



New Zealand **Rural Land Co**

The Rural Land Investors

Terms of Issue of Warrants

www.nzrlc.co.nz

listed on:



1. Defined Terms

In these terms of issue, defined terms have the following meanings:

Business Day means a day (other than a Saturday or Sunday) on which retail banks are open for the transaction of normal business in Wellington, New Zealand.

Board means the Board of Directors of the Company.

Company means New Zealand Rural Land Company Limited.

Exchange means the NZX Main Board operated by NZX.

Exercise Price means \$1.20.

Holder means a holder of Warrants.

Listing Rules means the NZX listing rules of the Exchange.

NZX means NZX Limited.

Share means a fully paid ordinary share in the Company of the same class as, and ranking equally in all respects with, the Company's quoted Shares on the NZX Main Board.

Warrants means Warrants to be issued by the Company on these terms of issue.

2. Supremacy of Listing Rules

Where:

- (a) any provision of these terms of issue conflict with the Listing Rules; or
- (b) the Listing Rules provide a benefit or obligation to a Holder or the Company,

these terms shall be deemed modified as reasonably necessary to allow the Company and the Holder to, in either case, comply with the Listing Rules and have the benefits and obligations of the Listing Rules as they directly relate to the Warrants.

3. Subscription Entitlement

Each Warrant entitles the Holder to subscribe for and be allotted one Share.

4. Exercise Period

Warrants may be exercised by a Holder at any time before the expiry date of the Warrants, being 30 November 2025 (the Exercise Period). Any Warrants that are not exercised when the Exercise Period ends will lapse and be of no further effect. The Board of the Company may extend the Exercise Period by written resolution and make an announcement to NZX regarding that extension for it to become effective.

5. No Capital Rights

The Warrants do not confer on a Holder any entitlement to participate in any issue of equity capital, capital having an element of equity, securities convertible into equity capital or share options, warrants or rights to subscribe for or purchase equity capital in the Company or any other company.

6. Exercise of Warrants

To exercise Warrants a Holder must send or deliver to the Company:

- (a) a notice specifying the number of Warrants it seeks to exercise; and
- (b) payment of an amount equal to the Exercise Price multiplied by the number of Warrants being exercised.

7. Allotment of Shares

The Company shall within ten (10) Business Days after receipt of an exercise notice under clause 6 above (and subject to clearance of any payment made by other than immediately available funds):

- (a) allot one Share in respect of each Warrant exercised and procure that the share registrar of the Company, enters the Holder's name in the Company's securities registers as the holder of those Shares;
- (b) ensure that those Shares are quoted for trading on the same market as all other Shares; and
- (c) where required by the Listing Rules, make an announcement to NZX in relation to the issue of the Shares.

8. Transfer

The Warrants are freely transferable. Private transfers may be completed by a Holder executing an instrument of transfer. The Company will seek quotation of the Warrants on the Exchange and the Warrants may be transferred through any approved trading system of NZX.

9. Ranking

The Shares issued on the exercise of the Warrants will be fully paid ordinary voting shares in the Company ranking equally in all respects with all other Shares of the Company and free of all encumbrances whatsoever.

10. Rights Issue Adjustment

If, prior to the exercise or lapsing of any Warrants, the Company is still listed on the Exchange and makes any rights issue of Shares to the holders of Shares, the Exercise Price shall be adjusted in accordance with the following formula:

$$O^1 = O - \frac{E [P - (S+D)]}{N + 1}$$

Where:

O¹ = the new Exercise Price of the relevant Warrant.

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E = the number of Shares into which one Warrant is exercisable.

P = the volume weighted average market price of underlying Shares during the five (5) Business Days ending on the day before the ex date for the rights.

S = the subscription price for a Share under the rights issue.

D = the dividend due but not yet paid on the existing Shares (except those to be issued under the rights issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

Any adjustment so determined shall be made, and take effect, on the Business Day following the record date for the relevant rights issue.

11. Subdivision or Consolidation Adjustment

If there is a consolidation or subdivision of the Shares or similar proportionate reconstruction of the Shares, the number of Shares over which a Warrant is exercisable will be consolidated or subdivided in the same ratio and the relevant Exercise Price amended in inverse proportion to that ratio.

11. Bonus Issue Adjustment

If there is a bonus issue to the holders of Shares, the number of Shares over which a Warrant is exercisable will be increased by the number of Shares which the Holder would have received if the Warrants had been exercised before the record date for that bonus issue.

13. Independent Expert

If, notwithstanding the adjustment procedures permitted in these terms of issue, prior to the Warrants lapsing or being exercised, there is any reconstruction of capital (including a rights issue, bonus or other issue (including the issue of convertible securities, warrants or options), consolidation, subdivision, cancellation or share buyback of the capital of the Company, and the Board determines, upon the advice of an independent expert, that:

- (a) the application of the formula in paragraph 9;
- (b) an adjustment permitted by paragraphs 10 and 11; or
- (c) the non-applicability of both such clauses,

may produce a result which is prejudicial or unduly advantageous (based on reasonable grounds) to the Holder or the Company (including its shareholders), then the number of Warrants held, the number of Shares over which a Warrant is exercisable and the Exercise Price, or any combination thereof, shall, to the extent necessary be altered by the Board in a manner determined by the Board upon the advice of an independent expert and subject always to the Listing Rules or relief therefrom, to ensure that neither the Holder or the Company is prejudiced (nor unduly advantaged) by the reconstruction of capital, and in all other respects these terms of issue for the Warrants shall remain unchanged.

14. Relationship with Shareholder Rights

A Holder is entitled to attend all meetings of shareholders of the Company and to receive and be sent all notices of meeting, reports and financial statements required to be sent to shareholders of the Company. However, a Holder, in their capacity as a Warrant holder, will not have the right to vote at such meetings, except where required by law or any applicable Listing Rules.

15. Warrant Holder Meetings

A meeting of the Warrant holders in an "Interest Group" (as defined in the Companies Act 1993 as modified by the Listing Rules) may be called by the Board at any time and shall be called on the written request of persons holding Warrants carrying together not less than 5% of the voting rights entitled to be exercised on any of the questions to be considered at the meeting in question. The voting rights in such circumstances will be one vote per Warrant. All the provisions of the Company constitution relating to meetings of holders of Shares apply, with all necessary modifications, to such a meeting, except that:

- (a) the necessary quorum is two (2) or more Warrant holders eligible to vote at the meeting present in person or by proxy or representative, or, if there is only one eligible Warrant holder, that Warrant holder is present in person or by proxy or representative;
- (b) any Warrant holder, present in person or by proxy or representative, may demand a poll; and
- (c) if the Board so elects, one meeting may be held of Warrant holders constituting more than one interest group, so long as voting at that meeting is by way of a poll, and proper arrangements are made to distinguish between the votes of members of each group

16. Reserved Rights

Notwithstanding any other provision of these terms:

- (a) the issue of further warrants, notes, options, shares or other securities which rank equally with or in priority to the Warrants;
- (b) the amendment of these terms by the Board in order to comply with the requirements of NZX, or any legislation or are amendments of an administrative or technical nature having no material adverse effect on Warrant holders; and
- (c) the exercise of any power, right or discretion given to the directors of the Company or the Company pursuant to these terms,

are, for the purposes of the Company's constitution and any applicable Listing Rules, deemed not to be actions affecting the rights attached to the Warrants and may be undertaken without the approval of Warrant holders.