



NZX Regulation Decision

A.C.N 610 937 598 Ltd (“MHJ”)

Application for waivers from NZX Main Board Listing Rules
5.1.1, 5.2.1 and 5.2.2(b)

23 June 2016



Waivers from Rules 5.1.1, 5.2.1, and 5.2.2(b)

Decision

1. Subject to the condition set out in paragraph 2 below, and on the basis that the information provided by Michael Hill International Limited (**MHI**) is complete and accurate in all material respects, NZX Regulation (**NZXR**) grants A.C.N 610 937 598 Ltd (**MHJ**) a waiver from:
 - a. NZX Main Board Listing Rules (**Rules**) 5.1.1 and 5.2.1, to the extent that those Rules require that an application for Listing and Quotation of a class of Securities be made through a Primary Market Participant acting as Organising Participant; and
 - b. Rule 5.2.2(b), to the extent that the Rule requires that an application for Quotation under Rule 5.2.1 be submitted with evidence that the Primary Market Participant has sought assurance from NZX that Authority to Act has not been withdrawn in respect of Securities for which Quotation is sought.
2. The waivers in paragraph 1 above are provided on the condition that MHJ makes an application for Listing and Quotation in accordance with the Rules as modified by the waivers granted.
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 is 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 waiver set out in paragraph 1 above, NZXR has considered that:
 - a. Rules 5.1.1, 5.2.1 and 5.2.2(b) generally require that new Listings and Quotations are made through a Primary Market Participant, in order to help new Issuers prepare for Listing and Quotation and assist Issuers with any public offer being made. The granting of this waiver will not offend the policy behind Rule 5.2.1, 5.2.1 and 5.2.2(b);
 - b. MHI shares are already quoted on the NZX Main Board. There is no subscription money to be received under the Scheme and no public offer. A Primary Market Participant acting as Organising Participant is not required to ensure the success of the Scheme. The requirement to have a Primary Market Participant in order for the Scheme to occur would provide no benefit to MHI security holders, the market as a whole, or NZX; and
 - c. there is precedent for this decision.



Appendix One

1. Michael Hill International Limited (**MHI**) is a Listed Issuer with ordinary shares Quoted on the NZX Main Board.
2. MHI is proposing to move the Michael Hill Group (**Group**) to Australia by way of a scheme of arrangement under Part 15 of the Companies Act 1993 involving a new Australian registered company, A.C.N 610 937 598 Ltd (**MHJ**), becoming the new parent company of the Group and applying to list on the Australian Securities Exchange (**ASX**) and the NZX Main Board as a Dual Listed Issuer (**Scheme**).
3. Under the Scheme, MHJ will acquire from each MHI security holder, other than:
 - a. Durante Holdings Pty Limited (**Hill HoldCo**); and
 - b. security holders in respect of whom MHJ is not satisfied that the laws of that security holder's country of residence (as shown in the share register) permit the issue and allotment of MHJ shares to the security holder, either unconditionally or after compliance with conditions which MHJ in its sole discretion regards as acceptable and not unduly onerous (**Ineligible Holders**),

all their shares in MHI in consideration for the issue, by MHJ, of MHJ shares to each such security holder on a one-for-one basis subject to and on the terms set out in the scheme booklet (**Scheme Booklet**) relating to the Scheme.
4. A separate transaction is also proposed whereby MHJ will acquire all of the shares in Hill HoldCo from Hill HoldCo's security holders (effectively the Hill family), in exchange for one MHJ share for each share in MHI held by Hill HoldCo. Hill HoldCo currently holds 52.89% of the shares in MHI (**Hill HoldCo Transaction**).
5. Ineligible Holders will have the MHJ shares they would otherwise have received sold on-market and the proceeds remitted to them.
6. The Hill HoldCo Transaction and the Scheme will be conducted in accordance with the following approximate timetable (all conditions must be satisfied or, if applicable, waived on or before 31 December 2016):

Event - Between now and the Special Meeting	Due date
Announcement of the Scheme	Released 13 April 2016
Date of the 'Scheme Booklet and Notice of Meeting'	8 June 2016
Date and time for determining eligibility to attend and vote at Special Meeting	5:00pm on 21 June 2016
Latest time and date for receipt of proxies for Special Meeting	9:00am on 21 June 2016
Special meeting (Special Meeting)	9:00am on 23 June 2016
If both the Hill HoldCo Transaction and the Scheme are approved by security holders and the other conditions precedent to the scheme implementation agreement are satisfied, the	

expected timetable is set out below. If the Hill HoldCo Transaction is approved, but the Scheme is not, the Hill HoldCo Transaction will nevertheless proceed.

Event - After the Special Meeting	Due date
The Hill HoldCo Transaction proceeds, and MHJ acquires all of the shares in Hill HoldCo in exchange for MHJ shares	As soon as reasonably practicable following the Special Meeting and prior to the Second Court hearing on the Second Court date.
Last day of trading of MHI shares on NZX	24 June 2016
Second Court date – to approve the Scheme	By 27 June 2016 (but currently expected to be 23 June 2016)
Effective date – the court order in relation to the Scheme is made and the Scheme becomes binding	Currently expected to be 23 June 2016
Record Date for determining entitlements to Scheme consideration	28 June 2016 (at 5:00pm)
Implementation date – date of issue and allotment of Scheme consideration	29 June 2016 (at 6:00pm Brisbane time)
Delisting of MHI from NZX Main Board following Implementation	6 July 2016
Listing of MHJ on ASX and NZX Main Board	7 July 2016

7. The Financial Markets Authority (**FMA**) has provided MHI and MHJ with an exemption from Part 3 of the Financial Markets Conduct Act 2013 in respect of the MHJ shares offered in accordance with the Scheme. The conditions of the exemption are set out in the Financial Markets Conduct (Michael Hill Group) Exemption Notice 2016.
8. MHI security holders will vote on the Hill HoldCo Transaction and the Scheme at a Special Meeting of MHI held on Thursday 23 June. In advance of the Special Meeting, MHI security holders have been sent an information pack consisting of the Scheme Booklet (and an independent report prepared by KordaMentha) which sets out all the issues which security holders will need to consider in deciding whether to support the Hill HoldCo Transaction and the Scheme.



Appendix Two

Rule 5.1 Listing

Rule 5.1.1 Any person may apply to NZX for Listing either:

(a) with NZX as the Home Exchange; or

(b) with a Recognised Stock Exchange as the Home Exchange, if that person is domiciled or incorporated outside New Zealand and listed on a Recognised Stock Exchange (an “Overseas Listed Issuer”); or

(c) as a Dual Listed Issuer.

Application shall be made through a Primary Market Participant acting as Organising Participant.

Rule 5.2 Quotation of Securities

Rule 5.2.1 An Issuer, or applicant for Listing, may apply to NZX for a Class or Classes of its Securities to be Quoted on the NZSX or NZDX. Separate application must be made for each Class of Securities, through a Primary Market Participant acting as Organising Participant, except that the application need not be made through an Organising Participant in the case of an application to Quote a Class of Securities where the Securities to be Quoted are rights to Securities that are already Quoted.

Rule 5.2.2 The following information and material shall be submitted with an application under Rule 5.2.1:

[...]

(b) evidence that the Primary Market Participant has sought assurance from NZX that Authority to Act has not been withdrawn in respect of Securities for which Quotation is sought or a certificate is provided under Rule 7.4 of the NZX Participant Rules (whichever is applicable); and

