

NZ RegCo

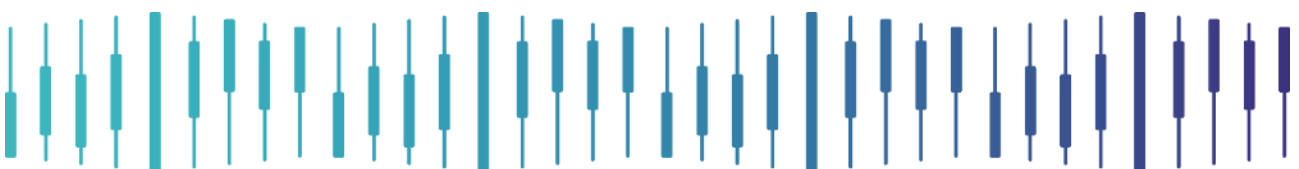
NZ'S LISTED
MARKET REGULATOR

24 June 2024

NZ RegCo Decision

Mercury NZ Limited (NS) (MCY)

Application for waiver from NZX Listing Rule 3.14.1(c)



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 Rule (**Rule**) to which this decision relates is 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 3.14.1(c)

Decision

4. Subject to the condition set out in paragraph 5 below, and on the basis that the information provided by Mercury NZ Limited (**MCY**) is complete and accurate in all material respects, NZ RegCo grants MCY a waiver from Rule 3.14.1(c) such that MCY shall not be required to issue a release through MAP in the form of Corporate Action Notice prescribed by NZX in relation to MCY's potential redemption of its capital bonds which are quoted on the NZX Debt Market under the ticker MCY020 (**MCY020 Bonds**) five business days before the record date.
5. The waiver in paragraph 4 above is provided on the condition that, if MCY elects to redeem its MCY020 Bonds on 11 July 2024 (being the first reset date for the MCY020 Bonds), MCY will release both the notice of redemption and the Corporation Action Notice to the market through MAP on the date on which the notice of redemption is issued (being 27 June 2024 if MCY exercises its option to redeem).

Reasons

6. In coming to the decision to provide the waiver set out in paragraph 4 above, NZ RegCo has considered that:
 - a. The policy objective behind Listing Rule 3.14.1(c) is to ensure investors have sufficient notice regarding an Issuer's intended call on Quoted Financial Products, and also that NZX and other market participants have accurate timely information about certain corporate actions.
 - b. On 17 June 2024, MCY made a pre-offer market announcement in relation to its proposed offer of new capital bonds. In that pre-offer announcement, MCY indicated that, if the offer is successful, MCY will exercise its option to redeem the MCY020 Bonds on 11 July 2024 (being the first reset date for the MCY020 Bonds). MCY has advised NZ RegCo that, on 17 June 2024, it (via the registrar of the MCY020 Bonds) also sent a separate letter (by email or post) to investors in the MCY020 Bonds to advise them of the potential redemption of the MCY020 Bonds.
 - c. On the basis of the above, there will be no material disadvantage to investors in the MCY020 Bonds as a result of granting the waiver, due to the earlier communication.
 - d. Should MCY exercise its option to redeem the MCY020 Bonds, MCY will release a Corporate Action Notice to the market via MAP on 27 June 2024

Appendix One

1. Mercury NZ Limited (**MCY**) is a Listed Issuer with securities Quoted on the NZX Debt Market, including unsecured, subordinated capital bonds with ticker MCY020 (**MCY020 Bonds**).
2. MCY launched a new capital bond offer on 24 June 2024 (**Offer**), which is intended to refinance the MCY020 Bonds. MCY has a right to redeem the MCY020 Bonds on the first reset date, being 11 July 2024.
3. The Offer is scheduled to close on 27 June 2024. MCY has advised that, if the Offer is successful, it will issue a Corporate Action Notice in respect of the redemption of MCY020 Bonds on the date the Offer closes (27 June 2024).
4. The next Record Date for the MCY020 Bonds is 1 July 2024.
5. On the basis of the above dates, MCY is unable to release details of its call on the MCY020 Bonds in the form of Corporate Action Notice prescribed by NZX and in the timing required by Listing Rule 3.14.1(c) as this would require the MAP release to be made prior to the notice of redemption being published by MCY.

Appendix Two

Rule 3.14.1(c) Distributions, conversion and calls

Rule 3.14

3.14.1 An Issuer must release through MAP, at least 5 Business Days before the Record Date, the details of a proposal to:

- (a) pay or distribute a benefit on Quoted Financial Products,
- (b) proceed with a Conversion of Quoted Financial Products, or a Conversion of any Financial Products into Quoted Financial Products, or
- (c) make a call on a Quoted Financial Product,

in the form prescribed by NZX from time to time.