



NZX Regulation Decision

Millennium & Copthorne Hotels New Zealand Limited
(MCK)

Application for waiver from NZX Main Board Listing Rule
5.2.3

03 April 2018



Decision

1. Subject to the conditions set out in paragraph 2 below, and on the basis that the information provided by MCK is complete and accurate in all material respects, NZXR grants MCK a waiver from Rule 5.2.3 in respect of its Ordinary Shares for a period of twelve months from 11 April 2018 to allow MCK to have fewer than 25% of the Ordinary Shares held by at least 500 Members of the Public holding at least a Minimum Holding.
2. The waiver in paragraph 1 above is provided on the conditions that:
 - a. MCK clearly and prominently discloses the waiver, its conditions, and the implications in its half-year and annual reports;
 - b. MCK consistently monitors the total number of Members of the Public holding Ordinary Shares and the percentage of Ordinary Shares held by Members of the Public holding at least a Minimum Holding; and
 - c. MCK notifies NZXR as soon as practicable if there are any material changes to the total number of Members of the Public holding Ordinary Shares, and/or 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 Rules to which this decision relates are set out in Appendix Two to this decision.
5. Capitalised terms that are not 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, MCK has submitted, and NZXR has no reason not to accept, 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. based on the current shareholding, spread and the level of trading over the previous year, NZXR is satisfied that MCK will maintain a spread of security holders which is sufficient to ensure a liquid market;
 - c. in the absence of a waiver from Rule 5.2.3, MCK would be unable to comply with Rule 5.2.3 and could not continue to quote the ordinary shares;
 - d. holders of the Ordinary Shares will not be disadvantaged by the granting of the waiver. Further, MCK submits, and NZXR has no reason not to accept, that it is in the best interests of holders of the ordinary shares to allow the 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;
 - e. the condition contained in paragraph 2(a) above will provide access to information for both existing holders of the Ordinary Shares, as well as those wishing to trade in the Ordinary Shares, of this waiver and its implications for the Ordinary Shares;



- f. the condition contained in paragraph 2(b) and (c) above will ensure that NZXR is able to monitor any material changes in MCK's spread over the period of the waiver;
- g. the waiver is granted for a period of 12 months. This gives NZXR the opportunity to reconsider the spread of the Ordinary Shares in 12 months' time if MCK considers a waiver is still required; and
- h. there is precedent for this decision.



Appendix One

1. Millennium & Copthorne Hotels New Zealand Limited (**MCK**) is a Listed Issuer with Ordinary Shares and Preference Shares Quoted on the NZX Main Board.
2. In 2015, NZX Regulation (**NZXR**) granted MCK a waiver from the requirement in Rule 5.2.3 to have fewer than 25% of its Ordinary Shares held by at least 500 Members of the Public holding at least a Minimum Holding (**2015 Waiver**).
3. The 2015 Waiver was required as one of the substantial shareholders of MCK's Ordinary Shares, Aberdeen Asset Management Asia Limited (**Aberdeen**), could no longer be considered a Member of the Public under the Rules on the basis that Aberdeen held more than 10% of the Ordinary Shares in MCK. As at 28 February 2018 Aberdeen holds 10.7% of the Ordinary Shares on Issue.
4. In 2016 a further Waiver was granted for a period of 12 months, expiring on 14 April 2017. In 2017, MCK applied and was granted another extension for 12 months, expiring on 12 April 2018.
5. As at 28 February 2018, a total of 1502 Members of the Public held 18.4% of the Ordinary Shares on issue, with approximately 10 custodians and nominees holding Ordinary Shares.
6. MCK has applied for a Waiver from Rule 5.2.3 in respect of the Ordinary Shares for 12 months from 11 April 2018.



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.

