

Practice Note

Rights issue requirements and timetable

Applies to Listing Rules as at: 15 January 2024
Last updated January 2024

Summary

This Practice Note describes the key actions for issuers undertaking a [non-accelerated](#), renounceable ~~or non-renounceable~~ rights issue.

Relevant NZX Listing Rules: [4.1.13.2](#), [1.14.2](#), [1.15.2](#), [1.16.1](#), [4.3.13.1](#), [3.264.4.2](#), [4.17.1](#), [4.19](#), [17.2](#), [4.17.6](#), [4.17.7.4](#).

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 Practice Note to NZX therefore also include NZ RegCo in relation to any regulatory activity or discretion.

Also refer to:

- [NZX Guidance Note Capital Raising](#)
- [NZX's Practice Notes QFP Exemption and also Trading Halts](#)

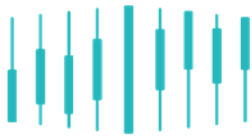
The Rules enable ~~issuers~~[issuers](#) to undertake different types of secondary capital raisings, including pro-rata ~~rights~~[Rights](#) issues. Rights issues, unless an ~~accelerated offer~~[Accelerated Offer](#), must be ~~renounceable~~[Renounceable](#) (with the ability to ~~sell rights allotted~~). ~~Rights may also offer for sale Rights or Shares which relate to those Rights not taken up through a bookbuild or those Rights must be quoted~~[Quoted](#) to provide ~~rights~~[Rights](#) trading on market, ~~however this is not mandatory~~.

Since implementation of the Financial Markets Conduct Act 2013 (**FMCA**), most ~~rights~~[Rights](#) issues have been made in reliance on the “same class as quoted financial products” ~~exclusion~~[exemption](#) (**QFP exclusion**[exemption](#)) in the FMCA. The information in this Practice Note is based on a ~~non-accelerated rights~~[Rights](#) issue made under the QFP ~~exclusion~~[exemption that is not an Accelerated Offer](#).

Under the QFP ~~exclusion~~, ~~rights~~[exemption](#), [Rights](#) issues are not regulated offers and no prescribed disclosure requirements apply to ~~rights~~[Rights](#) issue offer documents. For ~~issuers~~[issuers](#) to be able to rely on the QFP ~~exclusion~~[exemption](#) they must issue a QFP notice (also known as a “cleansing notice”) at the same time the Corporate Action ~~notice~~[Notice](#) is released.¹ Rights issues made under the QFP ~~exclusion~~[exemption](#) do not require approval by NZX but will still require a form of ~~offer document~~[Offer Document](#) to be released under the Rules.

The Listing Rules impose specific disclosure and timing requirements for ~~rights~~[Rights](#) issues. The key requirements are set out in Rules 7.4 and 4.17.

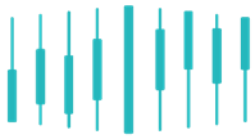
¹ Under Rule 4.17.6 or 4.17.7 (as applicable) a QFP notice must be released through MAP at the same time as the Corporate Action Notice for ~~an Accelerated Offer - a Rights issue~~. The ~~listing rule~~[Rule](#) has the effect of changing the “relevant time” for release of the QFP notice under [clause 20](#) of Schedule 8 of the Financial Markets Conduct Regulations 2014. Multiple ~~cleansing~~[QFP](#) notices are **not** required.



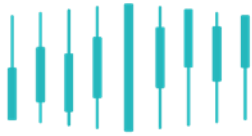
The key steps involved in a ~~rights~~Rights issue are set out in the table below. This timetable does not contemplate ~~accelerated rights offers~~Accelerated Offers. For Renounceable, Accelerated Offers please refer to the Accelerated Offers Practice Note. For non-Renounceable, Accelerated Offers please refer to the ANREO Practice Note.

Event	Action(s) required
Application date Day X-1	<input type="checkbox"/> <u>Provide NZX notice of the offer in the manner and form required by NZX to the extent such information is available, namely a draft of the template Corporate Action Notice.</u> <u>Rule 4.17.6(a) or Rule 4.17.7(a)</u> <input type="checkbox"/> Apply to NZX for quotation of <u>rights</u> <u>Rights</u> (if applicable)
Notification date Day X (being five business days <u>no later than four Business Days</u> before Ex Date)	<input type="checkbox"/> Release market announcement of upcoming <u>rights</u> <u>Rights</u> issue along with Corporate Action Notice (unless such notice promptly and without delay after the decision to make the offer has already been released) <u>or provide NZX with notice of the issue made and no later than four Business Days before the Ex Date</u> <u>Rule 4.17.6(ab) and Rule 4.17.7(b)</u> <input type="checkbox"/> Release QFP notice in accordance with Rules 4.17.6 and 4.17.7 and the requirements of the FMCA
Ex date <u>Date</u> Quotation date* Day X+ 5 business days <u>4</u> * only relevant for renounceable <u>rights</u> <u>Rights</u> which are to be <u>quoted</u> <u>Quoted</u>	<input type="checkbox"/> Offer <u>document</u> <u>Document</u> released to market (prior to commencement of <u>rights</u> <u>Rights</u> trading, if applicable*) <u>Rule 4.17.6</u>
Record date <u>Date</u> Day X+ 6 business days <u>5</u>	No action required
Rights allotment date Day X+ 6 business days <u>5</u>	No action required
Offer open date Day X+ 7 business days <u>6</u>	No action required
Notice date No later than Day X+ 14 business days <u>10</u>	<input type="checkbox"/> Offer <u>document</u> <u>Document</u> and letters of entitlement sent to holders of <u>rights</u> <u>Rights</u> <input type="checkbox"/> Offer <u>document</u> <u>Document</u> must be released to the market no later than it is sent to holders of <u>rights</u> . Cleansing notice release in accordance with the requirements of the FMCA <u>Rights.</u> <u>Rule 4.17.1</u>
Cease quotation date for offer able to be accepted by electronic means Day X+ 14 business days	No action required <u>Rule 4.17.6(d)</u>

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



Event	Action(s) required
*only relevant for renounceable rights which are to be quoted	
Cease quotation date for offer not able to be accepted by electronic means* Day X+19 business days *only relevant for renounceable rights which are to be quoted	No action required <i>Rule 4.17.6(d)</i>
Offer closing date for offers able to be accepted by electronic means Day X+18 business days	No action required (if letters of entitlement are sent to holders on Day X+13, the offer closing date may be Day X+20) <i>Rule 4.17.2</i>
Offer closing date for offers not able to be accepted by electronic means Day X+23 business days	No action required (if letters of entitlement are sent to holders on Day X+13, the offer closing date may be Day X+25) <i>Rule 4.17.2</i>
Share allotment where offers able to be accepted by electronic means No later than Day X+ 29	<input type="checkbox"/> Shares must be allotted <i>Rule 4.19.1</i> <input type="checkbox"/> Allotment notice must be provided to NZX within one business day after the allotment taking place <i>Rule 3.13.1.</i>
Share allotment where offers not able to be accepted by electronic means No later than Day X+ 33	<input type="checkbox"/> Shares must be allotted <i>Rule 4.19.1</i> <input type="checkbox"/> Allotment notice must be provided to NZX within one business day after the allotment taking place <i>Rule 3.13.1.</i>



<u>If the Offer may be accepted by electronic means</u>		<u>If the Offer may not be accepted by electronic means</u>	
<u>Cease quotation date*</u> <u>Day X+11</u>	<u>No action required</u> <u>Rule 4.17.6(d)</u>	<u>Cease quotation date*</u> <u>Day X+18</u>	<u>No action required</u> <u>Rule 4.17.6(d)</u>
<u>* only relevant for</u> <u>Renounceable Rights which</u> <u>are to be Quoted</u>		<u>* only relevant for</u> <u>Renounceable Rights</u> <u>which are to be Quoted</u>	
<u>Offer closing date</u> <u>Day X+15</u>	<u>No action required</u> <u>Rule 4.17.2</u>	<u>Offer closing date</u> <u>Day X+22</u>	<u>No action required</u> <u>Rule 4.17.2</u>
<u>Announce results</u> <u>Day X+17</u>	<u>Release details</u> <u>regarding results of</u> <u>Offer and the level of</u> <u>any oversubscription</u> <u>or undersubscription</u> <u>Rule 3.17</u>	<u>Announce results</u> <u>Day X+24</u>	<u>Release details</u> <u>regarding results of</u> <u>Offer and the level of</u> <u>any oversubscription or</u> <u>undersubscription</u> <u>Rule 3.17</u>
<u>Share allotment</u> <u>No later than Day X+ 25</u>	<input type="checkbox"/> <u>Shares must be</u> <u>allotted</u> <u>Rule 4.19.1</u> <input type="checkbox"/> <u>Capital Change</u> <u>Notice must be</u> <u>provided to NZX</u> <u>within one</u> <u>Business Day after</u> <u>the allotment</u> <u>taking place (Day</u> <u>X+26)</u> <u>Rule 3.13.1.</u>	<u>Share allotment</u> <u>No later than Day X+ 32</u>	<input type="checkbox"/> <u>Shares must be</u> <u>allotted</u> <u>Rule 4.19.1</u> <input type="checkbox"/> <u>Capital Change</u> <u>Notice must be</u> <u>provided to NZX</u> <u>within one Business</u> <u>Day after the</u> <u>allotment taking</u> <u>place (Day X+33)</u> <u>Rule 3.13.1.</u>

Questions and notification

To notify of an upcoming offer or if you have any questions please contact the Issuer
Regulation team of NZ RegCo using the email issuer@nzregco.com

For further information on engaging with NZ RegCo, please refer to NZX's Guidance Note [Issuer Engagement with NZX](#).

For further information on applying for trading halts, please refer to NZ RegCo's Practice Note [Trading Halts](#).