



Practice Note 08/2017

Announcements of indices changes

Applies to Rules as at: 31 March 2017

Summary

- This practice note clarifies NZX's expectations on disclosure when an issuer is added or removed from an index.

Relevant Listing Rules

- Main Board and Debt Market: 10.1.1
- NZAX: 10.1.1
(together the **Listing Rules**)

Securities listed on NZX markets are eligible for inclusion in a number of indices.

The constituent members of each market index are periodically reviewed by NZX's index provider, based on a prescribed methodology. Issuers may be added to, or removed from, a market index following a periodic review. Changes to the constituent members of a market index are announced to the market by the index provider.

An issuer may notice a price movement in its securities as a result of being added to, or removed from, a market index. Affected issuers are not separately advised of market index changes before they are publicly announced.

Once information of changes to a market index is publicly announced, NZX considers it to be "generally available to the market", which means it is no longer subject to the continuous disclosure regime. There is no separate obligation on affected issuers to release that information to the market under the Listing Rules.

Although there is no Listing Rules obligation, NZX Regulation encourages issuers to consider whether information about the issuer's inclusion or removal as a constituent of a market index would be of interest to investors. If so, the issuer may want to announce that information when they become aware of it.

Practice Notes are not intended to be a definitive statement of the application of the rules in every situation and are only a guide to NZXR's policy and practice. This Practice Note does not limit NZXR's discretion under the rules. NZX takes no responsibility for any error contained in the Practice Note. NZXR may replace Practice Notes at any time.