

Financial Markets Conduct (CIP Group) Exemption Notice 2025

This exemption is granted by the Financial Markets Authority under section 556 of the Financial Markets Conduct Act 2013 after being satisfied of the matters set out in section 557 of that Act.

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Notice

1 Title

This notice is the Financial Markets Conduct (CIP Group) Exemption Notice 2025.

2 Commencement

This notice comes into force on 23 January 2025.

3 Revocation

This notice is revoked on the close of 22 January 2026.

4 Interpretation

(1) In this notice, unless the context otherwise requires:

Act means the Financial Markets Conduct Act 2013

approval meeting means the meeting of CIPHL shareholders that is to be held to consider and vote on whether to approve the scheme

binding tax ruling means the binding ruling sought from the Commissioner of Inland Revenue confirming the tax consequences caused by the implementation of the proposal

Companies Act means the Companies Act 1993

CIPH2L means CIP Holdings No. 2 Limited

CIPH2L shares means fully paid ordinary shares in CIPH2L

CIPHL means CIP Holdings Limited

CIPHL shares means fully paid ordinary shares in CIPHL

CIPHL shareholders means registered holders of CIPHL shares

CIP Group means, before the implementation of the scheme, CIPHL and all of its subsidiaries, and, after the implementation of the scheme, New TopCo and all of its subsidiaries

external investor means the third-party investor which is acquiring a 50% interest in the CIP Group as part of the proposal

High Court means the High Court of New Zealand

offer means the respective offers for the issue of New TopCo shares and CIPH2L shares to CIPHL shareholders under Part 3 of the Act in accordance with the scheme

proposal means the proposed acquisition and restructure of the CIP Group including CIPHL shareholders transferring their shares in CIPHL to New HoldCo (a company wholly owned by New TopCo) in exchange for a cash payment and New TopCo issuing New TopCo shares to CIPHL shareholders, and the subsequent transfer of those New TopCo shares by the CIPHL shareholders to CIPH2L in exchange for CIPH2L issuing CIPH2L shares to the CIPHL shareholders, in accordance with the scheme.

New HoldCo means Crown HoldCo Limited

New TopCo means Crown TopCo Limited

New TopCo shares means fully paid ordinary shares in New TopCo

notice eligibility date means the date of entitlement for CIPHL shareholders to receive notice of the approval meeting, determined in accordance with section 125(3) of the Companies Act

Regulations means the Financial Markets Conduct Regulations 2014

scheme means the scheme of arrangement relating to the proposal, approved by the High Court under Part 15 of the Companies Act 1993 and to be voted on at the approval meeting

scheme booklet means the scheme booklet prepared by CIPHL in respect of the scheme and containing the information prescribed in clauses 6 (j) and (k)

Takeovers Panel means the Takeovers Panel established pursuant to the Takeovers Act 1993.

- (2) Any term or expression that is defined in the Act or the Regulations and used, but not defined, in this notice has the same meaning as in the Act or the Regulations.

5 Exemptions

- (a) CIPHL and New TopCo are exempt from Part 3 of the Act in respect of the offer of New TopCo shares to CIPHL shareholders; and
- (b) CIPHL and CIPH2L are exempt from Part 3 of the Act in respect of the offer of CIPH2L shares to CIPHL shareholders

in accordance with the scheme.

6 Conditions

The exemptions in clause 5 are subject to the conditions that—

- (a) the proposal proceeds by way of the scheme approved by the High Court under Part 15 of the Companies Act; and
- (b) the CIPHL shareholders vote on the proposal at the approval meeting; and

- (c) it is a term of the offer that, immediately after the implementation of the scheme, only CIPHL shareholders will be holders of CIPH2L shares; and
- (d) it is a term of the offer that, immediately after the implementation of the scheme, CIPHL shareholders will receive shares in CIPH2L in the same proportion (subject to de minimis rounding adjustments) as their respective shareholding in CIPHL immediately preceding the implementation of the scheme; and
- (e) it is a term of the offer that the CIPHL shareholders will exchange their New TopCo shares for CIPH2L shares such that, immediately after the implementation of the scheme, only CIPH2L and the external investor will hold New TopCo shares (in equal proportions); and
- (f) it is a term of the offer that, immediately after the implementation of the scheme, New TopCo is the parent company of the CIP Group; and
- (g) it is a term of the offer that, immediately after the implementation of the scheme, the assets and business of the CIP Group are materially the same as the assets and business of the CIP Group immediately prior to the implementation of the scheme (other than as a result of the restructuring steps described in paragraph (j) below); and
- (h) the scheme booklet is sent to all CIPHL shareholders as at the notice eligibility date, together with the notice of meeting for the approval meeting; and
- (i) the scheme becomes effective in accordance with its terms; and
- (j) the scheme booklet includes particulars of all matters that, to the knowledge of the directors of CIPHL after making all inquiries that are reasonable in the circumstances, are material to a CIPHL shareholder making a decision on whether to approve the proposal, including details of any restructuring steps that relate to or will occur as a consequence of the proposal being approved. This must include details of certain miscellaneous assets within the CIP Group which are to be excluded from the offer by the external investor and, prior to implementation of the scheme, will be transferred to one or more companies which will be ultimately wholly owned by the CIPHL shareholders; and
- (k) without limiting (j) above, the scheme booklet includes the following:
 - (i) a description of the respective rights and liability attaching to CIPH2L shares and New TopCo shares:
 - (ii) the purpose and effect of the proposal:
 - (iii) the steps necessary to bring the proposal into effect:
 - (iv) a statement as to whether (together with the reasons why) the directors of CIPHL recommend that CIPHL shareholders vote in favour of the proposal:
 - (v) a summary of the impact of the proposal, including the impact on CIPHL shareholders and any material advantages and disadvantages of the proposal:
 - (vi) a summary of the costs of the proposal:
 - (vii) a statement of the material differences (if any) between the constitution of CIPHL and the constitution of CIPH2L, including the rights of CIPHL shareholders immediately prior to the implementation of the proposal and the rights of shareholders under the constitution of CIPH2L immediately following the implementation of the proposal:
 - (viii) a summary of the material provisions of the constitution of New TopCo and the shareholders' agreement between CIPH2L and the external investor relevant to the respective control of New TopCo as between CIPH2L and the external investor:

- (ix) the name and address of every person who will be a director of CIPH2L and New TopCo immediately after implementation of the proposal:
- (x) particulars of any material New Zealand taxation liabilities of CIPHL shareholders, including the details of a binding tax ruling sought from the Commissioner of Inland Revenue, caused by the implementation of the proposal:
- (xi) a report from an independent adviser approved by the Takeovers Panel on the merits of the scheme for CIPHL shareholders and a statement of the relevant qualifications of the independent adviser giving the report.

7 Offers not regulated offers

An offer of equity securities made in reliance on this notice is not a regulated offer.

Dated at Auckland this 21st day of January 2025.



Louise Unger
Executive Director – Response and Enforcement
Financial Markets Authority

Statement of reasons

This notice comes into force on 23 January 2025 and is revoked on 22 January 2026.

The notice exempts CIP Holdings No. 2 Limited (**CIPH2L**), CIP Holdings Limited (**CIPHL**), and Crown TopCo Limited (**New TopCo**), subject to conditions, from Part 3 of the Financial Markets Conduct Act 2013 (**Act**) in relation to offers for the issue of shares in New TopCo and shares in CIPH2L to shareholders of CIPHL under a proposed scheme of arrangement pursuant to Part 15 of the Companies Act 1993.

The notice also provides that offers exempted by this notice are not regulated offers under the Act. This means that other requirements of the Act, or other Acts, that apply in connection with regulated offers (such as the financial reporting requirements) will not apply. Any other financial markets conduct obligations CIPHL, CIPH2L, and New TopCo may have, including obligations under Part 2 of the Act, are not affected. Additionally, financial reporting requirements under the Companies Act 1993 will continue to apply.

The Financial Markets Authority (**FMA**), after satisfying itself as to the matters set out in section 557 of the Act, considers it appropriate to grant the exemptions because—

- the offer is made in connection with a proposal to restructure CIPHL and its subsidiaries (the **CIP Group**) as part of an acquisition. The scheme will include the issue of New TopCo shares to CIPHL shareholders as part consideration along with a cash payment for the transfer of shares in CIPHL held by those CIPHL shareholders to Crown HoldCo Limited (**New HoldCo**) (a wholly owned subsidiary of New TopCo). The CIPHL shareholders will then transfer their shares in New TopCo to CIPH2L in exchange for the issue to them of shares in CIPH2L. Following implementation of the scheme, New TopCo will be the ultimate holder of the shares in Craigs Investment Partners Limited (through its subsidiary New HoldCo) and will replace CIPHL as the

new parent of the CIP Group. The shares in New TopCo will be held 50% by an external investor and 50% by CIPH2L. The former CIPHL shareholders will receive shares in CIPH2L in the same proportion (subject to rounding) as their respective shareholding in CIPHL immediately preceding the implementation of the scheme. Accordingly, the offer is limited to shareholders of CIPHL and therefore to persons expected to already be familiar with the assets and business of the CIP Group. Conditions of the exemption require that the offer can only be made if New TopCo becomes the parent of the CIP Group, and the underlying assets and business of the CIP Group are the same after the implementation of the scheme as before it (other than as a result of restructuring steps that relate to or will occur as a consequence of the proposal being approved):

- the disclosure requirements of Part 3 of the Act and Financial Market Conduct Regulations 2014 (**Regulations**) focus on providing information about the financial products being offered, so would require information about CIPH2L and New TopCo and the shares being offered by each of those parties only. However, in the circumstances of what is essentially a share exchange scheme together with an external investment, the shareholders to whom the offer is made to exchange shares must decide whether to approve the external investment and the consequential share exchanges. Therefore, the nature of the information shareholders require to make that assessment is different from that prescribed by the Act and Regulations. As such, the exemption, which includes conditions requiring shareholders to be provided with information about the effect, advantages and disadvantages of the scheme, supports the provision of timely, accurate and understandable information to persons to assist those persons to make decisions relating to financial products:
- the offer is made in accordance with the laws of New Zealand and pursuant to a court approved scheme of arrangement under Part 15 of the Companies Act 1993. In order to comply with these requirements, CIPHL shareholders are provided with a scheme booklet containing information relevant to evaluating the proposal which must be approved by the High Court. The conditions of the exemption also require the scheme booklet to contain or be accompanied by an independent adviser's report on the merits of the scheme and contain all matters that are material to CIPHL shareholders to enable them to make an informed decision on the proposal:
- CIPHL, CIPH2L and New TopCo each remain subject to the fair dealing provisions in Part 2 of the Act and therefore CIPHL's shareholders will have protection against misleading or deceptive information being included in the scheme booklet:
- the scheme will be overseen by the High Court. The High Court will need to be satisfied that the scheme documents (including the scheme booklet) include sufficient information for a CIPHL shareholder to make an informed decision as to how to vote on the scheme:
- following the implementation of the scheme, CIPHL shareholders will receive the same level of financial reporting information under the Companies Act 1993 as they received prior to the implementation of the scheme, and as such are not adversely impacted by the offers exempted by this notice not being regulated offers under the Act:

As such, the FMA is satisfied that –

- the exemption is desirable in order to promote the purposes of the Act, namely to provide for timely, accurate and understandable information to be provided to CIPHL shareholders to assist them to make a confident and informed decision on the proposed transaction, and to avoid unnecessary compliance costs caused by the other requirements of the Act, or other Acts, that apply in connection with regulated offers (such as the financial reporting requirements), and by CIPH2L and New TopCo having to each produce a product disclosure statement and register entry under the Act and Regulations, in addition to the scheme booklet and other documents relating to the proposal:

- in the circumstances that the exemption is limited to the offer of financial products to existing CIPHL shareholders made in the context of the proposal, and the key impact of the exemption is to provide relief from the requirement to provide information that is not material to CIPHL shareholders' decision on whether to approve the proposal, the FMA is satisfied that the exemption is not broader than reasonably necessary to address the matters that gave rise to the exemptions.