



NZX Regulation Decision

Trustpower Limited ("TPW")

Application for a waiver from NZX Main Board Listing Rule 7.12.2

16 September 2016



Waiver from Main Board Listing Rule 7.12.2

Decision

1. Subject to the conditions set out in paragraph 2 below, and on the basis that the information provided by Trustpower Limited (**TPW**) is complete and accurate in all material respects, NZX Regulation (**NZXR**) grants TPW a waiver from NZX Main Board Listing Rule (**Rule**) 7.12.2 to the extent that this requires TPW to give to NZX:
 - a. in relation to the Redemption, the Appendix 7 Notice for each series of Existing TPW Bonds; and
 - b. in relation to the Interest Payment, the entry "monies associated with event" section of the Appendix 7 Notice for each series of Existing TPW Bonds, excluding the TPW090 bonds.
2. The waiver in paragraph 1 above is provided on the conditions that:
 - a. once the Redemption price is known, and in any event, no later than 6 October 2016, TPW releases to the market the Redemption price, as a part of the Redemption notice;
 - b. TPW state in the initial Appendix 7 Notices for the Interest Payments that the monies associated with the event will be announced at a later date; and
 - c. TPW gives to NZX updated Appendix 7 Notices for the Interest Payment once TPW is aware of the amount of the Interest Payment, and in any event no later than 13 October 2016.
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 waivers set out in paragraph 1 above, NZXR has considered that:
 - a. the policy behind the requirements of Rule 7.12.2 is to ensure that the market and NZX Operations receive information about a corporate action in enough time to process that information. The granting of this waiver does not offend that policy;
 - b. information relating to the Demerger, Redemption, Exchange Offers and Priority Pool Offer has already been released to the market. TPW has engaged with NZX on the Redemption and Interest Payment and has provided all information required by NZX for the Redemption and the Interest Payment. Further the conditions of the waiver require TPW to release further information about the Redemption and the Interest Payment, when this information is available, to ensure market participants have the required information;

- c. an Appendix 7 Notice gives investors advance notice about an upcoming corporate action, to inform their investment decisions. The Existing TPW Bonds were placed in suspension from the date of the announcement of the Redemption. Therefore, investors do not have the opportunity to trade on or off the register; and
- d. the structure of the Exchange Offers and Priority Pool Offer, as well as the Redemption pricing structure, means it is not possible for TPW to give the required information in accordance with the standard timing required by the Rules.

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Appendix One

1. Trustpower Limited (**TPW**) is a listed issuer with bonds Quoted on the NZX Debt Market (**NZDX**), including the TPW090, TPW100, TPW120 and TPW110 Bonds (the **Existing TPW Bonds**).
2. Pursuant to a scheme of arrangement to be implemented under Part XV of the Companies Act 1993, TPW will separate into two New Zealand incorporated companies, Bay Energy Limited (**BEL**) and Tilt Renewables Limited (the **Demerger**).
3. BEL intends to make an offer of three series of bonds to replace the Existing TPW Bonds (the **Exchange Offers**):
 - a. unsecured unsubordinated fixed rate bonds with a maturity date of 15 December 2017 (**2017 Bonds**) to replace the current TPW100 bonds;
 - b. unsecured unsubordinated fixed rate bonds with a maturity date of 15 December 2021 (**2021 Bonds**) to replace the current TPW120 bonds; and
 - c. unsecured subordinated fixed rate bonds with a maturity date of 15 September 2019 (**2019 Bonds**) to replace the current TPW110 bonds.
4. The Exchange Offers are limited to holders of the comparable lines of Existing TPW Bonds.
5. BEL intends to also make a public offer of an additional series of unsecured, unsubordinated bonds with a maturity date of 15 December 2022 (**2022 Bonds** and, together with the 2017 Bonds, 2021 Bonds and 2019 Bonds, the **New Bonds**). TPW will give holders of the TPW090 bonds a priority right to participate in the offer of the 2022 Bonds (**Priority Pool Bonds** and **Priority Pool Offer**).
6. Holders of Existing TPW Bonds (**Existing Bondholders**) who do not participate in the Exchange Offers or who do not participate in the Priority Pool Offer will have their Existing TPW Bonds redeemed (the **Redemption**) and receive the payment of principal and final interest payment (the **Interest Payment**) on the Existing TPW Bonds.
7. Existing Bondholders who participate in the Exchange Offer will have their Existing TPW Bonds cancelled. The cancellations will occur prior to the Redemption and Interest Payment. If Existing Bondholders elect to participate in the Exchange Offers, the interest otherwise payable on the Existing TPW Bonds continues to accrue and will be paid via the relevant series of the New Bonds.
8. Existing Bondholders who participate in the Priority Pool Offer will have their Existing TPW Bonds redeemed, with \$1.00 of the redemption proceeds for each TPW090 bond redeemed going to the subscription price of the Priority Pool Bonds. If Existing Bondholders elect to participate in the Priority Pool Offer, the interest otherwise payable on the TPW090 Bonds will be paid to Existing Bondholders on the redemption date.
9. The scheduled timetable is as follows:

Event	Date
Record date for Redemption and Interest Payment for TPW090 bonds	Friday, 30 September 2016

Record date for Redemption and Interest Payment for TPW100 bonds, TPW120 bonds and TPW110 bonds	Monday, 3 October 2016
Pricing period for Redemption	Thursday, 22 September 2016 to Wednesday, 5 October 2016
Redemption notice provided	Thursday, 6 October 2016
Exchange Offer close date	Wednesday, 12 October 2016
Priority Pool Offer close date	Wednesday, 12 October 2016
Redemption and Interest Payment date	Thursday, 13 October 2016
Demerger implementation date	Friday, 14 October 2016
Allotment date for the New Bonds	Wednesday, 26 October 2016
Quotation date for the New Bonds	Thursday, 27 October 2016

10. The Rules require that information in the form set out in Appendix 7 to the Rule must be given to NZX for the Redemption and the Interest Payment for each series of Existing TPW Bonds (**Appendix 7 Notices**), at least 10 business days before the Record Date for those events.
11. The Exchange Offer and Priority Pool Offer close after the Record Date for the Redemption and the Interest Payment. At the time the Appendix 7 Notices would be required to be given to NZX, TPW will not know how many Existing Bondholders will participate in the Exchange Offers and Priority Pool Offer. Therefore, TPW will not know how many Existing Bonds will be cancelled and conversely, how many will be redeemed in the Redemption or receive the Interest Payment.
12. Further, the terms of the Existing TPW Bonds are set out in a master trust deed dated 30 October 2009 (as amended by a deed of amendment dated 25 July 2012) and in separate series supplements for each series of Bonds (**Bond Documents**). The price for the Redemption will be calculated in accordance with the terms of the Bond Documents which involves a calculation of the average price (net of accrued interest) of the applicable series of Existing TPW Bonds over a specified pricing period. The end of this pricing period is after the Record Date for the Redemption.
13. Accordingly, the principal paid on the Redemption or the amount of monies to be paid in the Interest Payment will not be known at the time the Appendix 7 Notices would be required to be given to NZX.

Appendix Two

NZX Debt Market Listing Rule 7.12.2

Where any benefit is to be paid or distributed on Quoted Securities (including dividends, interest or bonus issues) or any Conversion of Securities or call on Securities is to take place, the Issuer shall give to NZX, forthwith after any Director's recommendation and at least 10 Business Days before the Record Date to determine entitlements or obligations, full details of the benefit, Conversion or call, including the information in the table below. That information shall be supplied in the form set out in Appendix 7.

Event	Information Required
Dividend	<ul style="list-style-type: none">- Security description- ISIN- Total amount of dividend- Cents per share- Imputation tax credits per share (where applicable to six decimal places)- Withholding tax cents per share (where applicable to six decimal places)- Source of dividend- Payable date- Record Date- Strike price for any issue in lieu of dividend- Excluded income per share (PIE Issuers only, where applicable to six decimal places)- Foreign dividend payment credits per share (where applicable to six decimal places)
Interest	Details no less than the equivalent required above for a dividend.
Bonus Issue	Full details of the issue including timing, entitlement and tax information.

Event	Information Required
Conversions	Full details of the nature and timing of the Conversion including pricing, entitlement and conversion ratio information.
Calls	Full details of the call including the Securities affected, and payment details.

