

Summary

This Practice Note outlines the standard timetable that issuers can follow for offers or issues of warrants where quotation is sought on the NZX Main Board

Relevant NZX Listing Rules: 4.17, 7.4, 7.7

Under Rule 9.15.1 of the NZX Listing Rules (**Rules**), NZX Limited (**NZX**) may act by and through NZX Regulation Limited (**NZ RegCo**) in performing any function or discharging any power set out in the Rules. References in this Guidance Note to NZX therefore also include NZ RegCo in relation to any regulatory activity or discretion.

What are warrant offers?

A warrant offer is where an Issuer issues warrants to its shareholders, usually at a predetermined ratio (i.e. one new warrant for every share held). Holders of the warrants then have the right, but are not obligated, to buy or sell the Issuer's shares at a set date and at an exercise price which is either fixed by the Issuer in advance or calculated in the future by reference to the underlying financial products.

Warrant offers and the Rules

Under the Rules, warrants will be Equity Securities and may be an Option, or Right. Issuers may be able to offer warrants in accordance with Schedule 1 of the Financial Markets Conduct Act 2013 under the "same class as quoted financial products" exclusion (QFP exclusion). The information in this Practice Note is based on an Issuer making an offer under the QFP exclusion of warrants that are to be Quoted on the NZX Main Board.

Under the QFP exclusion, warrant offers are not regulated offers and no prescribed disclosure requirements apply to warrant offer documents. For issuers to be able to rely on the QFP exclusion they must issue a QFP notice (also known as a "cleansing notice").¹ Warrant offers made under the QFP exclusion do not require approval by NZX but will still require a form of offer document to be released under the Rules.

Warrants may be quoted to provide trading on market, however this is not mandatory.

Standard timetable for an offer of warrants that will be quoted on the NZX Main Board

This Practice Note includes an example transaction timetable for an offer of warrants. The timetable assumes:

- a standard offer structure undertaken in the minimum time permitted under the Listing Rules,

¹ Under Rule 4.17.6 a QFP notice must be released through MAP at the same time as the Corporate Action Notice for the offer of warrants. The Listing Rule has the effect of changing the "relevant time" for release of the QFP notice under clause 20 of Schedule 8 of the Financial Markets Conduct Regulations 2014.

- the offer is made in accordance with a Schedule 1 Offer Document not requiring prior NZX review under Rule 7.1.1

Action(s) or Event	Date
<p>Notification Date and application for quotation to NZX</p> <p><i>An offer of warrants must be announced to the market, and using the prescribed Corporate Action Notice, no later than 5 Business days prior to Ex Date</i></p> <p><i>Rule 4.17.6</i></p>	X - 6 (latest possible date)
<p>NZX Quotation Notice released</p> <p><i>NZX will release a quotation notice for the warrants over the issuer's ticker code following the announcement of the issue by the issuer.</i></p>	X – 6 (latest possible date)
Ex Date	X-1
Record Date	X
Allotment Date for the warrants	X+1
<p>Quotation Date</p> <p><i>This is the day the warrants will be present in the NZX trading system</i></p> <p><i>Last date to release Capital Change Notice for warrants</i></p> <p><i>Rule 3.13.1</i></p>	X+2
<p>Announcement of the Final Exercise Date</p> <p><i>The Issuer should announce no later than 6 weeks prior to the Exercise Date. To assist with processing the final conversion, NZX requests that issuers also announce the final Exercise Price at this time (if available)</i></p> <p><i>Rule 3.15.1</i></p>	Y – 6 Weeks
<p>NZX Memo Released</p> <p><i>NZX will release an operational memo following the release of the Final Exercise Price to the market.</i></p>	X – 6 (latest possible date)
Last Trade Date	Y - 2

<i>This is the final day of trading of the warrants prior to being exercised. Warrants will be halted and suspended at close of business</i>	
<p>Exercise Date</p> <p><i>This is the last quoted date for the warrants. Warrants will be removed from the trading system overnight</i></p>	Y
Share Allotment Date	Y+1
<p>Last Date to Release Capital Change Notice and Conversion Notice</p> <p><i>The Capital Change Notice must be released no later than one Business Day after the shares have been issued.</i></p> <p><i>The Conversion Notice should be issued promptly and without delay following the conversion of the warrants. Rule 3.13.1 and Rule 3.15.2</i></p>	Y + 2

Further information

The following Practice Notes will also assist when considering an offer of warrants.

- Application for Quotation
- QFP Exemption

If you have any questions please contact NZ RegCo at issuer@nzregco.com