbuild                                                                       |
| 14 October 2016     | • Trading Halt ends on open of trading                                   |
9. The Offer is to be conducted pursuant to clause 19 of Schedule 1 of the Financial Markets Conduct Act 2013 (FMCA) and the associated regulations. An offer booklet which will contain terms of the Offer (Offer Document) will be prepared and, prior to an offer being made, a notice will be released by SML to the NZX Main Board, in accordance with the FMCA.

10. The main benefits to SML from adopting an AREO structure, as opposed to undertaking a traditional Renounceable rights offer, are as follows:

a. the accelerated institutional component of the Offer means that the Underwriter has a much shorter period of exposure on that part of the Offer. This reduced exposure means that obtaining an underwriting commitment will be much more achievable for SML, as both the risk and the cost associated with the underwriting commitment would be substantially reduced;

b. the underwriting commitment provides certainty to SML as to the minimum amount to be raised from the Offer;

c. evidence from similar entitlement offers undertaken in Australia which had an AREO structure, as well as the AREOs undertaken recently by SKYCITY Entertainment Group Limited, Precinct Properties New Zealand Limited and Kiwi Property Group Limited, suggests that the shorter timetable for the institutional component of the Offer potentially reduces the issue price discount when compared to traditional rights issues, as less market risk arises for institutions; and

d. as the Institutional Entitlement Offer and the Institutional Bookbuild will be conducted at the beginning of the Offer, SML will receive the proceeds of the Institutional Entitlement Offer (subject to Takeovers Code restrictions applicable to the settlement of Bright’s subscription) and the Institutional Bookbuild before the Retail Entitlement Offer is completed.

11. In addition to the benefits to SML outlined above, SML considers that proceeding with any capital raising in the form of an AREO is in the best interests of shareholders for the following reasons:

a. the sale of entitlements through a bookbuild process managed by the Underwriter (other than in respect of the US Private Placement which they are not managing) galvanises demand for stock from all eligible investors at one time. This can be of advantage to SML shareholders who do not, or are not eligible to, take up their entitlement because Eligible Institutional Shareholders and other investors who are not currently SML shareholders, can compete for New Shares in the Institutional Bookbuild and the Retail Bookbuild;

b. shareholders will not be required to pay any brokerage or incur other transactions costs under the Institutional Bookbuild and Retail Bookbuild structure in order to realise the value of their entitlements. Under a conventional Renounceable offer, shareholders selling their rights would be required to pay brokerage. For smaller shareholders, the cost of brokerage could exceed the value of the rights; and
c. Eligible Retail Shareholders will have the benefit of knowing the outcome of the Institutional Entitlement Offer and Institutional Bookbuild prior to deciding whether or not to take up their entitlement.

**Waiver from Rule 7.10.1 – Further Background**

12. The Offer has been structured so that the Record Date for the Institutional Entitlement Offer will be 5.00pm (NZ time) on the Business Day after the Institutional Entitlement Offer closes. As a result SML will need to:

   a. calculate the entitlements of its Eligible Institutional Shareholders prior to the Record Date; and

   b. notify Eligible Institutional Shareholders of their entitlement at the same time or after the Offer Document is released to NZX (which may include means other than physical letters of entitlement).

**Waiver from Rule 7.10.2 – Further Background**

13. SML considers that it is important that upfront commitments are received from Eligible Institutional Shareholders to enable SML to obtain the benefits of the AREO structure described in paragraphs 10 and 11 above.

14. According to the Offer timetable, the Offer Document will be provided to Eligible Institutional Shareholders on the day on which the Institutional Entitlement Offer is announced and opens, with those Eligible Institutional Shareholders then having the rest of that day and part of the following day to consider the Offer.

**Waiver from Rule 7.10.8 – Further Background**

15. The AREO structure commonly provides for the Offer to be announced to the market at the same time that the Institutional Entitlement Offer opens and current Securities in SML are put in to trading halt. This is the standard timeframe for AREO transactions, and it is one with which institutional investors in New Zealand and overseas are familiar.

**Waiver from Rule 7.11.1 – Further Background**

16. Bright holds 39.119% of the shares in SML. Accordingly, Bright is precluded from increasing its holding or control of SML’s shares by the Takeovers Code. Bright is eligible to participate in the Institutional Entitlement Offer but not the Retail Entitlement Offer or the Institutional Bookbuild or Retail Bookbuild.

17. The Institutional Entitlement Offer’s short timeframe will cause Bright to exceed its permitted shareholding, should it settle its full entitlement of New Shares under the Institutional Entitlement Offer. To ensure that Bright is able to comply with the Takeovers Code, it will be permitted to settle part of its subscription on the settlement date for the Institutional Entitlement Offer and the remainder on the settlement date for the Retail Entitlement Offer, in such a manner that its proportionate shareholding is maintained (but not exceeded) throughout the two stages of the Offer (the Takeovers Code Benefit).
Waiver from Rule 9.2.1 – Further Background

18. The Offer will be a Material Transaction under Rule 9.2.2(b), as together with the Underwriting Agreement, they will form a related series of transactions, which could have an Aggregate Net Value in excess of 10% of SML’s Average Market Capitalisation.

19. Bright is a Related Party of SML under Rule 9.2.3(b) as its shareholding in SML is in excess of 10% of all the ordinary shares in SML.

20. SML has directors and executive officers who own ordinary shares in SML, and may, along with their Associated Persons, participate in the Retail Entitlement Offer, but not the Institutional Bookbuild or the Retail Bookbuild. These shareholders are Related Parties of SML under Rule 9.2.3(a).

21. Rule 9.2.1, in general, prohibits SML from entering into a Related Party transaction without shareholder approval.

22. SML cannot rely on Rule 9.2.4(b) to make the Offer because:
   a. the structure of the Offer allows Eligible Institutional Shareholders and Eligible Retail Shareholders to participate and settle their subscriptions at different times; and
   b. Bright is being permitted to settle its subscriptions on two separate dates, as explained in paragraph 17 immediately above (i.e. the Takeovers Code Benefit).
Appendix Two

Rule 7.3  Issue of New Equity Securities

7.3.1 No Issuer shall issue any Equity Securities unless:

(a) the precise terms and conditions of the specific proposal to issue those Equity Securities have been approved (subject to Rule 7.3.3) by separate resolutions (passed by a simple majority of Votes) of holders of each Class of Quoted Equity Securities of the Issuer whose rights or entitlements could be affected by that issue, and that issue is completed within the time specified in Rule 7.3.2.

Rule 7.10  Rights Issues and Share Purchase Plan Additional Requirements

7.10.1 Letters of entitlement to Rights (whether or not Renounceable) are to be sent to holders of the Rights within five Business Days of the Record Date for the determination of the entitlement and by means that will give the holders reasonable time to deal with their Rights, whether the holders’ addresses are in New Zealand or elsewhere.

7.10.2 Without limiting Rule 7.10.1, the closing date and time for applications under Rights issues (whether or not renounceable) shall not be earlier than the 12th Business Day after the day of mailing of the last of the letters of entitlement.

7.10.8 Where a Rights issue is to be made but Quotation is not sought the Issuer shall give to NZX forthwith after the decision has been made and at least 5 Business Days before the Ex Date to determine entitlements, on the form in Appendix 7, full details of the issue, including the nature, entitlement and timing of the issue of Rights and conversion, pricing, amounts payable and ranking of Securities for future benefits.

Rule 7.11  Allotment

7.11.1 An Issuer making an issue of Securities Quoted or to be Quoted (other than Equity Securities issued under Rule 7.3.10) shall proceed to allotment within five Business Days after the latest date on which applications for Securities close.

Rule 9.2  Transactions with Related Parties

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.

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:

(…)

(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

(…)

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;

(…)

9.2.4 Rule 9.2.1 shall not apply to:

(…)

(b) the issue, acquisition or redemption by an Issuer of Securities of that Issuer, or the giving by an Issuer of financial assistance for the purposes of, or in connection with, the purchase of Securities, or the payment of a distribution to holders of Securities, if all holders of Securities of the Class in question are treated in the same way, so that each such holder has an opportunity to receive the same benefit in respect of each Security held by that holder except to the extent that an issue excludes holders outside New Zealand in accordance with Rule 7.3.4(f). For the purposes of this paragraph, the transfer, by an Issuer which is a company registered under the Companies Act 1993, of shares held by that company in itself, shall be deemed to constitute an issue of Securities; or