

## **Financial Markets Conduct (Craigs Investment Partners - ESOP) 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 (Craigs Investment Partners - ESOP) Exemption Notice 2025.

#### **2 Commencement**

This notice comes into force on 4 July 2025.

#### **3 Revocation**

This notice is revoked on the close of 3 July 2030.

#### **4 Interpretation**

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

**Act** means the Financial Markets Conduct Act 2013

**CIP** means Craigs Investment Partners Limited (NZCN 447159)

**CIPH** means CIP Holdings Limited (NZCN 2449328)

**CIPH2** means CIP Holdings No. 2 Limited (NZCN 9300072)

**CIP Tui** means CIP Tui Holdings Limited (NZCN 9300158)

**control** has the same meaning as in clause 48 of Schedule 1 of the Act

**eligible person** means a person who is, at the time of the offer or at the time when the relevant securities are acquired, 1 or more of the following:

- (a) an employee or director of CIP or any of its subsidiaries; or
- (b) a person who provides personal services (other than as an employee) principally to CIP or any of its subsidiaries; or
- (c) a relative of a person described in paragraph (a) or (b); or
- (d) a trustee of a trust of which a person described in paragraph (a), (b) or (c) is a beneficiary; or
- (e) a company which is controlled by a person described in paragraph (a), (b), (c), or (d)

**ESOP** means a scheme established by the issuers under which an eligible person may acquire relevant securities

**ESOP offer** means an offer of relevant securities made under an ESOP to an eligible person

**issuers** means each of CIPH2 and CIP Tui

**New TopCo** means Crown TopCo Limited (NZCN 9296578)

**Regulations** means the Financial Markets Conduct Regulations 2014

**relevant financial statements** has the meaning set out in clause 2 of Schedule 8 of the Regulations

**relevant securities** means a share in CIPH2 and a share in CIP Tui that are linked together so that one cannot be traded, or otherwise dealt with, without the other.

- (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 Application

The exemptions in clause 6 apply to an ESOP offer to the extent that all of the following apply:

- (a) CIPH2 holds, directly or indirectly, at least one half of the issued shares of New TopCo:
- (b) CIPH2 controls, directly or indirectly, the exercise of at least half of the maximum number of votes that can be exercised at a shareholders' meeting of New TopCo:
- (c) New TopCo holds, directly or indirectly, all of the shares of CIP.

## 6 Exemptions

The issuers are each exempt from Part 3 and 4 of the Act in respect of an ESOP offer.

## 7 Conditions of exemptions in clause 6

- (1) The exemption in clause 6 is subject to the conditions that—
  - (a) the ESOP offer must be made as part of the remuneration arrangements for any of the following or otherwise be made in connection with the employment or engagement of any of the following:
    - (i) an employee or a director of CIP or any of its subsidiaries; or
    - (ii) a person who provides personal services (other than as an employee) principally to CIP or any of its subsidiaries; and
  - (b) the ESOP offer must not be for the primary purpose of raising funds for any of the issuers or for any of their respective subsidiaries; and

- (c) the total number of shares in each issuer issued or transferred under all of the issuers' ESOPs to eligible persons in any 12-month period does not exceed 10% of the relevant securities of that issuer as at the start of the 12-month period; and
  - (d) the ESOP offer must be made only to eligible persons, so that—
    - (i) the only investors who are able, under the terms of the ESOP offer, to acquire the relevant securities are eligible persons; and
    - (ii) all of the investors who acquire the relevant securities under the ESOP offer are eligible persons; and
  - (e) the issuers must not accept an application from, or issue or transfer relevant securities to, an eligible person if the following have not been provided to that person before the application, issue or transfer was made:
    - (i) a document that contains, in a prominent position, the warning statement referred to in the Schedule; and
    - (ii) a document that contains a description of the ESOP and its terms and conditions; and
    - (iii) the document or documents referred to in clause 7(2).
- (2) For the purposes of clause 7(1)(e)(iii), the document or documents are—
- (a) each of the following:
    - (i) a copy of the latest annual report of each of the issuers (if any) prepared under any enactment; and
    - (ii) a copy of the relevant financial statements of each of the issuers (if any) and, if those statements are not audited or reviewed by an auditor, a statement to that effect; and
    - (iii) a copy of the auditor's report on those financial statements (if any); or
  - (b) a notice that contains each of the following:
    - (i) a statement to the effect that the eligible person has a right to receive from each of the issuers, free of charge, a copy of the documents referred to in clause 7(2)(a) if the eligible person makes a request to either of the issuers to receive a copy of those documents; and
    - (ii) a statement to the effect that the eligible person may obtain a copy of those documents by electronic means; and
    - (iii) a statement as to how the eligible person may obtain a copy of those documents by electronic means (for example, from a specified Internet site address).
- (3) One or more of the documents specified in clauses 7(1)(e) and 7(2) may be combined in a single document.
- (4) In calculating the total number of relevant securities issued or transferred under all of the ESOPs for the purposes of clause 7(1)(c) –
- (a) an issue or sale to a person must be disregarded if the issue or sale results from an offer that—
    - (i) does not require disclosure under Part 3 of the Act for any reason other than as a result of the application of this notice; or
    - (ii) is not received in New Zealand; or

- (iii) is a regulated offer that is separate from the offer under the ESOPs.
- (5) For the purposes of clauses 7(1)(e) and 7(2)–
- (a) a document must be provided to an eligible person by giving it to that person or delivering or sending it to that person's address; and
  - (b) if an eligible person requests a document referred to in clause 7(1)(e) or 7(3), the issuers must provide that document to that person within 5 working days after the issuers receive that request.

## 8 Offers not regulated offers

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

### Schedule Warning statement

#### Warning

This is an offer of shares in CIP Holdings No. 2 Limited and shares CIP Tui Holdings Limited (**relevant securities**). The relevant securities give you a stake in the ownership of CIP Holdings No. 2 Limited and CIP Tui Holdings Limited (each an **issuer**, together the **issuers**).

If an issuer runs into financial difficulties or is wound up, you will be paid only after all creditors have been paid. You may lose some or all of your investment.

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors to make an informed decision.

The usual rules do not apply to this offer because it is made under an exemption granted by the Financial Markets Authority that allows the issuers to offer the relevant securities to eligible persons (as defined in the Financial Markets Conduct (Craig Investment Partners - ESOP) Exemption Notice 2025). As a result, you may not be given all the information usually required. You will also have fewer other legal protections for this investment.

Ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

The relevant securities are not quoted on a licensed market. The relevant securities may be sold to a person entitled to become a shareholder of the issuers. This means you may be able to sell the relevant securities to such persons if there are interested buyers. The trading market for the relevant securities is likely to be limited and you may not be able to sell it. You may get less than you invested. The price will depend on the demand for the relevant securities.

The relevant securities cannot be sold, transferred or otherwise dealt with other than in accordance with the terms of the offer, each issuer's constitution and all applicable laws.

Dated at Auckland this 3rd day of July 2025.



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Louise Unger  
Executive Director - Response and Enforcement  
Financial Markets Authority

## Statement of Reasons

This notice comes into force on 4 July 2025 and is revoked on the close of 3 July 2030.

This notice exempts CIP Holdings No. 2 Limited (**CIPH2**) and CIP Tui Holdings Limited (**CIP Tui**) (together the **issuers**) from compliance with the requirements of Part 3 and Part 4 of the Financial Markets Conduct Act 2013 (**Act**).

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 the issuers may have, including obligations under Part 2 of the Act, are not affected.

The exemption applies only to offers of stapled securities (each consisting of a share in CIPH2 and a share in CIP Tui) (**stapled securities**) which are made under an employee share ownership plan (**ESOP**) established by the issuers to certain eligible persons (**eligible persons**), including employees or directors of, or persons (other than employees) who provide personal services principally to, Craig Investment Partners Limited (**CIP**) or any of its subsidiaries. As the result of a restructure and acquisition of CIP Holdings Limited and its subsidiaries (including CIP) (**CIP Group**) under a court approved scheme of arrangement (**Scheme**), CIPH2 holds half of the shares in Crown TopCo Limited (**New TopCo**) which, in turn holds the shares in the CIP Group with the other half of the shares in New TopCo being held by Crown UK TopCo Limited, a company incorporated in the United Kingdom and associated with TA Associates (**TAA Company**).

The exemptions in this notice apply to an offer of stapled securities under the ESOP to eligible persons provided CIPH2 continues to hold at least half of the shares in New TopCo and controls the exercise of half of the maximum number of votes that can be exercised at a shareholders' meeting of New TopCo and New TopCo holds, directly or indirectly, all of the shares of CIP. The exemption is subject to certain conditions requiring offers to be consistent, as far as practicable, with the requirements of the exclusion relating to employee share purchase schemes in clause 8 of Schedule 1 of the Act (**Schedule 1 exclusion**), with clauses 10 to 12 of Schedule 8 of the Financial Markets Conduct Regulations 2014 (which relate to the Schedule 1 exclusion) and the Financial Markets Conduct (Employee Share Purchase Schemes) Exemption Notice 2021 (**Class Exemption**).

The issuers are unable to rely on the Schedule 1 exclusion or the Class Exemption in relation to the offer of stapled securities under the ESOP because:

- eligible persons are not directors, employees or consultants of CIPH2 or any of its subsidiaries as CIPH2 only holds half the shares in New TopCo; and
- CIP Tui does not hold any shares in New TopCo so eligible persons are not directors, employees or consultants of CIP Tui or any of its subsidiaries.

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 issuers operate as a single economic enterprise, the issuers' shareholders and their respective shareholdings in each issuer are identical and the issuers' shares are stapled and cannot be transferred or otherwise dealt with other than together:
- the ESOP operates in a matter similar to other employee share purchase schemes in that:
  - any return on the stapled securities (specifically, return on the shares in CIPH2) is linked to the performance of the CIP Group so the ESOP encourages employees' involvement in the performance of the CIP Group:

- CIPH2 jointly controls the CIP Group through its 50% ownership of the shares in New TopCo which fosters a sense of ownership for employees and offers them a stake in the CIP Group's management and direction as the joint shareholding of CIPH2 and TAA Company requires the two shareholders to act together to make key decisions regarding the CIP Group and effectively provides CIPH2 'negative control' over key decisions of New TopCo:
- the assets and business of the CIP Group are materially the same after the implementation of the Scheme as before it. Accordingly, eligible persons will have an existing understanding of the CIP Group and the industry in which it operates. Employees also have access to information on the CIP Group such as ongoing quarterly reports on the CIP Group and CIP Tui:
- the exemption will help to minimise the issuers' compliance costs in terms of operating the ESOP and, without the benefit of the exemption, the issuers would likely instead opt to satisfy awards through a cash payment:
- the exemption therefore promotes innovation and flexibility in the financial markets by allowing eligible persons to participate in an offer which is in substance similar to an employee share purchase scheme and which will be offered on a similar basis as offers made in reliance on the Schedule 1 exclusion and the Class Exemption:
- the conditions to the exemptions also require eligible persons to be provided access to the same kinds of information as would be required under the Schedule 1 exclusion and the Class Exemption. In these circumstances, the FMA is satisfied that eligible persons will have access to sufficient and appropriate information for them to make an informed investment decision in relation to an offer and requiring the issuers to comply with the disclosure requirements of Part 3 of the Act is unnecessary.

As such, the FMA is satisfied that—

- the granting of the exemptions is desirable in order to promote the purposes of the Act, specifically by avoiding unnecessary compliance costs and by promoting innovation and flexibility in financial markets; and
- in circumstances where the exemptions are limited to the offers of stapled securities made to eligible persons in connection with an ESOP, and their key impact is to provide an ESOP with equivalent treatment to that which applies to employee share schemes under the Act, the FMA is satisfied that the exemptions are not broader than is reasonably necessary to address the matters that gave rise to them.