



NZX Regulation Decision

GMT Bond Issuer Limited (“GMB”)

Application for a waiver from NZX Debt Market Listing
Rule 5.2.3

17 May 2017



Waiver from Listing Rule 5.2.3

Decision

1. Subject to the conditions set out in paragraph 2 below, and on the basis that the information provided by GMB is complete and accurate in all material respects, NZXR grants GMB a waiver from Rule 5.2.3 in respect of the GMB040s for a period of six months from the Quotation Date, to the extent that this Rule requires the GMB040s to be held by at least 100 Members of the Public holding at least 25% of the GMB040s on issue.
2. The waiver in paragraph 1 above is provided on the conditions that:
 - a. GMB clearly and prominently discloses the waiver and its implications in the Terms Sheet for the GMB040s and any other Offering Document relating to an offer of GMB040s made during the period of this waiver;
 - b. GMB clearly and prominently discloses this waiver, its conditions, and its implications in its half-year report, and its annual report, for the period the waiver is relied upon;
 - c. GMB discloses liquidity as a risk in the Terms Sheet for the GMB040s; and
 - d. GMB notifies NZXR as soon as practicable if there is a material reduction to the total number of Members of the Public holding at least a Minimum Holding of the GMB040s, and/or the percentage of the GMB040s held by Members of the Public holding at least a Minimum Holding.
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. Debt Securities are generally not subject to the same degree of trading activity as Equity Securities. NZX is satisfied that sufficient liquidity can exist in a secondary market for debt securities with a smaller number of security holders;
 - b. GMB has advised that it expects the spread of the GMB040s will increase to meet the spread requirements of Rule 5.2.3 within 12 months of the Quotation date. GMB may meet the spread requirements at the time of Quotation. GMB has advised that it is not in a position to confirm as at the date of this waiver that the spread requirements will be met at the time of Quotation;
 - c. the conditions, contained in paragraph 2(a), 2(b) and 2(c) above, require GMB to provide access to information about this waiver and its implications to prospective investors as part of the offer documents, as well as those wishing to trade in the GMB040s for the

period of this waiver. Investors can take this information into account when making their investment decision;

- d. the condition contained in paragraph 2(d) above requires GMB to provide information that will allow NZXR to monitor any material reduction in the spread of the GMB040s over the period of this waiver;
- e. the waiver is granted for six months. This gives NZXR the opportunity to reconsider the spread of the GMB040s in six months' time if GMB considers a waiver is still required; and
- f. there is precedent for this decision.

Confidentiality

- 7. GMB has requested that the application for a waiver from Rule 5.2.3, and NZXR's decision, be kept confidential until the notice to be provided by GMB in relation to the GMB040s under clause 20(1)(a) of schedule 8 of the Financial Markets Conduct Regulations 2014, has been released.
- 8. In accordance with footnote 1 to Rule 1.11.2, NZXR grants GMB's request



Appendix One

1. GMT Bond Issuer Limited (**GMB**) is a Listed Issuer with bonds Quoted on the NZX Debt Market (**Debt Market**). These include the fixed rate secured bonds maturing on 16 December 2020 (**GMB020**) and on 23 June 2022 (**GMB030**).
2. GMB intends to make a new offer of fixed rate secured bonds (**GMB040s**) on the Debt Market on or about 18 May 2017 (**Offer**).
3. The Offer will open on or about 18 May 2017 and close on or about 26 May 2017. The joint lead managers of the Offer will conduct a bookbuild on or about 26 May 2017 in order to determine the GMB040s' margin (**Bookbuild**), which will be used to determine the GMB040s' interest rate. GMB intends to Issue the GMB040s on the Debt Market on or about 31 May 2017 (**Issue Date**) and Quote the GMB040s on or about 1 June 2017 (**Quotation Date**).
4. The GMB040s mature on or about 31 May 2024.
5. GMB will release a terms sheet on or prior to the date the Offer opens, setting out the main terms of the GMB040s (**Terms Sheet**).
6. In accordance with NZX Regulation's (**NZXR**) Ruling on NZX Debt Market Listing Rule (**Rule**) 5.2.3 issued on 29 September 2015 (the **Ruling**), the GMB040s are required to be held by at least 100 Members of the Public holding at least 25% of the number of Securities of that Class issued, with each Member of the Public holding at least a Minimum Holding, and those requirements are maintained.
7. GMB has engaged with joint lead managers in respect of the anticipated bonds. The joint lead managers are unable to give assurances in respect of the spread of the GMB040s.
8. The Offer is structured so that all of the GMB040s are reserved for clients of the joint lead managers of the Offer, the co-managers, primary market participants and other approved financial intermediaries. There is no public pool for the Offer. GMB has sought a waiver from Rule 5.2.3 that it is uncertain whether the GMB040s will satisfy the spread requirements of Rule 5.2.3, when the GMB040s are initially Quoted on the Debt Market.



Appendix Two

Rule 5.2 Quotation of Securities

- 5.2.3 A Class of Securities will generally not be considered for Quotation on the NZSX or NZDX unless those Securities are held by at least 500 Members of the Public holding at least 25% of the number of Securities of that Class issued, with each Member of the Public holding at least a Minimum Holding, and those requirements are maintained, or NZX is otherwise satisfied that the Issuer will maintain a spread of Security holders which is sufficient to ensure that there is a sufficiently liquid market in the Class of Securities.

Ruling on NZX Debt Market Listing Rule 5.2.3 – 29 September 2015

For the purposes of Rule 5.2.3, a Class of Debt Securities will generally not be considered for Quotation on the NZDX unless those Securities are held by at least 100 Members of the Public holding at least 25% of the number of Securities of that Class issued, with each Member of the Public holding at least a Minimum Holding, and those requirements are maintained.

