

NZ RegCo

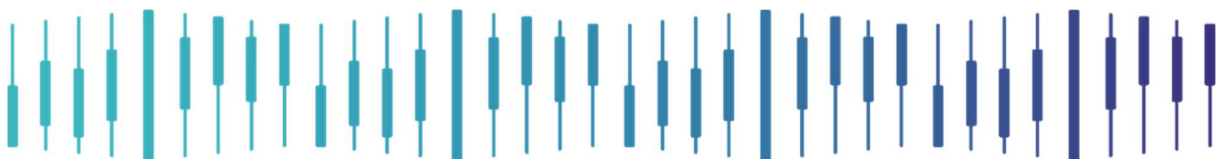
NZ'S LISTED
MARKET REGULATOR

4 June 2024

NZ RegCo Decision

Property for Industry Limited (“PFI”)

Application for waiver from NZX Listing Rules 3.8.1(a),
3.8.1(b) and 3.8.1(d)



Background

1. 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.
2. The NZX Listing Rules (**Rules**) to which this decision relates are set out in Appendix Two.
3. Capitalised terms that are not defined in this decision have the meanings given to them in the Rules.

Waiver from Listing Rule 3.8.1

Decision

4. Subject to the conditions set out in paragraph 5 below, and on the basis that the information provided by Property for Industry Limited (**PFI**) is complete and accurate in all material aspects, NZX Regulation Limited (**NZ RegCo**) grants PFI a waiver from NZX Listing Rules (**Rules**) 3.8.1(a), 3.8.1(b) and 3.8.1(d), to the extent that these Rules would otherwise require PFI to prepare full disclosures regarding its compliance with the NZX Corporate Governance Code (the **Code**) in its FY24 Annual Report.
5. The waiver in paragraph 4 above is provided on the condition that PFI's FY24 Annual Report include the following:
 - a. A URL link to the FY23 Annual Report with a description as to where the statements required by Rules 3.8.1(a), 3.8.1(b) (if applicable) and 3.8.1(d) have been included.
 - b. A statement confirming that for the period from 1 January 2024 to 30 June 2024 PFI has continued to apply the same corporate governance practices as those set out in the FY23 Annual Report or, where that is not the case, separately stating what alternative governance practice was adopted in lieu of that set out in the FY23 Annual Report, and whether the alternative governance practice(s) (if any) have been approved by the Board.
 - c. A statement identifying any recommendation under the Code that was not complied with in the period from 1 January 2024 to 30 June 2024 as a result of any alternative governance practice, the period in respect of which the recommendation was not complied with and PFI's explanation for any such non-compliance.
 - d. A statement confirming that PFI's Board has continued to evaluate PFI's performance against PFI's Diversity and Inclusion Policy and made the same assessment as to performance against that policy for the period from 1 January 2024 to 30 June 2024 as set out in the FY23 Annual Report or, where that is not the case, a statement reporting on PFI's Board's evaluation of performance with respect to that policy for the period from 1 January 2024 to 30 June 2024.

Reasons

6. In coming to the decision to provide the waiver set out in paragraph 4 above, NZ RegCo has considered that:
 - a. only (approximately) six months will have elapsed between release of the FY23 Annual Report and the FY24 Annual Report. PFI submits that its governance practices are unlikely to have materially shifted in that time and, if they have, the conditions at paragraph 5 above will require any changes to be disclosed;

- b. the purpose of the Code is to promote good corporate governance and protect the interests of shareholders. The purpose of Rules 3.8.1(a), 3.8.1(b) and 3.8.1(d) is to ensure an Issuer's compliance with the Code is communicated to shareholders in a clear and meaningful way; and
- c. the conditions at paragraph 5 above provide comfort that shareholders will have access to sufficient information in relation to PFI's governance arrangements during the period from 1 January 2024 to 30 June 2024 to enable them to make informed investment decisions and engage with PFI's board on corporate governance matters.

Confidentiality

- 7. PFI has requested this decision be kept confidential until the FY24 Annual Report is released to the market.
- 8. In accordance with Rule 9.7.2(a), NZ RegCo grants PFI's request.

Appendix One

1. Property for Industry Limited (**PFI**) is a Listed Issuer with ordinary shares quoted on the NZX Main Board.
2. PFI is seeking to change its balance date from 31 December to 30 June (the **Proposed Change**) in order to reduce compliance costs associated with a 31 December balance date and to allow for a more practical approach in complying with tax and financial reporting requirements.
3. PFI proposes to release its full year results for the six-month period ended 30 June 2024 (to reflect the new 30 June balance date) during the course of August 2024 instead of releasing its half year results announcement for the FY24 financial year at this time.
4. A proposed timeline of PFI's reporting obligations following the Proposed Change is as follows:
 - (a) Full Year Balance Date: 31 December 2023
 - (b) Full Year Results Announcement for the period 1 January 2023 to 31 December 2023: due by 29 February 2024
 - (c) Annual Report (including full Code disclosures) for the period 1 January 2023 to 31 December 2023: due by 31 March 2024 (the **FY23 Annual Report**)
 - (d) new Full Year Balance Date: 30 June 2024
 - (e) Full Year Results Announcement for the period 1 January 2024 to 30 June 2024: due by 29 August 2024
 - (f) Annual Report for the period 1 January 2024 to 30 June 2024: due by 30 September 2024 (the **FY24 Annual Report**)
 - (g) Half Year Results Announcement for the period 1 July 2024 to 31 December 2024: due by 1 March 2025
 - (h) Full Year Balance Date: 30 June 2025
 - (i) Full Year Results Announcement for the period 1 July 2024 to 30 June 2025: due by 29 August 2025
 - (j) Annual Report (including full Code disclosures): due by 30 September 2025
5. To strike an appropriate balance between providing meaningful information to shareholders and not incurring significant compliance costs, PFI proposes to prepare full Code disclosures (in accordance with Rules 3.8.1(a), 3.8.1(b) and 3.8.1(d)) in the FY23 Annual Report and, following implementation of the Proposed Change, in the FY25 Annual Report. As the FY24 Annual Report relates to a shorter period, PFI has proposed this annual report instead cross refer to the FY23 Annual Report and incorporate the Code disclosures by reference.

Appendix Two

Rule 3.8.1 Further Annual Report content for Issuers of Equity Securities

3.8.1 Further to the requirements of Rule 3.7.1, the annual report of an Issuer of Quoted Equity Securities must also contain:

- (a) a statement on, or URL link to a statement on, the extent to which the Issuer has followed the recommendations in the NZX Corporate Governance Code during the relevant financial year, and the date at which the corporate governance statement is current (which must be the Issuer's balance date or a later date specified by the entity),
- (b) if the Issuer has not followed a recommendation in the NZX Corporate Governance Code for any part of the relevant financial year (or for the most recent past financial year with a balance date occurring after 31 March 2022 in respect of which a disclosure has not been made under this Rule), the Issuer must separately state:
 - (i) which recommendation, or recommendations, were not followed,
 - (ii) the period over which this occurred,
 - (iii) the Issuer's reasons for not following the recommendation,
 - (iv) what, if any, alternative governance practice was adopted in lieu of the recommendation during that period, and
 - (v) that the alternative governance practice has been approved by the Board,

however, an Issuer need not separately state those matters for any part of a period prior to first Quotation of a Class of its Equity Securities,

...

- (d) an evaluation from the Board on the Issuer's performance with respect to its diversity policy (if applicable), ...