

Financial Markets Conduct (FairWay Resolution) 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 (FairWay Resolution) Exemption Notice 2025.

2 Commencement

This notice comes into force on 23 October 2025.

3 Revocation

This notice is revoked on the close of 31 March 2026.

4 Interpretation

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

Acquisition means the purchase of all of the shares in Fairway Holdings by the FairWay Parent from the FairWay Trustee (as trustee of the FairWay Employee Trust)

Act means the Financial Markets Conduct Act 2013

application means the act of an eligible person applying to accept the offer and participate in the scheme.

Completion means the point in time the Acquisition has been completed meaning that Fairway Parent owns all of the shares in FairWay Holdings, which in turn owns all of the shares in FairWay Resolution.

distributions means the entitlement that an eligible person is entitled to receive upon Completion.

eligible person means a person who is, at the time of the offer or at the time when the specified financial products are acquired, 1 or more of the following—

- (a) an employee of FairWay Resolution who is also a beneficiary of the FairWay Employee Trust; or
- (b) a trustee of a trust in respect of which a person described in paragraph (a) is a beneficiary; or
- (c) a company that is controlled by a person described in paragraph (a) or (b) (within the meaning of clause 48 of Schedule 1 of the Act)

FairWay Employee Trust means the trust established by trust deed dated 27 June 2017 (as amended and restated in 23 November 2022) of which the FairWay Trustee is the trustee

FairWay Holdings means FairWay Resolution Holdings Limited

FairWay Parent means Yarrow BidCo Limited

FairWay Resolution means FairWay Resolution Limited

FairWay Trustee means the FairWay Employee Trust Limited

offer means the proposal by FairWay Parent to an eligible person to participate in the scheme

Regulations means the Financial Markets Conduct Regulations 2014

shares means unit of ownership interest in Fairway Parent

scheme means an offer of shares in Fairway Parent established by the FairWay Parent under which an eligible person may acquire specified financial products

specified financial products means fully-paid ordinary shares in the FairWay Parent

subscription funds means the pool of funds that FairWay Parent intends to use for the Acquisition.

- (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.
- (3) Regulation 9 of the Regulations applies, with all necessary modifications, to a warning statement required to be provided by this notice.

5 Exemption

FairWay Parent is exempt from Part 3 of the Act in respect of specified financial products offered under a scheme.

6 Conditions of exemption in clause 5

- (1) The exemption in clause 5 is subject to the conditions that—
 - (a) the offer must only be made to eligible persons and for specified financial products;
 - (b) the offer is made subject to Completion;
 - (c) the offer must be made on the basis that the eligible person is able to elect to utilise any distributions from the FairWay Employee Trust toward meeting the price of acquiring the specified financial products under the offer;

- (d) in aggregate the total number of specified financial products issued under the scheme must not exceed 65% of the specified financial products of the FairWay Parent (and that are of the same class);
 - (e) the offer must allow at least seven (7) working days for acceptance;
 - (f) the offer must state the level of distribution expected to be made to the eligible person by the FairWay Employee Trust on Completion;
 - (g) the FairWay Parent must provide eligible persons prior to accepting an application or issuing a specified financial product:
 - (i) a document that contains, in a prominent position, the warning statement referred to in the Schedule of this notice; and
 - (ii) a document that contains a description of the Acquisition and its terms and conditions; and
 - (iii) the documents referred to in clause 6(2).
- (2) For the purposes of clause 6(1)(g)(iii), the documents are—
- (a) each of the following documents or information in relation to the Acquisition
 - (i) a copy of the latest annual report for FairWay Resolution prepared under any enactment (if any);
 - (ii) a copy of the shareholders' agreement and constitution for the FairWay Parent;
 - (iii) a copy of the relevant financial statements of FairWay Resolution and, if those statements are not audited or reviewed by an auditor, a statement to that effect;
 - (iv) a copy of the auditor's report on those relevant financial statements of FairWay Resolution (if any);
 - (v) a copy of the document containing a description of the steps necessary to bring the Acquisition into effect, including an estimate of the costs of the transaction and who is to bear those costs;
 - (vi) information about any strategies and plans of Fairway Parent that could have a material effect on its performance, including the key rationale for the Acquisition and any current intentions to acquire, merge with, or dispose of any material business or assets of FairWay Resolution after Completion;
 - (vii) the identity of any substantial shareholders of Fairway Parent, and the relevant interests to be held by each director and senior manager of Fairway Parent upon Completion;
 - (viii) the interests of senior management of Fairway Parent and Fairway Resolution in the Acquisition, including whether any director or senior manager of Fairway Parent will receive a different class of shares, convertible securities, or similar interests;
 - (ix) pro forma financial information showing the effect of the Acquisition on the Fairway Parent's balance sheet in at least the following scenarios: (A) a "maximum debt" scenario (reflecting the highest level of debt reasonably contemplated); and (B) a "no additional debt" scenario;
 - (x) A description of the key risks associated with the offer and the Acquisition, including risks arising from any proposed or potential debt arrangements and from any different classes of shares (if applicable);

- (b) each of the following documents or information in relation to the offer:
 - (xi) the purpose of the offer;
 - (xii) the terms of the offer, including the price or number of shares to be issued or transferred in total as part of the offer;
 - (xiii) the key dates of the offer process;
 - (xiv) a prominent statement describing the sales process used to obtain the subscription funds and the method for determining the value of the shares;
 - (xv) information about any equity options that have been granted and are planned to be granted (if any);
 - (xvi) information about any other equity securities of Fairway Parent;
 - (xvii) the key features of the shares, including any dividend policy;
 - (xviii) a statement of the potential tax implications for eligible persons who accept the offer, and a general warning statement advising eligible persons to consider obtaining independent accounting or taxation advice;
 - (xix) a document containing any other particulars of all matters that, to the knowledge of Fairway Parent, are material to an eligible person (if the eligible person is an employee making a decision whether to subscribe for the shares); or
- (c) a notice that contains:
 - (i) a statement to the effect that the eligible person has a right to receive from FairWay Parent, free of charge, a copy of the documents referred to in clause 6(2)(a) and clause 6(2)(b) if the eligible person makes such a request; 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 6(1)(g) and 6(2) above may be combined in a single document.
- (4) For the purposes of clauses 6(1)(g) and 6(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 6(1)(g) or 6(2), FairWay Parent must provide that document to that person within 5 working days after FairWay Parent receives that request.

7 Offers not regulated offers

An offer of specified financial products made in reliance on this notice is not a regulated offer.

Schedule

Warning Statement

"Warning

This is an offer of ordinary shares in Yarrow BidCo Limited (**FairWay Parent**). Ordinary shares give you a stake in the ownership of the FairWay Parent. You may receive a return if dividends are paid.

If FairWay Parent runs into financial difficulties and is wound up, you will be paid only after all creditors and holders of preferred shares (if any) 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 FairWay Parent to offer the ordinary shares to eligible persons. 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, particularly if you are unfamiliar with companies.

The ordinary shares are not quoted on any stock exchange. The trading market for the investment is likely to be limited and you may not be able to sell it.

Holders of shares in the FairWay Parent are required to enter into a shareholders' agreement and the constitution of FairWay Parent will apply (together, the Corporate Control Document). The ordinary shares cannot be disposed of or otherwise dealt with other than in accordance with the disposal restrictions in the Corporate Control Documents for FairWay Parent."

Dated at Auckland this 23rd day of October 2025.



Louise Unger

Executive Director, Response and Enforcement

Financial Markets Authority

Statement of Reasons

This notice comes into force on 23 October 2025, and is revoked on 31 March 2026.

This notice exempts Yarrow BidCo Limited (**FairWay Parent**) from compliance with the disclosure and governance requirements of Part 3 of the Financial Markets Conduct Act 2013 (**Act**).

The exemption applies only to offers of ordinary shares in FairWay Parent (**specified financial products**) to certain eligible persons, being employees of FairWay Resolution Limited (the **staff**). FairWay Resolution Limited is the entity that employs all staff in relation to the group's business and it is owned by FairWay Holdings Limited who upon completion of a proposed acquisition of all of its shares (the **Acquisition**), will be owned by the FairWay Parent.

The exemptions are subject to certain conditions requiring an offer made to staff to be consistent, as far as practicable, with the requirements of the Financial Markets Conduct (Employee Share Purchase Schemes) Exemption Notice 2021 which in turn is consistent with the requirements of clause 8 of Schedule 1 of the Act (the **Schedule 1 exclusion**) and clauses 10-12 of Schedule 8 of the Financial Markets Conduct Regulations 2014 (which relate to the Schedule 1 exclusion).

The notice also provides that offers made in reliance on the notice are not regulated offers under the Act. This means that other requirements of the Act that apply in connection with regulated offers (such as financial reporting requirements) will not apply to FairWay Parent by reason of the offer. Any other financial market conduct obligations FairWay Parent may have, including obligations under Part 2 of the FMC Act, are not affected.

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 exemption because—

- the staff are already indirect holders of shares in FairWay Resolution Holdings Limited through an employee trust (the **FairWay Employee Trust**);
- as a beneficiary of the FairWay Employee Trust, the staff will be given an opportunity to take a direct shareholding in FairWay Parent (and the FairWay Resolution group);
- the offers of specified financial products which are covered by this notice could have been offered under the Schedule 1 exclusion but in doing so not all staff may have been entitled to participate;
- the exemption promotes innovation and flexibility in the financial markets by allowing staff to participate in an offer which is in substance converting their indirect interests to a direct interest, but with the protections afforded by the Schedule 1 exclusion;
- the conditions to the exemption require staff to be provided access to the same kinds of information as would be required under the Schedule 1 exclusion. In these circumstances, the FMA is satisfied that staff will have access to sufficient and appropriate information for them to make an informed investment decision in relation to an offer and requiring the FairWay Parent to comply with the disclosure requirements of Part 3 of the Act is unnecessary;
- without the benefit of the exemptions, there are significant compliance costs in respect of disclosure, governance and financial reporting that apply to a company making a regulated offer of financial products under the Act. It is unlikely that FairWay Parent would, without the benefit of the exemptions, make such offers to all staff and consequently all staff would not have the equal opportunity to own an interest in FairWay Parent.

As such, the FMA is satisfied that –

- granting the exemption 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:

- as the exemption is limited to the offer of specific financial products made by FairWay Parent to the eligible persons under a scheme, and the scope and conditions of the exemption are analogous to those required by the Schedule 1 exclusion, the FMA is further satisfied that the extent of the exemption is not broader than reasonably necessary to address the matters that gave rise to it.