

NZ RegCo

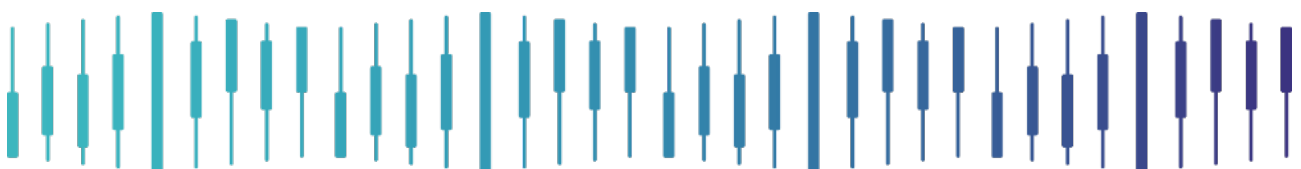
NZ'S LISTED
MARKET REGULATOR

25 August 2022

NZ RegCo Decision

Trade Window Holdings Limited ("TWL")

Application for waiver under NZX Listing Rule 7.8.5(b)



Background

1. The information on which this decision is based is set out in Appendix One to this decision. This waiver will not apply if that information is not or ceases to be full and accurate in all material respects.
2. The Rules to which this decision relates are set out in Appendix Two to this decision.
3. Capitalised terms that are not defined in this decision have the meanings given to them in the Rules.

Waiver from Listing Rule 7.8.5(b)

Decision

4. Subject to the conditions set out in paragraph 5 below and, on the basis that the information provided by Trade Window Holdings Limited (**TWL**) is complete and accurate in all material aspects, NZX Regulation Limited (**NZ RegCo**) grants TWL a waiver from NZX Listing Rule (**Rule**) 7.8.5(b), to the extent this would otherwise require TWL to provide an Appraisal Report (**Waiver**) to accompany its notice of meeting of shareholders to be held 14 September 2022 (**Notice of Meeting**).
5. The Waiver in paragraph 4 above is provided on the conditions that:
 - a. the non-interested Directors of TWL certify to NZ RegCo, that in the opinion of each of the non-interested Directors, the Options Issue is in the best interest of, and fair and reasonable to TWL and all non-associated Shareholders; and
 - b. the Waiver, and TWL's reliance on the Waiver, is disclosed in the Notice of Meeting.
6. The material information on which this decision is based is set out in Appendix One to this decision. This waiver will not apply if that information is not, or ceases to be, full and accurate in all material respects.
7. The Rule to which this decision relates is set out in Appendix Two.

Reasons

8. In coming to the decision to provide the Waiver set out in paragraph 4 above, NZ RegCo has considered that:
 - a. the Options will be granted with an exercise price equivalent to the 20-day VWAP prior to the date of issue of the Options, subject to a floor price of NZ\$0.70 per share. The Options are therefore clearly benchmarked to the market price of the underlying shares. Shareholders can therefore assess the financial implications and "fairness" of the proposal without an independent Appraisal Report;
 - b. ordinary shares issued to participants in the recent Share Purchase Plan, which was open to all eligible shareholders, were priced at NZ\$0.70 per share, meaning the Options Issue will be on no better terms than the shares were offered under the Share Purchase Plan;

- c. the dilutive effects of the Options Issue will be outlined in the Notice of Meeting so that shareholders can make an informed voting decision;
- d. the certification conditions in this Waiver provide comfort that the Board consider that the Options Issue is in the best interests of TWL and the non-associated shareholders; and
- e. there is precedent for this decision.

Confidentiality

- 9. TWL has requested this application and any decision be kept confidential until such time as TWL releases a statement to NZX through MAP stating that the waiver has been granted.
- 10. In accordance with Rule 9.7.2, NZ RegCo grants TWL's request.

Appendix One

1. TWL proposes to request from shareholders approval to issue up to 300,000 options (**Options**) to acquire ordinary shares in the Company which shall rank equally with the existing ordinary shares in TWL on issue (**Options Issue**) to each of its independent directors, being Alasdair MacLeod, Diana Puketapu, and Philip Norman (**Independent Directors**). The Options would be issued for nil consideration, but with an exercise price equal to the VWAP of TWL shares over the 20 Business Day period prior to the date of issuance of the Options, subject to a floor price of NZ\$0.70 per share.
2. TWL will at its upcoming annual meeting of shareholders (14 September 2022) (**Annual Meeting**) request from shareholders approval for the Options Issue under Rule 4.2.1(a).
3. The purpose of the Options Issue is to align incentives to drive Company performance, and to incentivise the Independent Directors to pursue the long-term interests of the Company.

General Terms of the Options Issue

4. The proposed terms of the Options Issue (which will be fully disclosed to shareholders in the Notice of Meeting) are as follows:
 - a. **Issue Price:** The Options will be issued for nil cash consideration.
 - b. **Issue date:** The Options will be granted on the day of the Annual Meeting (14 September 2022), if shareholder approval is granted, and will progressively vest over two years.
 - c. **Exercise Price:** The 20-day VWAP at the time of issuance, subject to a floor price of NZ\$0.70 per share (i.e. whichever is higher).
 - d. **Expiry Date:** The Options will lapse if not exercised within a period of three years from the date of vesting.
5. TWL will be seeking shareholder approval for the Options Issue by Ordinary Resolution, in accordance with Rule 4.2.1. Under Rule 7.8.5(b), a notice of meeting to consider a resolution of the nature referred to in Rule 7.8.4 (which sets out information Issuers must include in a notice of meeting when seeking shareholder approval to issue Financial Products) must be accompanied by an Appraisal Report if: ... (b) More than 50% of the Financial Products to be issued are intended or likely to be acquired by Directors or Associated Persons of Directors.
6. TWL is seeking a waiver from the requirement to prepare an Appraisal Report under Rule 7.8.5(b) in respect of the Options Issue.

Appendix Two

7.8 Notices of Meeting

7.8.5 A notice of meeting to consider a resolution of the nature referred to in Rule 7.8.4 (other than a resolution to permit an issue under Rule 4.7.1) must be accompanied by an Appraisal Report if:

- (a) The resolution is required by Rule 4.13;
- (b) More than 50% of the Financial Products to be issued are intended or likely to be acquired by Directors or Associated Persons of Directors; or
- (c) More than 50% of the Financial Products to be acquired or redeemed or the financial assistance to be given is intended or likely to go to Directors or Associated Persons of Directors.