

10. DISCLOSURE AND INFORMATION

10.1 CONTINUOUS DISCLOSURE - MATERIAL INFORMATION

10.1.1 Continuous Disclosure of Material Information: Without limiting any other NZAX Listing Rule, every NZAX Issuer shall:

- (a) once it becomes aware of any Material Information concerning it, immediately release that Material Information to NZX, provided that this NZAX Listing Rule shall not apply when:
 - (i) a reasonable person would not expect the information to be disclosed; and
 - (ii) the information is confidential and its confidentiality is maintained; and
 - (iii) one or more of the following applies:
 - (a) the release of information would be a breach of law; or
 - (b) the information concerns an incomplete proposal or negotiation; or
 - (c) the information comprises matters of supposition or is insufficiently definite to warrant disclosure; or
 - (d) the information is generated for the internal management purposes of the NZAX Issuer; or
 - (e) the information is a trade secret.

In this NZAX Listing Rule 10.1.1, an NZAX Issuer is aware of information if a Director or an executive officer of the NZAX Issuer has come into possession of the information in the course of the performance of his or her duties as a Director or executive officer.

- (b) not disclose any Material Information to the public, other Recognised Stock Exchanges (except as provided for in NZAX Listing Rule 10.3.3(c)(i)) or other parties except those parties to whom the proviso to NZAX Listing Rule 10.1.1(a) applies:
 - (i) prior to disclosing that Material Information to NZX; and

(ii) prior to an acknowledgement from NZX of receipt of that Material Information.

(c) release Material Information to NZX to the extent necessary to prevent development or subsistence of a market for its Quoted Securities which is materially influenced by false or misleading information emanating from:

- (i) the NZAX Issuer or any Associated Person of the NZAX Issuer; or
- (ii) other persons in circumstances in each case which would give such information substantial credibility,

and which is of a reasonably specific nature whether or not NZAX Listing Rule 10.1.1(a) applies.

1. The following information is likely to be Material Information under this NZAX Listing Rule 10.1.1:

- a change in the NZAX Issuer’s financial forecast or expectation;
- the appointment of a receiver, manager or liquidator in respect of any loan, trade credit, trade debt, borrowing or securities held by the NZAX Issuer or any of its Subsidiaries;
- a transaction for which the consideration payable or receivable is a significant proportion of the written down value of the entity’s consolidated assets. Normally, an amount of 5% or more would be significant, but a smaller amount may be significant in a particular case;
- a change in the control of the Manager of a Managed Fund, or a change of trustee of a Listed trust;
- a proposed change in the general character or nature of a Listed trust;
- a recommendation or declaration of a dividend or distribution;
- a recommendation or decision that a dividend or distribution will not be declared;
- undersubscription or oversubscription to an issue;
- a copy of a document containing market sensitive information that the entity lodges with an overseas stock exchange or other regulator which is available to the public. The copy given to NZX must be in English;
- giving or receiving a notice of intention to make a takeover;

- any proposed change in the general nature of the business of an Issuer or its group;
 - a disposal or acquisition (including entering into any agreement or option to do so) of Quoted Securities of another Issuer carrying 5% or more of the Votes attaching to any Class of Securities of that Issuer;
 - the acquisition or disposition of Securities in the Issuer carrying 5% or more of the Votes attaching to any Class of Securities of that Issuer;
 - acquisition or disposition, by whatever means of assets of any nature (including entering into any agreement or option to do so) where the gross value of those assets, or the consideration paid or received by the Issuer, represents more than 10% of the Average Market Capitalisation of the Issuer.
2. Where an Issuer discloses an acquisition or disposition of assets or securities as Material Information, Rule 10.1.1 will generally require disclosure of all material details of the transaction, including:
- a description of the assets or securities acquired or disposed of;
 - the amount, composition, and method of payment of the consideration;
 - where securities are acquired or disposed of, the percentage of the total issued Securities of each Class represented and the percentage of each Class of Security held following the acquisition or disposition; and
 - the nature of any material conditions which may result in the transaction not proceeding and the dates on which the transactions:
 - (i) are to become unconditional; and/or
 - (ii) are to be settled by payment.
3. For the purpose of NZAX Listing Rule 10.1.1(a)(i), a “reasonable person” would not expect the information to be disclosed if the release of the information would:
- (a) unreasonably prejudice the NZAX Issuer; or
 - (b) provide no benefit to a person who commonly invests in securities.
4. It is a requirement of the exception to this NZAX Listing Rule 10.1.1 that the information is confidential. In this context "confidential" has the sense of "secret".

5. Once the information is received by any person who is not bound by any corresponding obligation of confidentiality with which that person is likely to comply the exception no longer applies and the information must be disclosed to NZX. This is the case even if the NZAX Issuer has entered into confidentiality arrangements and/or the information has come from a source other than the NZAX Issuer.
6. NZX accepts that information provided by the NZAX Issuer to:

 - (a) a professional advisor;
 - (b) a party negotiating on the NZAX Issuer's behalf;
 - (c) a third party negotiating with the NZAX Issuer; or
 - (d) a regulatory authority,

does not lose its confidentiality, provided that in each case the information was provided with an obligation to maintain its confidentiality and such information is used by the party to whom it was provided solely for the purpose for which it was provided.
7. NZX also accepts that information provided by the Issuer to a holding company for the purposes of enabling that holding company to comply with its financial reporting obligations does not lose its confidentiality, provided that the information is provided subject to an obligation to maintain its confidentiality and use the information solely for financial reporting purposes, and such information is used by the party to whom it was provided solely for the purpose for which it was provided and is kept confidential.
8. The duty to disclose to NZX is not intended to supersede any desirable communication directly with holders of Securities, whether by way of letter or otherwise. However NZAX Issuers must appreciate that disclosure to holders in bare compliance with any legal obligations is not sufficient for an NZAX Issuer.
9. The duty to correct false information in the market is limited so that antagonists cannot force information out of an NZAX Issuer simply by generating a false rumour. The market's interest in requiring correction of false rumours is intended to be limited to those which are of a reasonably specific nature and from a source which lends substantial credence to them.

10. In deciding whether or not to release information, NZAX Issuers should have regard to:
- (a) the definition of NZAX Issuer in NZAX Listing Rule 1.1.5, the effect of which is to aggregate a group of entities for disclosure purposes;
 - (b) section 178 of the Companies Act 1993, dealing with the rights of shareholders to require the provision of information by a company;
 - (c) Part 1 of the Securities Markets Act 1988, dealing with insider trading; and
 - (d) the Fair Trading Act 1986, and in particular the sections dealing with the supply of information that is or is likely to be misleading or deceptive.

An NZAX Issuer should also be guided by the principle that if in doubt it should disclose the information.

10.1.2 Related Party Transaction Information: Without limiting any other NZAX Listing Rule, every NZAX Issuer shall, where that information constitutes Material Information, disclose to NZX immediately on entry to that arrangement, all arrangements (other than within the group comprised of the NZAX Issuer and its wholly owned Subsidiaries) that Members of the Public (in relation to Equity Securities of the NZAX Issuer) might reasonably consider confer terms materially more favourable to the other parties to that arrangement than would be conferred in an arms length negotiation, including, without limitation:

- (a) such arrangements by the NZAX Issuer with any Director or Associated Persons of a Director or with any Holder of Equity Securities of the NZAX Issuer who is not a Member of the Public; and
- (b) entry into of any agreement or arrangement which will require the approval of a resolution under NZAX Listing Rule 9.2.1.

10.1.3 Use of Information: All information given to NZX by or on behalf of an NZAX Issuer, including papers or documents of any nature, shall become and remain the property of NZX, which may, in its absolute discretion copy any such papers or documents and (subject to NZAX Listing Rule

10.3.4) disseminate such information to the public, news media or any other interested party as it thinks fit.

10.1.4 Contractual Arrangements: Every NZAX Issuer shall, so far as is reasonably possible without materially adversely affecting the business of the NZAX Issuer, avoid entering into any obligation to any person which would have the effect of prejudicing the NZAX Issuer's ability to comply freely with the provisions of NZAX Listing Rule 10.1.1.

10.2 PRE BREAK DISCLOSURE

10.2.1 Pre Break Disclosure: No NZAX Issuer shall:

- (a) issue or acquire or redeem Equity Securities; or
- (b) confer an entitlement to holding the Securities of a third party; or
- (c) enter into any transaction; or
- (d) otherwise do any act or thing;

specified in NZAX Listing Rules 7.3.1, 7.4, 7.6.1, or 9.1 (together referred to as “**transaction**”), otherwise than in accordance with the provisions set out in section 7 of the NZAX Listing Rules or NZAX Listing Rule 9.1 for the entering into or conduct of such transactions, unless, at least 10 Business Days prior to the entering into or conducting of such transaction, or prior to such transaction becoming unconditional, as the case may be, the NZAX Issuer has released a Pre Break Announcement to the market and the Constitution of the NZAX Issuer permits it to adopt such a procedure.

10.2.2 Further Conditions: In addition to such transaction being subject to the expiry of the 10 business day Pre Break Announcement period, such transaction shall also be conditional upon no special meeting of shareholders being called pursuant to section 121 of the Companies Act 1993, within that 10 day period.

10.2.3 NZX Approval of Pre Break Announcement: A Pre Break Announcement shall be provided to NZX for approval, pursuant to NZAX Listing Rule 6.1, at least 10 Business Days prior to the proposed release date and must contain the following:

- (i) a certificate from the Directors (other than any director who is interested in the transaction) certifying that the terms of the transaction are fair and reasonable to Security holders and in the best interests of holders of Securities;
- (ii) sufficient explanation to enable a Security holder to understand the proposed transaction;
- (iii) sufficient explanation to enable a Security holder to understand the effect of the proposed transaction;
- (iv) the particulars of all interests of the Directors in the transaction;
- (v) confirmation that pursuant to section 121 of the Companies Act 1993 where shareholders holding shares together carrying not less than 5% of the voting rights entitled to be exercised on this transaction, submit a written request, the Board must call a special meeting of shareholders; and
- (vi) in relation to the advice in paragraph (v) above, the contact details for the NZAX Issuer for the acceptance of a “written request” under section 121 of the Companies Act 1993.

Nothing in this NZAX Listing Rule shall derogate from any legal obligations that such NZAX Issuers might have at law, such as those obligations provided for under the Companies Act 1993 and the Securities Act 1978.

The following information should be included in the Pre Break Announcement where applicable:

- **the precise terms and conditions of the specific proposal;**
- **the number of Securities to be issued, acquired, or redeemed or, if the number is not known, the formula to be applied to determine the number, and the maximum number which may be issued, acquired or redeemed;**
- **the purpose of the issue, acquisition or redemption;**

- the issue, acquisition or redemption price, or if the price is not known, the formula to be applied to determine the price, and the time or times for payment with sufficient detail to enable holders to ascertain the terms of issue, acquisition or redemption to or from any party;
- the party or parties to whom the Securities are to be issued, or from whom they are to be acquired, where that is known, and in all cases identifying by name any such parties who are Directors or Associated Persons of the NZAX Issuer or any Director;
- in the case of an issue, the consideration for the issue and where that is cash, the specific purpose for raising the cash;
- the period of time within which the issue, acquisition or redemption will be made;
- in the case of an issue, the ranking of the Securities to be issued for any future benefit; and
- in the case of a resolution under NZAX Listing Rule 7.6.5 authorising the giving of financial assistance, the amount and full terms of that assistance, and the party or parties to whom that assistance is to be given, identifying by name any such parties who are Directors or Associated Persons of the NZAX Issuer or any Director.

10.3 FORM OF DISCLOSURE AND COMMUNICATION

10.3.1 Form of Information: All information provided to NZX by an NZAX Issuer shall:

- (a) where that information is delivered using NZX's Market Announcement Platform, comply with the required forms or templates (with such alterations and completions as are satisfactory to

NZX) relevant for that information as are available through NZX's Market Announcement Platform; or

- (b) where that information is delivered in the manner specified in Rule 10.3.2(b)(ii), be in an electronic format or specification approved by NZX for that purpose; and
- (c) where that information is delivered in either of the manners specified in Rule 10.3.2(b), be on letterhead of the Issuer, and shall be dated and attributed to an authorised officer of the Issuer, whose name and position shall be set out;

and shall be in a format which is convenient for NZX to process and relay by the same means to other subscribers of any information service offered by NZX.

10.3.2 Market Announcements for Public Release by NZX: All announcements for public release to the market by NZX shall either:

- (a) be delivered to NZX using NZX's Market Announcement Platform made available by NZX for this purpose; or
- (b) be addressed to Listed Company Relations, New Zealand Exchange Limited; and
 - (i) telecommunicated to:

| | |
|-----------|---------------|
| Telephone | (04) 472 7590 |
| Fax | (04) 473-1470 |
 - (ii) sent by electronic mail to: announce@nzx.com

Without limiting any other NZAX Listing Rule, NZX may require an NZAX Issuer to use such forms or templates (with such alterations and completions as are satisfactory to NZX) as may be required by NZX from time to time. NZX may charge an administrative fee as determined by NZX, for receipt and processing of announcements delivered in either of the manners specified in Rule 10.3.2(b).

10.3.3 Manner of Disclosure: All announcements for public release to the market by NZX shall be:

- (a) sent to NZX on a Business Day during market trading hours or half an hour before or after market trading hours. Announcements received up to half an hour after market trading hours will be released to the market and media on the day of receipt. Announcements received after that time will be held over until the following Business Day and shall not be released by the NZAX Issuer to any other party, including the media, until half an hour before the market opens on the following Business Day; and
- (b) in the case of long or complex documents or announcements, prefaced by a summary of salient points. The summary shall be in a form suitable for immediate transcription and dissemination by NZX without substantial editing, specifically drawing attention to the features by reason of which the information is required to be disclosed pursuant to the NZAX Listing Rules; and
- (c) released to NZX:
 - (i) in the case of an NZAX Issuer listed on a Recognised Stock Exchange, before or at the same time as it releases the announcement to the other exchanges on which it is listed, and in any event at least 10 minutes prior to its public release (other than to the extent a Recognised Stock Exchange releases the information to the public); and
 - (ii) in the case of every other NZAX Issuer, 10 minutes prior to its public release.

- 1. Documents will not be accepted by NZX which are too indistinct to be readily copied or transmitted by facsimile in legible form.**
- 2. Documents that will require to be accompanied by a summary before acceptance will include:**
 - **Preliminary statements released in accordance with rule 10.4;**
 - **Takeover documents generated in accordance with the requirements of the Takeovers Code;**
 - **Presentations containing Material Information.**

3. **An Issuer that is dual listed should release information to NZX before or at the same time as it releases information to the other exchanges on which it is listed.**

10.3.4 Embargoes: An NZAX Issuer may choose to use an embargo when making announcements. If an NZAX Issuer chooses to use an embargo it shall comply with the following conditions:

- (i) release the embargoed announcement to NZX at least 30 minutes prior to its release to any other party, including the media; and
- (ii) display the times and conditions of the embargo prominently on every page of each release.

NZX, in consultation with the NZAX Issuer, may choose to release any information prior to any embargo time if NZX considers that the market should immediately be so informed.

10.3.5 Additional Information: NZX may, following receipt of an announcement, in consultation with the NZAX Issuer, require any amendment, addition or alteration to the announcement, or require the NZAX Issuer to disclose such further Material Information following release of the announcement as NZX determines.

10.3.6 Material Marked Not for Public Release: Material not for public release (including draft documents lodged with NZX for approval) and private correspondence with NZX or NZX Regulation Personnel, shall be addressed accordingly and marked in a prominent position with the words “Not For Public Release”. Any material destined for NZX Regulation Personnel may be:

- (a) sent by electronic mail to: waiversandrulings@nzx.com
- (b) delivered to: New Zealand Exchange Limited’s Registered Office
- (c) posted to: PO Box 2959, (or DX SP23501)
Wellington
New Zealand

(d) telecommunicated to: Fax: (04) 473-3181

As at 1 May 2004, New Zealand Exchange Limited's Registered Office is located at Level 2, NZX Centre, 11 Cable Street, Wellington.

NZX's postal address is P O Box 2959, Wellington

10.3.7 Release of Information Marked Not for Public Release: Information marked "Not for Public Release" may, after reasonable prior notice to the NZAX Issuer, be released by NZX to the market if NZX forms the opinion that that information should have been released to the market by the NZAX Issuer in accordance with the NZAX Listing Rules, and advises the NZAX Issuer to that effect.

10.4 PRELIMINARY ANNOUNCEMENTS

10.4.1 Full Year and Half Year: Each NZAX Issuer shall make an announcement pursuant to NZAX Listing Rule 10.4.2 through NZX for public release, in the manner prescribed by NZAX Listing Rule 10.3 as soon as the Material Information is available, and in any event;

- (a) before the release of each annual report, and not later than 75 days after the end of the financial year to which that report relates; and
- (b) before the release of each half yearly report and not later than 75 days after the end of the financial half year to which that report relates.

10.4.2 Contents of Preliminary Announcement: Each preliminary announcement, whether for a full year or a half year, shall include the information and otherwise address the matters specified in the relevant section of appendix 1.

10.5 ANNUAL AND HALF-YEARLY REPORTS

10.5.1 Annual Report: Subject to NZAX Listing Rule 10.5.2 each NZAX Issuer shall within four months of the end of each of the NZAX Issuer's financial years:

- (a) deliver to NZ electronically, in the format specified by NZX from time to time; and
- b) make available to each Quoted Security holder (other than any Quoted Security holder in a Non Standard NZAX Issuer where sections 29(k) or 32 of the Co-operative Companies Act 1996 apply) in accordance with NZAX Listing Rule 10.5.3A,

an annual report. That annual report shall be delivered to NZX before or at the same time as it is made available to Quoted Security holders in accordance with NZAX Listing Rule 10.5.3A, and shall contain all information:

- (c) required by law;
- (d) required in a preliminary announcement by NZAX Listing Rule 10.4.2; and
- (e) required by NZAX Listing Rules 10.5.5 and 10.5.6.

The financial statements in that annual report shall be audited and shall be accompanied by an audit report in accordance with the requirements of the Financial Reporting Act 1993. *(Amended 18/06/07)*

10.5.2 Exception for State enterprises: An NZAX Issuer that is a State enterprise (as defined in the State-Owned Enterprises Act 1986) is not required to issue to NZX or its Quoted Security holders an annual report (in accordance with NZAX Listing Rule 10.5.1) until that annual report has been provided to the Minister responsible for the State enterprise in accordance with the requirements of the State-Owned Enterprises Act 1986 and laid by that Minister responsible for that State enterprise before the House of Representatives in accordance with the State-Owned Enterprises Act 1986 or published in the New Zealand Gazette under section 17(2A) of the State Owned Enterprises Act 1986, whichever is the earlier. *(Amended 18/06/07)*

10.5.3 Half Yearly Report: Each NZAX Issuer shall within four months after the end of the first six months of each financial year of the NZAX Issuer:

- (a) deliver to NZX electronically, in the format specified by NZX from time to time; and

- (b) make available to each Quoted Security holder in accordance with NZAX Listing Rule 10.5.3A,

a half-yearly report. That half-yearly report shall include the information and otherwise address the matters prescribed by the relevant section of appendix 1. *(Amended 18/06/07)*

10.5.4 *(Revoked 18/06/07)*

10.5.3A Distribution of Reports: An NZAX Issuer shall make an annual or half-yearly report available to Quoted Security holders as required by NZAX Listing Rules 10.5.1 or 10.5.3, by sending to Quoted Security holders either:

- (a) a copy of the annual report or half-yearly report (as the case may be);
or
- (b) a notice containing the statements referred to in section 209(3) of the Companies Act 1993 and complying with sections 209A and 209B of the Companies Act 1993.

Provided that for the purposes of NZAX Listing Rules 10.5.3A and 10.5.5A, sections 209 to 209B of the Companies Act 1993 shall be deemed modified so that:

- (c) references in that section to “shareholders” shall be deemed to be references to member of the relevant Class of Quoted Security holders of that NZAX Issuer; and
- (d) references to “annual report” shall (for the purposes of compliance with Rule 10.5.3) be deemed to be a reference to a half-yearly report; and
- (e) section 209(3)(d) shall not apply to the half-yearly report.

Provided also that an NZAX Issuer will be deemed to have made any half-yearly report available to Quoted Security holders if that NZAX Issuer’s most recent annual notification under section 209(1)(b) of the Companies Act 1993 explicitly stated that it applied to the next half-yearly report under the Rules. Where a half-yearly report is deemed to

have been made available in this way, a Quoted Security holder's election in respect of receipt of the relevant annual report, if any, shall apply in connection with that half-yearly report, except that an election to receive a concise annual report must be treated to include an election to receive the relevant half-yearly report.

(Inserted 18/06/07)

10.5.5 Disclosures to be contained in Annual Report: The annual report of an NZAX Issuer shall contain:

- (a) the information required to be published by sub-part 3 of part 2 of the Securities Markets Act 1988 and in the case of a company, the information required by section 211 of the Companies Act 1993; and
- (b) the names and holdings of Equity Securities of the holders having the 20 largest holdings of Quoted Equity Securities on the register of the NZAX Issuer as at a date not earlier than 2 months before the date of the publication of the annual report; and
- (c) the Equity Securities in which each Director has a Relevant Interest at the balance date of the current financial year; and
- (d) details of the spread of Quoted Security holders at a date not earlier than 2 months before the date of the publication of the annual report; and
- (e) the current credit rating status (if any) of the NZAX Issuer; and
- (f) a summary of all waivers:
 - (i) granted and published by NZX within; or
 - (ii) relied upon by the NZAX Issuer, in the 12 months before the date of the publication of the annual report or a statement that any such waivers have been granted to the NZAX Issuer and an appropriate cross reference to the NZAX Issuer's website where a summary of such waivers are published and will remain published for a period of 12 months following publication of the annual report; and

- (g) details of any exercise of NZX's powers set out in NZAX Listing Rule 5.4.2; and
- (h) a statement of any corporate governance policies, practices and processes, adopted or followed by the NZAX Issuer; and
- (i) details of any Director who has been appointed pursuant to provisions of the Constitution complying with Rule 3.2.4, and the Security holder which appointed that Director.

10.5.5A Disclosures to be contained in concise Annual Reports: Where a concise annual report is prepared in relation to the same accounting period as an annual report, that report shall contain:

- (a) the disclosures required by section 209(5) of the Companies Act 1993 (modified in the manner set out in NZAX Listing Rule 10.5.3A); and
- (b) the information required by NZAX Listing Rules 10.5.5(e), 10.5.5(f) and 10.5.5(g). *(Inserted 18/06/07)*

10.5.6 Changes of Reporting Period: Any NZAX Issuer which extends its half-yearly reporting period or changes its annual balance date to a later date shall make a report containing such information, and to be released at such time, as NZX shall require in respect of the existing half-yearly reporting period or the period ending on the existing balance date.

10.5.7 Copies to Market Participants: Each NZAX Issuer shall supply to any Advisor or Trading Participant who so requests, free of charge, a copy of any document referred to in NZAX Listing Rule 10.4 or 10.5.

10.6 FINANCIAL STATEMENTS

10.6.1 Financial Reporting Act 1993: The financial statements of each NZAX Issuer shall comply with the provisions of the Financial Reporting Act 1993.

10.6.2 Additional Information: NZX may require an NZAX Issuer to provide, in its financial statements or otherwise, information additional to that required by the Financial Reporting Act 1993.

10.7 OTHER INFORMATION TO BE NOTIFIED TO NZX

10.7.1 Matters on which Information Required: Without limiting the information that is required to be submitted as Material Information under NZAX Listing Rule 10.1.1, NZX is to be advised as soon as the information is first available of:

- (a) any proposal to sub-divide or consolidate Securities, or to issue Equity Securities, whether they are to be Quoted or not; or
- (b) any proposal to amend conditions of Quoted Securities; or
- (c) non-confirmation by a meeting, or cancellation, of any proposal already notified to NZX; or
- (d) any change in the Directors, officers, or auditor of an NZAX Issuer; or
- (e) any change of address, or phone, telex, or facsimile number, of the registered office or share registry of an NZAX Issuer; or
- (f) any proposed change of name of an NZAX Issuer; or
- (g) the opening or closing of a branch register; or
- (h) a decision to extend its half-yearly reporting period or to change its annual balance date to a later date and, in any event, must notify such change not less than one month before the end of the existing half-yearly reporting period or not less than one month before the existing annual balance date.
- (i) any credit ratings of any NZAX Issuer.

For the purposes of Rule NZAX Listing 10.7.1 the NZAX Issuer should advise NZX of any change to those officers whose relevant interests are recorded in the interests register required to be maintained by the NZAX Issuer pursuant to Section 19Z of the Securities Markets Act 1988.

10.7.2 Copies of Notices: Without limiting any other NZAX Listing Rule, every NZAX Issuer shall provide to NZX an electronic copy in the same format of every notice or communication given to:

- (a) holders of that NZAX Issuer's Quoted Securities; and
- (b) any stock exchange other than NZX,

no later than the time at which it is sent to any holders of Quoted Securities or to any other stock exchange.

10.8 DISCLOSURE OF RELEVANT INTERESTS IN SECURITIES

10.8.1 Powers under Securities Markets Act 1988: Every NZAX Issuer shall, upon request by NZX, exercise its powers under sub-part 3 of part 2 of the Securities Markets Act 1988 in respect of such holders of Securities of the NZAX Issuer, or other persons, as NZX may specify (either individually or by reference to a Class).

10.8.2 Release to NZX: Every NZAX Issuer shall, if so requested by NZX, provide to NZX for public release any information obtained by the NZAX Issuer by reason of the exercise by that NZAX Issuer of its powers under sub-part 3 of part 2 of the Securities Markets Act 1988 (whether as a result of a request by NZX under NZAX Listing Rule 10.8.1 or otherwise).

10.9 ANNOUNCEMENTS BY MINING NZAX ISSUERS

10.9.1 Mining Definitions: In the NZAX Listing Rules, unless the context otherwise requires:

"Mining NZAX Issuer" means an NZAX Issuer which is principally engaged in the exploration for or extraction of any mineral, oil or natural gas, and includes an NZAX Issuer which holds an interest or interests in any mining tenement where that interest or interests is or are a principal part of the NZAX Issuer's business or assets.

"Mining Tenement" includes an exploration licence and any mineral, oil, or natural gas lease or concession.

"Permit" means a permit in terms of the Crown Minerals Act 1991 or a petroleum prospecting licence or petroleum mining licence in terms of the Petroleum Act 1937.

10.9.2 Reporting Requirement of Unlisted Joint Venture Partner to NZAX Issuer:

Where an unlisted company or entity is or becomes the operator in a joint venture with an NZAX Issuer to investigate or explore a mining tenement, the NZAX Issuer shall ensure that the contract between the parties provides that the operator must disclose immediately to the NZAX Issuer any significant discovery of mineralisation or hydrocarbon and, if so required, give to the NZAX Issuer a full report on such discovery and information necessary to avoid the establishment of a false market in the NZAX Issuer's securities. In addition, the NZAX Issuer shall secure the right to make all or part of such report available to NZX.

10.9.3 Contents of Geophysical Survey Report: Where a Mining NZAX Issuer reports on the progress of any geophysical survey, the report shall state:

- (a) the name of the survey; and
- (b) the nature of the survey; and
- (c) the Permit in which the survey is being conducted; and
- (d) the status of the survey.

10.9.4 Requirement to Provide Quarterly Report Within One Month:

A Mining NZAX Issuer shall give to NZX within one month after the end of each quarter of a calendar year a report giving all the information required by appendix 6, and in addition providing full details of production, development and exploration activities (including geophysical surveys) and expenditure incurred thereon. Where there has not been any production, development and/or exploration activities, that fact shall be stated.

10.10 HYDROCARBON REPORTS

10.10.1 Hydrocarbon Definitions: In the NZAX Listing Rules, unless the context otherwise requires:

"Hydrocarbon" means a compound of the elements hydrogen and carbon, in either liquid or gaseous form. Natural gas and petroleum are mixtures of hydrocarbons.

"Hydrocarbon Reserves" means proved hydrocarbon reserves, probable hydrocarbon reserves or possible hydrocarbon reserves.

"Possible Hydrocarbon Reserves" means reserves less well defined by geological and geophysical control than probable hydrocarbon reserves and consist of extensions to the proved and probable hydrocarbon reserves areas where so indicated by geophysical and geological studies. The probability generally assigned to these reserves would be 25% but may be higher or lower.

"Probable Hydrocarbon Reserves" means those reserves that may be reasonably assumed to exist because of geophysical or geological indications and drilling done in regions which contain proved hydrocarbon reserves. This category may also include reserves commercially recoverable as a result of the beneficial effects which may be derived from the future institution of some form of pressure maintenance or other secondary recovery methods, or as a result of a more favourable performance of the existing recovery mechanism than that which would be deemed proved at the present time. There is equal risk of there being larger or smaller volumes of reserves resulting.

"Proved Hydrocarbon Reserves" means those reserves that, to a high degree of certainty, are recoverable, at commercial rates, under presently anticipated production methods, operating conditions, prices and costs. There is relatively little risk associated with these reserves.

10.10.2 Probable and Possible Hydrocarbon Reserves Report: Probable hydrocarbon reserves shall only be reported in conjunction with proved hydrocarbon reserves. Possible hydrocarbon reserves shall only be reported in conjunction with proved and probable hydrocarbon reserves.

10.10.3 Expert to Prepare Hydrocarbon Reserves Report: Any report which relates to an NZAX Issuer's hydrocarbon reserves shall be based on and state that

it is based on, or be accompanied by, a statement of information compiled by a person engaged in the practice or teaching of geology, geophysics or petroleum engineering who holds a Bachelor Degree (or its equivalent) in geology, geophysics, petroleum engineering or a related discipline and who, in addition, has had at least five years' experience in the practice or the teaching of geology, geophysics or petroleum engineering.

Where that person is:

- (a) not a full-time employee of the reporting NZAX Issuer, a report based on information compiled by the person shall not be released by the reporting NZAX Issuer unless the person has consented in writing to the inclusion in that report of matter based on the information so compiled by him in the form and context in which it appears and the report or attached statement so states; or
- (b) a full-time employee of the reporting NZAX Issuer, it shall be stated in the report or attached statement that the report accurately reflects the information compiled by the person.

10.10.4 Potential Hydrocarbon Reserves Report: Where a report relates to the potential hydrocarbon reserve state (ie from the earliest exploratory investigations to the stage preceding that at which proved hydrocarbon reserves can be estimated), the word "reserves" shall not be used.

10.10.5 Weekly Hydrocarbon Reports: In addition to any other requirement to report in the NZAX Listing Rules, a Mining NZAX Issuer shall provide to NZX the following information on hydrocarbon exploration and assessment during drilling and testing operations weekly (prior to 9.00am on a Business Day):

- (a) The name of the well, the Permit in which it is located, and its position in the Permit with respect to previous wells, known oil or gas fields or towns.
- (b) The time of reporting.
- (c) The progress for the past week.
- (d) Current operation.

- (e) Any results of drillstem tests and other flow tests where hydrocarbons are recovered to surface, in accordance with NZAX Listing Rule 10.10.7.
- (e) The participating companies and their beneficial percentage interest in the well.

Disclosure of the Information required by this NZAX Listing Rule by an NZAX Issuer participating in the well shall be adequate disclosure on behalf of all the other participants in the well where such other participants are identified.

10.10.6 Reports of Hydrocarbon Reserves: Where a report relates to results of exploratory investigations which have reached the stage where a hydrocarbon reserve can be estimated, reports which refer to hydrocarbon reserves shall use the expressions for categories of hydrocarbon reserves, as defined in the NZAX Listing Rules.

10.10.7 Flow Test Reports: A report shall be issued on the day that:

- (a) a decision to flow test an interval of the well is made, advising of the decision and the depth and gross interval to be tested; and
- (b) flow test operations commence, advising of such; and
- (c) hydrocarbons are flowing to surface.

Within 24 hours of completion of flow test operations over the test interval, a report shall be issued which includes:

- (d) depth and interval tested; and
- (e) representative sustained flow rate (if achieved); and
- (f) choke size and representative surface flowing pressure (if achieved); and
- (g) summary description of fluids recovered.

10.11 ORE AND MINERALISATION REPORTS

10.11.1 Use of Term "Mineralisation": Where a report relates to the pre-identified mineral resources stage as defined in appendix 7, the words "ore", "reserves" or "resources" shall not be used and in lieu of such words such a report shall refer to "mineralisation" or some similar term having no economic connotation.

10.11.2 Pre-Resource Mineralisation Reports: Reports and statements in the field of mineral exploration and assessment which may be made by an NZAX Issuer during the pre-resource mineralisation stage shall include relevant basic data such as the type and method of sampling and the distribution, dimensions, assay results and relative location of all relevant samples. If true dimensions, particularly width or mineralisation, are not stated, the report shall be qualified accordingly.

10.11.3 Geophysical and Geochemical Reports: References to geophysical or geochemical results shall refer only to "anomalies" and not to "mineralisation", "ore", "reserves", "resources" or similar terms.

10.11.4 Assay Results: Assay results shall be set out in one of the following three forms considered most suitable by the NZAX Issuer's geologist and/or mining engineer:

- (a) all assay results, with sample widths or size in the case of bulk samples; and
- (b) the weighted average grade of the mineralised zone, indicating clearly how the grade was calculated; and
- (c) when high values are recorded they must be given in context, with full supporting data.

The type of assay method used shall be stated for all assay results submitted to NZX.

10.11.5 Identified Mineral Ore Reserves Reports: Where a report relates to results of exploratory investigations which have reached the stage where an identified mineral resource or ore reserves can be estimated with reasonable assurance, reports which refer to identified mineral resources or ore reserves shall use the expression for categories of identified mineral resources or ore reserves, as defined in appendix 7 of the NZAX Listing Rules.

10.11.6 Competent Person to Prepare Ore and Mineralisation Reports: Any report which relates to an NZAX Issuer's ore or mineralisation must be based on and state it is based on or be accompanied by a statement signed in the same manner as the report that it is based on, of information compiled by a person who is a competent person, as defined in appendix 7 of the NZAX Listing Rules.

Where the competent person is:

- (a) not a full-time employee of the reporting NZAX Issuer, a report based on information compiled by the competent person shall not be released by the reporting NZAX Issuer unless the competent person has consented in writing to the inclusion in that report of matter based on the information so compiled by them in the form and context in which it appears and the report or attached statement so states; or
- (b) a full-time employee of the reporting NZAX Issuer, it shall be stated in the report or attached statement that the report accurately reflects the information compiled by the competent person.