



NZX Regulation Decision

Chorus Limited ("CNU")

Application for waiver from NZX Debt Market Listing Rule
7.11.1

8 November 2018



Waiver from Rule 7.11.1

Decision

1. Subject to the conditions in paragraph 2 below, and on the basis that the information provided by CNU is complete and accurate in all material respects, NZXR grants CNU a waiver from Rule 7.11.1 in respect of the CNU020s, to the extent that this Rule would otherwise require CNU to allot the CNU020s within five Business Days after the latest date on which applications for the CNU020s close.
2. The waiver in paragraph 1 above is provided on the conditions that:
 - a. CNU allots the CNU020s no later than nine Business Days after the latest date on which applications for the CNU020s close; and
 - b. CNU clearly and prominently discloses this waiver and its implications in the Terms Sheet for the CNU020s.
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, NZXR has considered that:
 - a. the policy of Rule 7.11.1 is to ensure that, where application monies have been submitted, subscribers obtain the benefit of their investment without undue delay. The granting of this waiver will not offend the policy behind Rule 7.11.1;
 - b. CNU has submitted, and NZXR has no reason not to accept, that bringing the allotment date forward is not practicable due to the large size of the offer and re-setting format of the CNU020s, as it would restrict the time available to firms participating in the Offer to sell down their respective allocations to investors;
 - c. the conditions of the waiver provide comfort that the impact on investors will be limited to four Business Days. Further, CNU will be required to provide information on the extended allotment period to prospective investors, for the investors to consider before they decide to invest in the CNU020s; and
 - d. there is precedent for this decision.

Confidentiality

7. CNU has requested that this application, and NZXR's decision, be kept confidential until the Offer of the Bonds is publically announced.
8. In accordance with Footnote 1 to Rule 1.11.2, NZXR grants CNU's request.



Appendix One

1. Chorus Limited (**CNU**) is a Listed Issuer with Equity Securities Quoted on the NZX Main Board, and Debt Securities which mature 6 May 2021 (**CNU010s**) quoted on the NZX Debt Market (**Debt Market**).
2. CNU intends to make an offer under the exclusion set out in Schedule 1, Clause 19 of the Financial Markets Conduct Act 2013 of unsecured, unsubordinated, re-setting bonds (**CNU020s**) to be quoted on the Debt Market (**Offer**).
3. The Offer will open on 14 November 2018 and close at 12.00pm on 23 November 2018. The joint lead managers for the Offer will conduct a bookbuild on 23 November 2018 following the Offer close at 12.00pm in order to determine the margin of the CNU020 Bonds (**Bookbuild**), which will then be used to determine the interest rate of the CNU020 Bonds (subject to a minimum rate).
4. CNU intends to allot the CNU020 Bonds on 6 December 2018 and Quote the CNU020 Bonds on the NZDX on 7 December 2018. The CNU020s will Reset on 6 December 2023 and mature on 6 December 2028.
5. CNU will release a Terms Sheet on or prior to the Offer opening, setting out the main terms of the CNU020 Bonds (**Terms Sheet**).
6. NZX Debt Market Listing Rule (**Rule**) 7.11.1 requires securities to be allotted within five Business Days after the latest date on which applications for Securities close. CNU has sought a waiver from Rule 7.11.1 to structure the Offer so that the Allotment Date is nine Business Days after the Closing Date. Subscription monies for the Offer are payable by the holder on allotment of the CNU020 Bonds.



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.

