

Financial Markets Conduct (Climate Statements – Stride Property Group) Exemption Notice 2023

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 (Climate Statements – Stride Property Group) Exemption Notice 2023.

2 Commencement

This notice comes into force on 20 December 2023.

3 Revocation

This notice is revoked on the close of 19 December 2028.

4 Application

An exemption granted by this notice applies to the following accounting periods of SIML and SPL:

- (a) the accounting period ending 31 March 2024; and
- (b) subsequent accounting periods, up to and including the accounting period ending 31 March 2028.

5 Interpretation

- (1) In this notice, unless the context otherwise requires, —
- Act** means the Financial Markets Conduct Act 2013
- SIML** means Stride Investment Management Limited
- SPL** means Stride Property Limited
- Stride Property Group** means the stapled group comprising SPL, SPL's subsidiaries and SIML.
- (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 Exemptions for SIML

SIML is exempted from section 461Z of the Act to the extent that that section prevents SIML from consolidating its climate statements with or into SPL's group climate statements.

7 Exemptions for SPL

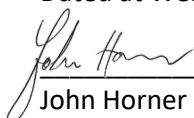
SPL is exempted from section 461ZA of the Act to the extent that that section prevents SPL from consolidating its group climate statements with SIML's climate statements.

8 Conditions

The exemptions in clauses 6 and 7 are subject to the conditions that—

- (a) SIML and SPL must ensure that they have the same balance date; and
- (b) SIML and SPL must each ensure that the group climate statements and climate statements that they are required to prepare respectively under sections 461ZA and 461Z of the Act are prepared in relation to the Stride Property Group on a consolidated basis; and
- (c) SIML and SPL must each deliver to the Registrar a written notification signed on behalf of both SIML and SPL that SIML and SPL 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 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 provisions to which the exemptions in clause 6 and clause 7 relate (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) SIML shares and SPL shares must remain stapled in accordance with the deed between SIML and SPL, dated 11 July 2016, and the respective constitutions of SIML and SPL must require that the shares remain stapled.

Dated at Wellington this 20th day of December 2023.



John Horner
Director of Markets, Investors and Reporting
Financial Markets Authority

Statement of reasons

This notice, which comes into force on 20 December 2023 and is revoked on 19 December 2028, applies to the stapled entities Stride Investment Management Limited (**SIML**) and Stride Property Limited (**SPL**), which are part of the stapled group, comprising SIML, SPL and subsidiaries of SPL (**Stride Property Group**).

SIML and SPL are climate reporting entities and are each required to:

- prepare climate statements and group climate statements under section 461Z(1)(a) and section 461ZA(2)(a) respectively of the Financial Markets Conduct Act (the **Act**);
- have those climate statements and group climate statements dated and signed under section 461Z(1)(b) and section 461ZA(2)(b) respectively of the Act; and
- lodge those climate statements and group climate statements respectively under section 461ZI(1) of the Act.

This notice allows SIML and SPL, as stapled entities, to prepare a single document comprising consolidated climate statements in respect of the Stride Property Group for the purposes of sections 461Z and 461ZA of the Act.

The exemptions are subject to a number of conditions including that SIML and SPL must ensure that their climate statements are prepared on a consolidated basis in respect of the Stride Property Group. The shares of SIML and SPL must also remain stapled, and SIML and SPL must ensure that they have the same balance date.

This notice grants SIML and SPL an exemption from the usual requirement in section 461Z and section 461ZA respectively of the Act to the extent that these sections prevent each of them from consolidating their respective climate statements and group climate statements with each other. The main effect of the exemptions is that instead of each of SIML and SPL preparing separate climate statements and group climate statements respectively, they must ensure their respective climate statements are prepared on a consolidated basis for the Stride Property Group, showing a single set of information for the Stride Property 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 exemptions because:

- shares of SIML and SPL are stapled and traded as the single Stride Property Group on the NZX Main Board of NZX Limited;
- given the nature of the stapled group, in that SIML and SPL operate as a single economic enterprise and the shareholders of SIML and SPL are identical, the climate-related performance of the Stride Property Group as a whole, rather than the separate underlying entities, is of particular relevance to shareholders and potential investors. The nature of interests in SIML, SPL and the Stride Property Group are such that climate reporting requirements need to be tailored to ensure that shareholders and potential investors receive meaningful disclosure; and
- the exemptions will not apply if the shares of SIML and SPL cease to be stapled.

The FMA is satisfied that the granting of the exemptions are 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 Stride Property Group in the financial markets;
- greater transparency in relation to the Stride Property 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 Stride Property Group; and
- avoiding unnecessary compliance costs, namely the preparation of two sets of climate statements when consolidated 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 Stride Property 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 SIML and SPL insofar as necessary to allow each entity to prepare consolidated climate statements for the Stride Property Group. The Stride Property Group will, in all other respects, need to comply with Part 7A of the Act.