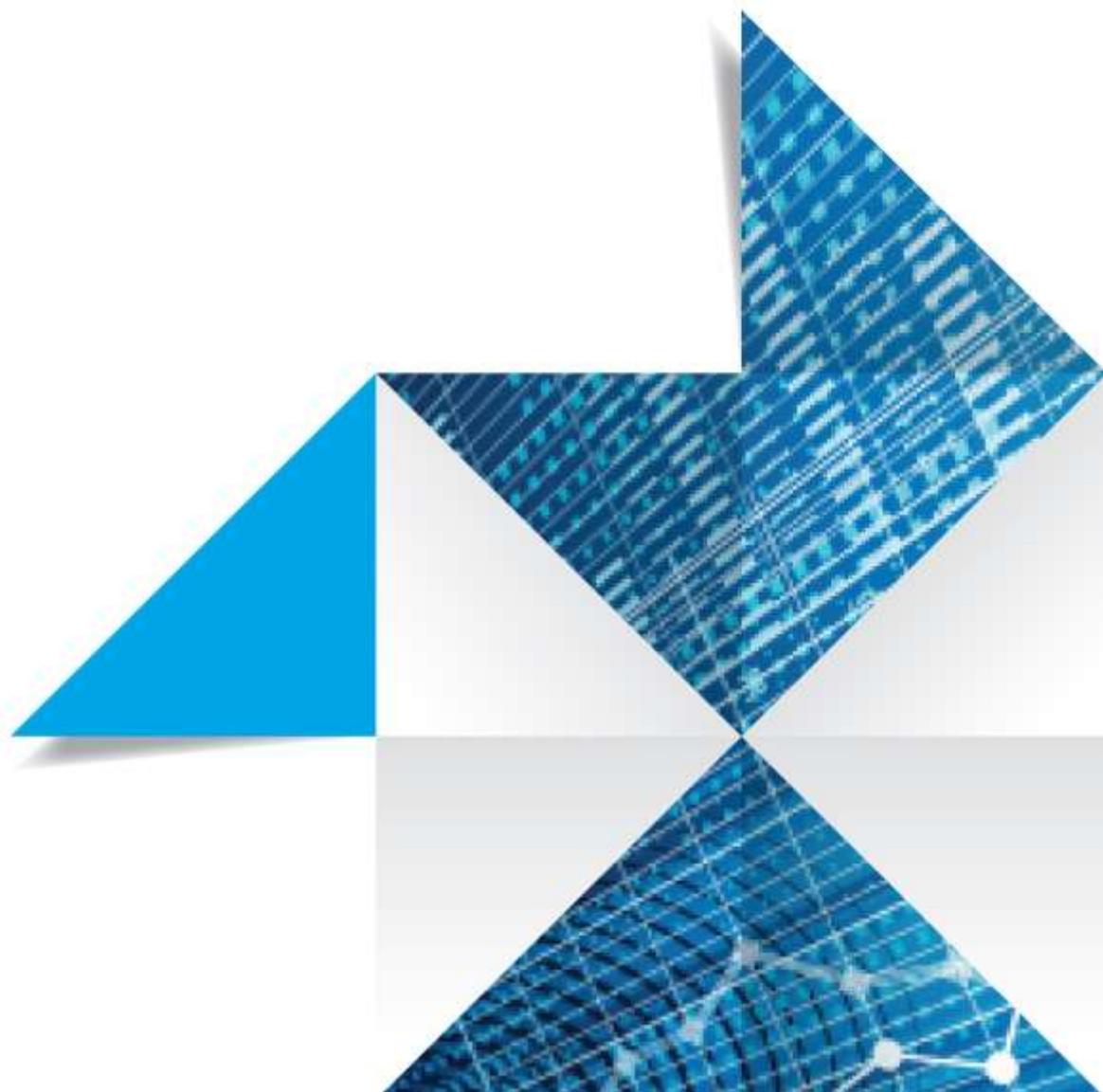




NZX Regulation Decision

CDL Investments New Zealand Limited (CDI)
Application for waiver from
NZX Main Board Listing Rule 5.2.3

19 March 2018



Decision

1. Subject to the conditions set out in paragraph 2, and on the basis that the information provided by CDL Investments New Zealand Limited (**CDI**) is complete and accurate in all material respects, NZX Regulation (**NZXR**) grants CDI a waiver from Rule 5.2.3 in respect of its ordinary shares for a period of twelve months to allow CDI to have fewer than 25% of ordinary shares held by Members of the Public.
2. The waiver in paragraph 1 above is provided on the conditions that CDI:
 - a. clearly and prominently discloses this waiver, its conditions, and its implications in CDI's half-year and annual reports, and in any offer documents relating to any offer of shares undertaken by CDI, during the period of the waiver; and
 - b. consistently monitors the percentage of shares held by Members of the Public and notifies NZXR as soon as practicable if there are any material changes to the percentage of ordinary shares held by Members of the Public.
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 Rule to which this decision relates is 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. the purpose of Rule 5.2.3 is to promote a liquid market which is important to ensure efficient price setting and to enable shareholders to trade;
 - b. NZXR previously granted a waiver from Rule 5.2.3 to CDI on 20 March 2017 for a period of 12 months, which allowed Members of the Public to hold less than 25% of CDI's ordinary shares;
 - c. as at 28 February 2018, CDI has approximately 2,758 shareholders who are Members of the Public, holding approximately 23.4% of ordinary shares. NZXR has considered CDI's trading data over the period of the 2017 Waiver, is satisfied that CDI will maintain a spread of security holders which is sufficient to ensure a liquid market;
 - d. CDI meets the requirement that 500 Members of the Public hold at least a Minimum Holding;
 - e. in the absence of a waiver from Rule 5.2.3, CDI would be unable to comply with Rule 5.2.3 and could not continue to quote ordinary shares. CDI submits, and NZXR has no



reason not to accept, that compliance with Rule 5.2.3 is outside of the control of CDI and its Directors;

- f. holders of ordinary shares will not be disadvantaged by the granting of the waiver. Further, CDI has submitted, and NZXR has no reason not to accept, that it is in the best interests of holders of ordinary shares to allow ordinary shares to remain Quoted on the basis that the holders will remain entitled to the protections afforded by the Rules, and a constitution that reflects those protections;
- g. the condition in paragraph 2(a) will allow holders of ordinary shares, and those considering trading in CDI ordinary shares, to access information on this waiver and its implications;
- h. the condition in paragraphs 2(b) will ensure that CDI and NZXR are able to monitor any material changes in CDI's spread over the period of the waiver;
- i. the waiver is granted for a period of twelve months. This gives NZXR the opportunity to reconsider the spread of ordinary shares in twelve months' time if CDI considers a waiver is still required; and
- j. there is precedent for this decision.



Appendix One

1. CDI is a Listed Issuer with ordinary shares Quoted on the NZX Main Board.
2. On 20 March 2017, CDI was granted a waiver for a period of twelve months from Rule 5.2.3 in respect of its ordinary shares, allowing CDI to have fewer than 25% of the ordinary shares held by Members of the Public.
3. As at 28 March 2018, a total of 2,758 Members of the Public held 23.4% of the ordinary shares on issue.
4. CDI had applied for a waiver from Rule 5.2.3 in respect of the ordinary shares for a period of twenty four months. NZXR was not inclined to grant a waiver of this length with consideration to the waivers previously granted to this Rule.



Appendix Two

Rule 5.2 Quotation of Securities

Rule 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.

