



NZX Regulation Decision

Fletcher Building Limited ("FBU")

Application for a waiver from NZX Main Board Listing
Rule 7.11.1

16 April 2018



Waiver from NZX Main Board Listing Rule 7.11.1

Decision

1. Subject to the conditions set out in paragraph 2 below, and on the basis that the information provided by FBU is complete and accurate in all material respects, NZXR grants FBU a waiver from Rule 7.11.1. This is granted to the extent that this Rule would otherwise require the allotment of New Shares to institutional shareholders in respect of subscriptions received under the Institutional Entitlement Offer to occur within five Business Days of the latest date applications may be received under the Institutional Entitlement Offer.
2. The waiver in paragraph 1 above is provided on the conditions that:
 - a. allotment of New Shares to institutional shareholders occurs 6 Business Days after the Closing Date for the Institutional Entitlement Offer; and
 - b. the waiver, its conditions and its implications are disclosed in the Offering Document for the Offer.
3. The information on which this decision is based is set out in Appendix One. 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.
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, NZXR has considered that:
 - a. the policy behind 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. this waiver will only affect the settlement for institutional shareholders under the Institutional Entitlement Offer. Institutional shareholders settle on a delivery versus payment basis (or on the ASX on the trading day prior to allotment) so would not be required to submit the subscription money for the relevant shares until the date the New Shares are allotted under the Institutional Entitlement Offer (or the trading day prior to allotment for New Shares to be quoted on the ASX). Accordingly, the institutional shareholders will not be denied the benefit of this capital for any greater period than would have otherwise been the case, as a result of this waiver; and
 - c. FBU has submitted, and NZXR has no reason not to accept, that there is a material risk that the share registry would be unable to complete the required reconciliation exercises, to effect allotment of the New Shares to certain overseas institutional shareholders, within 5 Business Days of the latest date applications may be received, under the Institutional Entitlement Offer.

Confidentiality

7. FBU has requested that this application and any decision be kept confidential until after the Offer is disclosed to the market by FBU.
8. In accordance with Footnote 1 to Rule 1.11.2, NZXR grants FBU's request.

Appendix One

1. Fletcher Building Limited (**FBU**) is a Listed Issuer with Ordinary Shares Quoted on the NZX Main Board.
2. FBU proposes to undertake a capital raising (**Offer**) by way of a pro-rata offer of new shares in FBU (**New Shares**). The Offer will be made in the form of an accelerated pro-rata entitlement offer (commonly referred to as an **AREO**) which will be managed and underwritten by Macquarie Securities (NZ) Limited (the **Lead Manager**). 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, Australia and various overseas jurisdictions (**Eligible Institutional Shareholders**). Institutional shareholders of FBU who are not Eligible Institutional Shareholders are ineligible overseas institutional shareholders (**Ineligible Institutional 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 Institutional Shareholders, are offered under a bookbuild to institutional investors (**Institutional Bookbuild**). If the price achieved in the Institutional Bookbuild is higher than the Entitlement Price, the excess will be shared (on a pro-rata basis) between the institutional 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 will be made at the same price and ratio as the Institutional Entitlement Offer to retail shareholders in New Zealand and Australia who did not receive an offer under the Institutional Entitlement Offer (**Eligible Retail Shareholders**). Retail shareholders of FBU who are not Eligible Retail Shareholders are ineligible retail shareholders (**Ineligible Retail 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 Retail Shareholders, are offered under a bookbuild to a institutional investors (**Retail Bookbuild**). If the price achieved in the Retail Bookbuild is higher than the Entitlement Price, the excess will be shared (on a pro-rata basis) between the retail shareholders who did not, or who were not able to, take up their entitlement.
3. The Institutional Entitlement Offer and Institutional Bookbuild will be conducted accordance with the following timetable:
 - a. Trading Halt and Institutional Entitlement Offer opens: 17 April 2018
 - b. Institutional Entitlement Offer closes:
(**Closing Date**) 18 April 2018
 - c. Institutional Bookbuild: 6:30pm 18 April 2018
- 5:00pm 19 April 2018
 - d. Record Date: 9:00pm 19 April 2018

- e. Trading Halt Lifted: 20 April 2018
 - f. Allotment and Quotation of the New Shares: 27 April 2018
4. Overseas institutional shareholders represent a significant component of FBU's share register. FBU indicates approximately 60% of its shares are held by offshore institutional shareholders.
 5. FBU has applied to NZX Regulation (**NZXR**) for a waiver from NZX Main Board Listing Rule (**Rule**) 7.11.1 as it has been advised that due to the fact that there would be a material risk that the share registry would be unable to complete the required reconciliation exercises for a number of its overseas institutional shareholders to ensure allotment of the New Shares within the timeframe dictated by the Rule.

Appendix Two

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.