

## Financial Markets Conduct (Climate Statements – Precinct Properties Group) Exemption Notice 2024

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.

### Contents

	Page
1 Title	1
2 Commencement	1
3 Revocation	1
4 Application	1
5 Interpretation	1
6 Exemption	2
7 Conditions	2

### Notice

#### 1 Title

This notice is the Financial Markets Conduct (Climate Statements – Precinct Properties Group) Exemption Notice 2024.

#### 2 Commencement

This notice comes into force on 16 February 2024.

#### 3 Revocation

This notice is revoked on the close of 15 February 2029.

#### 4 Application

An exemption granted by this notice applies to the following accounting periods of PPNZ and PPIL:

- (a) the accounting period ending 30 June 2024; and
- (b) subsequent accounting periods, up to and including the accounting period ending 30 June 2028.

#### 5 Interpretation

- (1) In this notice, unless the context otherwise requires, —  
**Act** means the Financial Markets Conduct Act 2013  
**PPIL** means Precinct Properties Investments Limited  
**PPNZ** means Precinct Properties New Zealand Limited

**Precinct Properties Group** means the stapled group comprising PPNZ and PPIL and their respective subsidiaries.

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

## 6 Exemption

PPNZ and PPIL are exempted from section 461ZA of the Act to the extent that that section prevents each of PPNZ and PPIL from consolidating its group climate statements with the other's group climate statements.

## 7 Conditions

The exemption in clause 6 is subject to the conditions that—

- (a) PPNZ and PPIL must ensure that they have the same balance date; and
- (b) PPNZ and PPIL must each ensure that the group climate statements that they are each required to prepare under section 461ZA of the Act are prepared in relation to the Precinct Properties Group on a consolidated basis; and
- (c) PPNZ and PPIL must each deliver to the Registrar a written notification signed on behalf of both PPNZ and PPIL that PPNZ and PPIL are relying on this notice in respect of the accounting period to which the statements relate. Such notice must be delivered at the same time as the group climate statements prepared on a consolidated basis pursuant to paragraph (b) are lodged pursuant to section 461ZI of the Act. For the purposes of section 559 of the Act, a breach of the condition in this paragraph (c), which requires notification to the Registrar, is not a breach of the provision to which the exemption in clause 6 relates (but see section 468(1)(j) of the Act, which allows the FMA to make a direction order in respect of a contravention, or likely contravention, of a condition); and
- (d) PPNZ shares and PPIL shares must remain stapled in accordance with the deed between PPNZ and PPIL, dated 7 June 2023, and the respective constitutions of PPNZ and PPIL must require that the shares remain stapled.

Dated at Wellington this 13<sup>th</sup> day of February 2024.

  
\_\_\_\_\_  
John Horner  
Director – Markets, Investors and Reporting  
Financial Markets Authority

## Statement of reasons

This notice, which comes into force on 16 February 2024 and is revoked on 15 February 2029, applies to Precinct Properties New Zealand Limited (**PPNZ**) and Precinct Properties Investments Limited (**PPIL**), which are part of the stapled group, comprising PPNZ, PPIL and their respective subsidiaries (**Precinct Properties Group**).

PPNZ and PPIL are climate reporting entities and are each required to:

- prepare group climate statements under section 461ZA(2)(a) of the Financial Markets Conduct Act 2013 (the **Act**);

- have those group climate statements dated and signed under section 461ZA(2)(b) of the Act; and
- lodge those group climate statements under section 461ZI(1) of the Act.

This notice allows PPNZ and PPIL, as stapled entities, to prepare a single document comprising consolidated group climate statements in respect of the Precinct Properties Group for the purposes of section 461ZA of the Act.

The exemption is subject to a number of conditions including that PPNZ and PPIL must ensure group climate statements are prepared on a consolidated basis in respect of the Precinct Properties Group. The shares of PPNZ and PPIL must also remain stapled and PPNZ and PPIL must ensure that they have the same balance date.

This notice grants both PPNZ and PPIL an exemption from the usual requirement in section 461ZA of the Act to the extent that that section prevents each entity from consolidating its group climate statements with the group climate statements of the other entity. The main effect of the exemption is that instead of each of PPNZ and PPIL preparing separate group climate statements, they must ensure their group climate statements are prepared on a consolidated basis for the Precinct Properties Group, showing a single set of information for the Precinct Properties Group.

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

- shares of PPNZ and PPIL are stapled and traded as the single Precinct Properties Group on the NZX Main Board of NZX Limited;
- given the nature of the stapled group, in that PPNZ and PPIL operate as a single economic enterprise and the shareholders of PPNZ and PPIL are identical, the climate related performance of the Precinct Properties Group as a whole, rather than the separate underlying entities, is of particular relevance to shareholders and potential investors; and
- the exemptions will not apply if the shares of PPNZ and PPIL cease to be stapled.

The FMA is satisfied that the granting of the exemption is necessary and desirable in order to promote the purposes of the Act, specifically:

- the confident and informed participation of shareholders and potential investors of the Precinct Properties Group in the financial markets;
- greater transparency in relation to the Precinct Properties Group, thereby contributing to the development of fair, efficient, and transparent financial markets;
- timely, accurate, and understandable information being provided to shareholders and potential investors to assist them to make decisions relating to the Precinct Properties Group; and
- avoiding unnecessary compliance costs, namely the preparation of two sets of group climate statements when consolidated group climate statements will provide more meaningful information in respect of the group and the individual entities comprising it, and thereby also promoting flexibility in financial markets by facilitating the efficient operation of the Precinct Properties Group structure.

The FMA is further satisfied that the extent of the exemptions is not broader than is reasonably necessary to address the matters that give rise to the exemptions, given that the exemptions only exempt PPNZ and PPIL insofar as necessary to allow each entity to prepare consolidated group climate statements for the Precinct Properties Group. The Precinct Properties Group will, in all other respects, need to comply with Part 7A of the Act.