



Shareholder Meetings for NZX Issuers

Each NZX training module is for educational purposes and is presented in a summarised format. The training modules do not cover all NZX Listing Rule obligations or highlight all New Zealand corporate law requirements. Nothing in the training modules binds NZX or NZ RegCo in the application of the NZX Listing Rules. Users of the training modules should contact

NZ RegCo if they have questions on NZX Listing Rule compliance, or their usual professional advisers.

The NZX Listing Rules and guidance material is available online at <https://www.nzx.com/regulation/nzx-rules-guidance>.

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Welcome to the NZ RegCo NZX Listing Rules Training Modules. This module covers financial reporting and event based disclosure for NZX listed issuers. It is likely to take you 30 minutes to complete this module.

Let's get started!


☰ Introduction

☰ Shareholder Meetings

☰ Notice of Meeting

☰ Proxy Voting

 **Voting Exclusions**

 **Disclosure of Information**

 **The Meeting Itself**

 **Independent Appraisal Reports**

 **Directorships**

 **Auditors**

 **Conclusion**



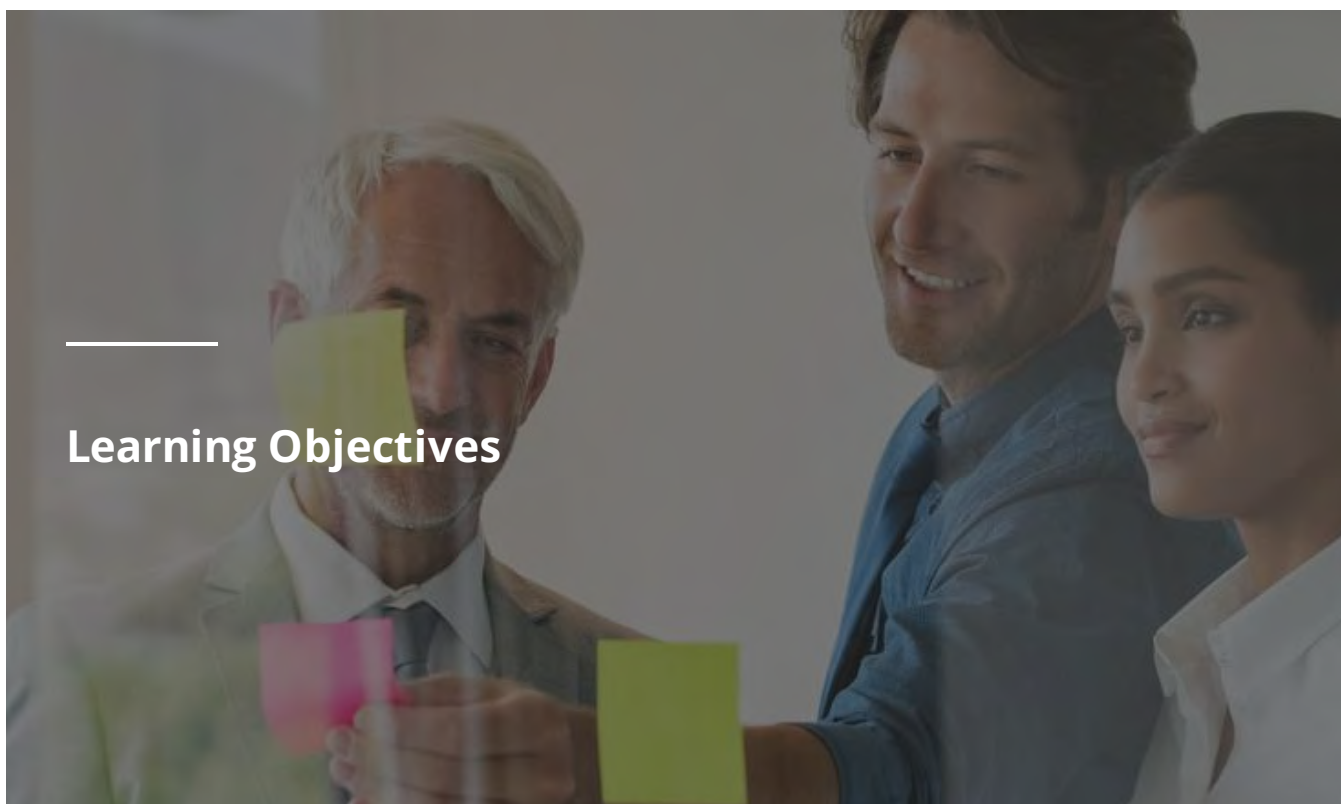
Quiz

QUESTION BANKS



NZX Issuer Training modules – Shareholder Meetings for NZX Issuers

Introduction



Learning Objectives

The key learning outcome for this module is to understand the Listing Rule obligations that apply when calling a shareholder meeting.

 Issuers can direct any questions on this module to

NZ RegCo Issuer Regulation - issuer@nzregco.com.



Complete the content above before moving on.

Shareholder Meetings



Understand the Purpose of a Shareholder Meeting

A shareholders' meeting is a primary means by which shareholders make decisions requiring their approval. Meetings are also one of the formalised means for shareholder engagement with the issuer's board which is a key element of good corporate governance.

CONTINUE

Types of Shareholder Meetings for NZX Issuers

Click on the flip cards to reveal.



New Zealand registered companies listed on NZX must hold an annual meeting of shareholders no later than 6 months after their balance date and not later than 15 months after the previous annual meeting. This is



A special meeting may also be called to consider specific matters. A special meeting usually occurs when an issuer needs shareholders to consider and approve a matter outside of the usual AGM cycle (for example, to approve a transaction).

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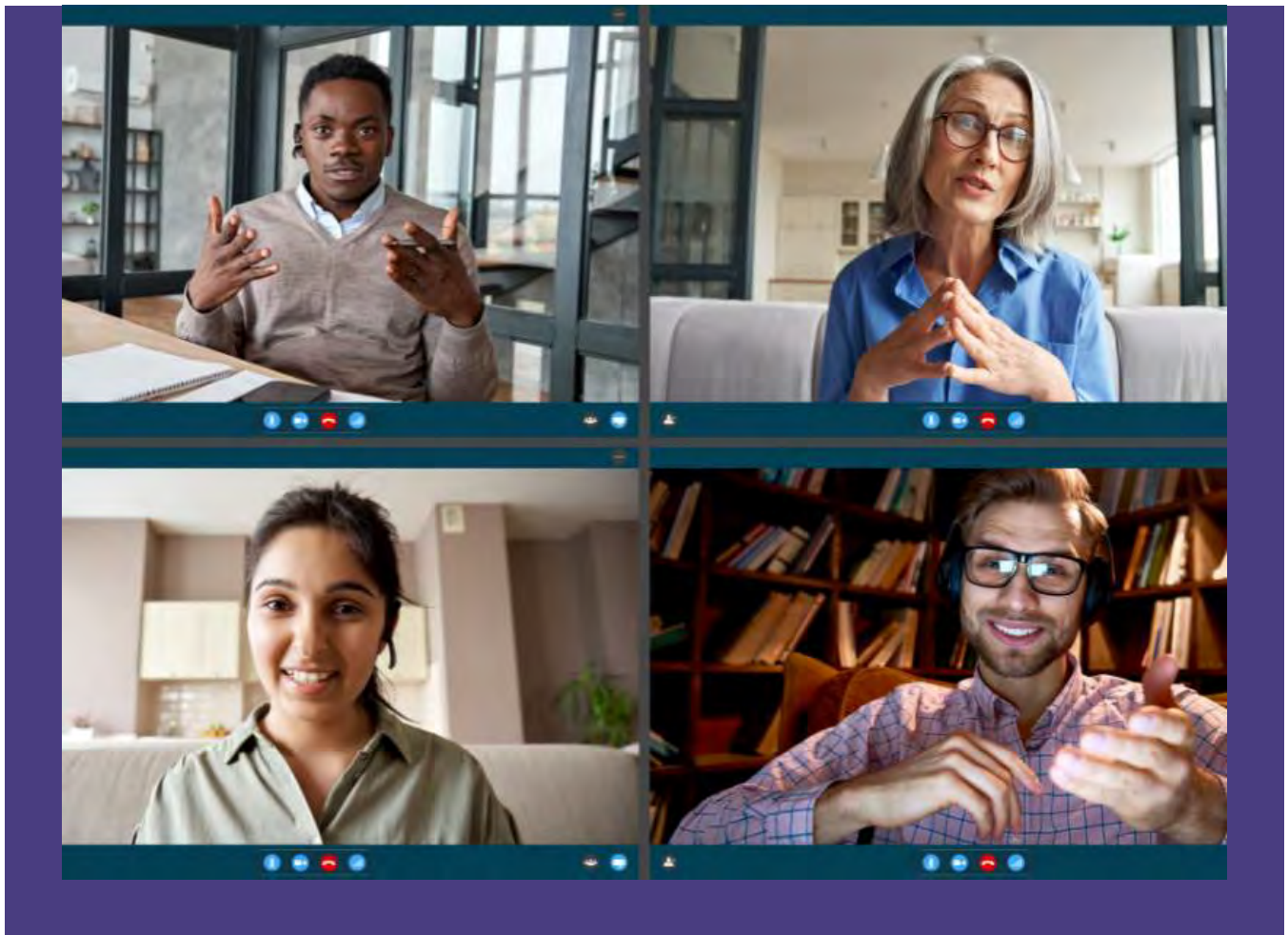




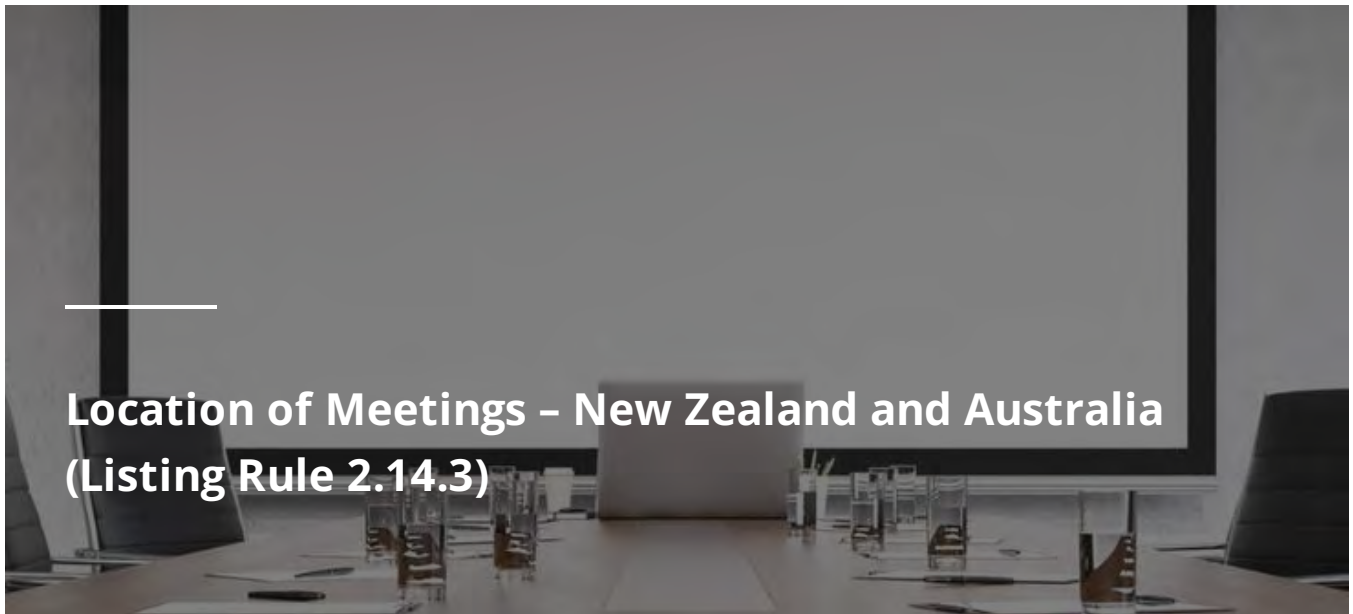
Physical and Virtual Meetings (Listing Rule 2.14.3)

An issuer with NZX as its home exchange may hold physical meetings, by audio, audio and visual, and/or electronic means, subject to its constitutional documents. Issuers often hold 'hybrid' meetings by enabling both physical attendance and audio visual participation.

Issuers usually work with their share registry to organise and run shareholder meetings.



CONTINUE



**Location of Meetings – New Zealand and Australia
(Listing Rule 2.14.3)**



Issuers which have NZX as their home exchange and which elect to hold a physical meeting, must hold such meetings in New Zealand, or in Australia if quoted financial product holders in New Zealand may participant by audio, audio and visual, and/or electronic means.

CONTINUE



Who Can Attend a Shareholder Meeting (Listing Rule 2.14.1)

Click the headings to view more.

SHAREHOLDERS

OTHERS

Equity security holders of all classes of securities (whether or not those securities provide a right to vote) are entitled to attend annual and special meetings.

They are also entitled to receive copies, or have access to electronic copies, of all notices, reports and financial statements issued generally to holders of financial products carrying votes.

SHAREHOLDERS

OTHERS

Along with shareholders and the Board, the Board must ensure that an auditor of a New Zealand registered company is permitted to attend the annual shareholders meeting and receive a copy of the notice of meeting.

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Shareholder Interaction at the Meeting

Click on each plus icon to view more.





Shareholders should be given an opportunity to express their views to the issuer on important issues.

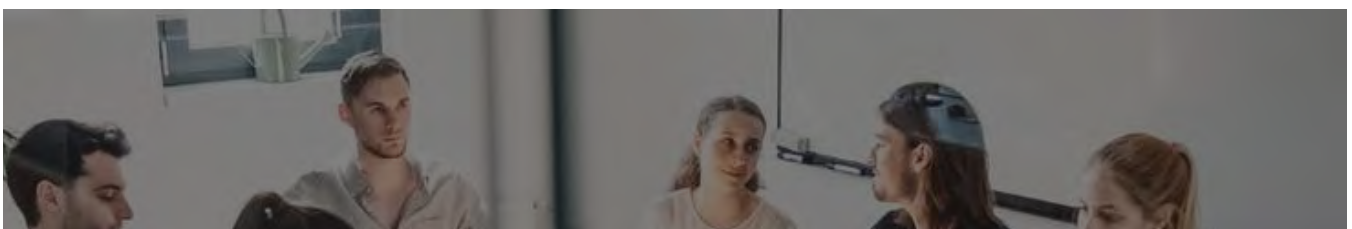


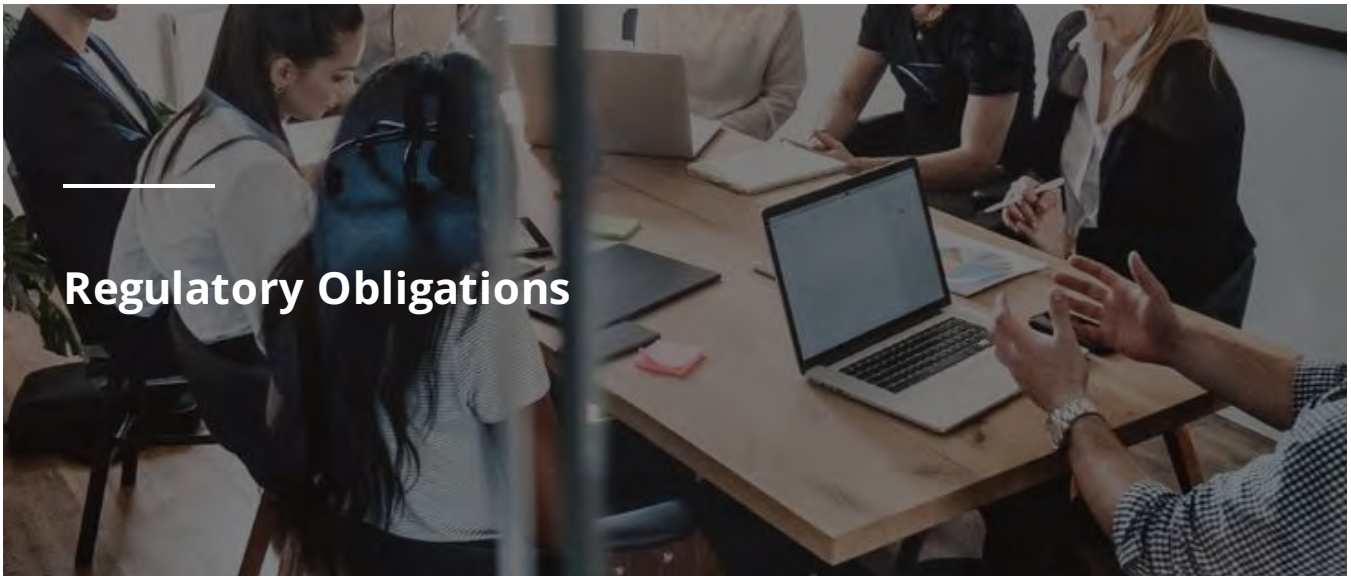
Issuers should have appropriate policies in place to encourage shareholder participation at meetings, including holding the meeting at times and locations that are convenient.



The NZX Corporate Governance Code (Code) recommends (at 8.2) that an issuer should allow investors the ability to easily communicate with the issuer, including by designing its shareholder meeting arrangements to encourage shareholder participation and by providing shareholders the option to receive communications from the issuer electronically. The commentary to this recommendation provides more practical tips in this respect.

[CONTINUE](#)





Listing Rule matters are summarised in this training module.

Schedule 1 of the Companies Act 1993 (Companies Act) sets out the requirement for shareholder meetings for New Zealand registered companies. The Takeovers Code will also set out requirements for certain transactions regulated by the Takeovers Code.

The governing document (e.g. constitution or trust deed) of an issuer will usually also set out meeting requirements.



Complete the content above before moving on.

Notice of Meeting



Issuers must prepare and publish a notice of meeting prior to any meeting occurring. This notice must provide key information on the meeting, along with any resolutions being put to shareholders for consideration and voting.

Shareholder Proposals under the Companies Act

Under the Companies Act, shareholders are able to propose matters for discussion or voting at a shareholder meeting.



Issuers should be mindful that a shareholder may give written notice to the Board of such a matter for the next shareholder

meeting at which the shareholder is entitled to vote.



New Zealand incorporated issuers must follow the statutory process set out in schedule 1 of the Companies Act when managing these requests.



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Sufficient Information

(Listing Rule 7.1 and 7.8)

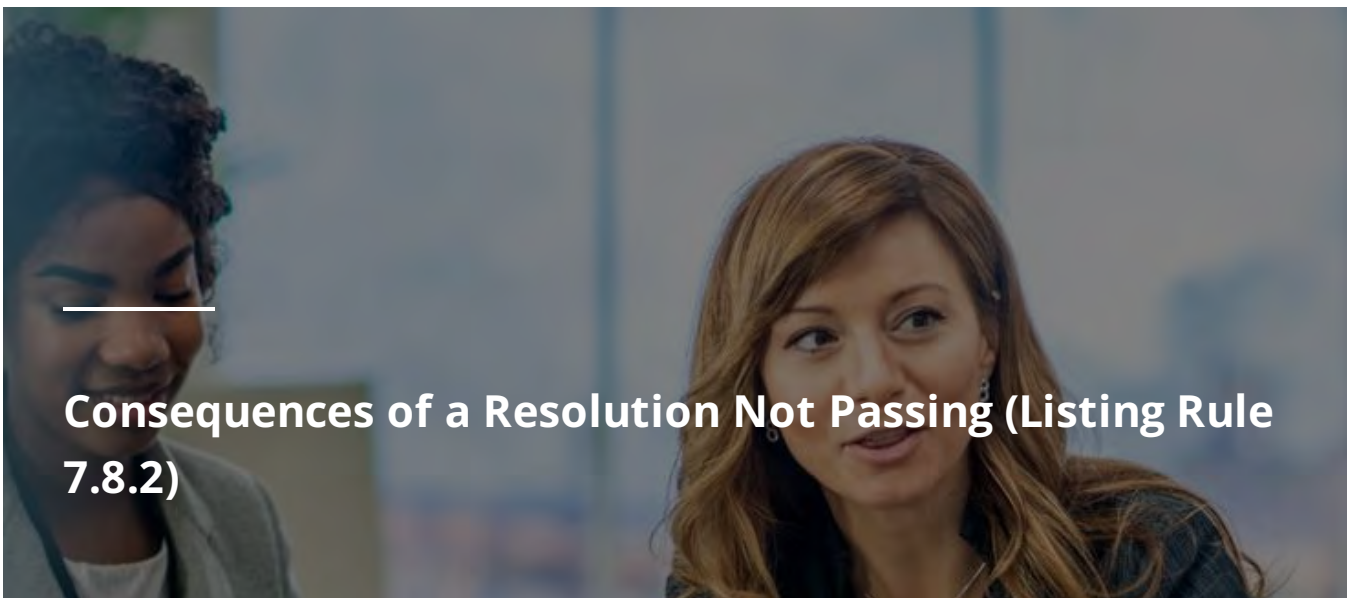


The notice must contain or be accompanied by sufficient explanation to enable a reasonable person to understand the effect of the resolutions proposed. Depending on specific circumstances, an issuer may need to provide reports, valuations, and other information to assist with shareholder understanding. The NZX Listing Rules also prescribe specific disclosure requirements, including with respect to voting restrictions. See NZ RegCo's practice note on Notices of Meeting and checklist which highlight these areas: <https://www.nzx.com/regulation/nzx-rules-guidance/nzx-mo-announcements/practice-notes>

The guiding principle when considering the notice of meeting is whether Issuers have conveyed enough information to allow for an informed and unbiased vote. Although the Board can recommend how shareholders should vote, ultimately, shareholders must be presented with sufficient information to understand what they are voting on and make a choice.



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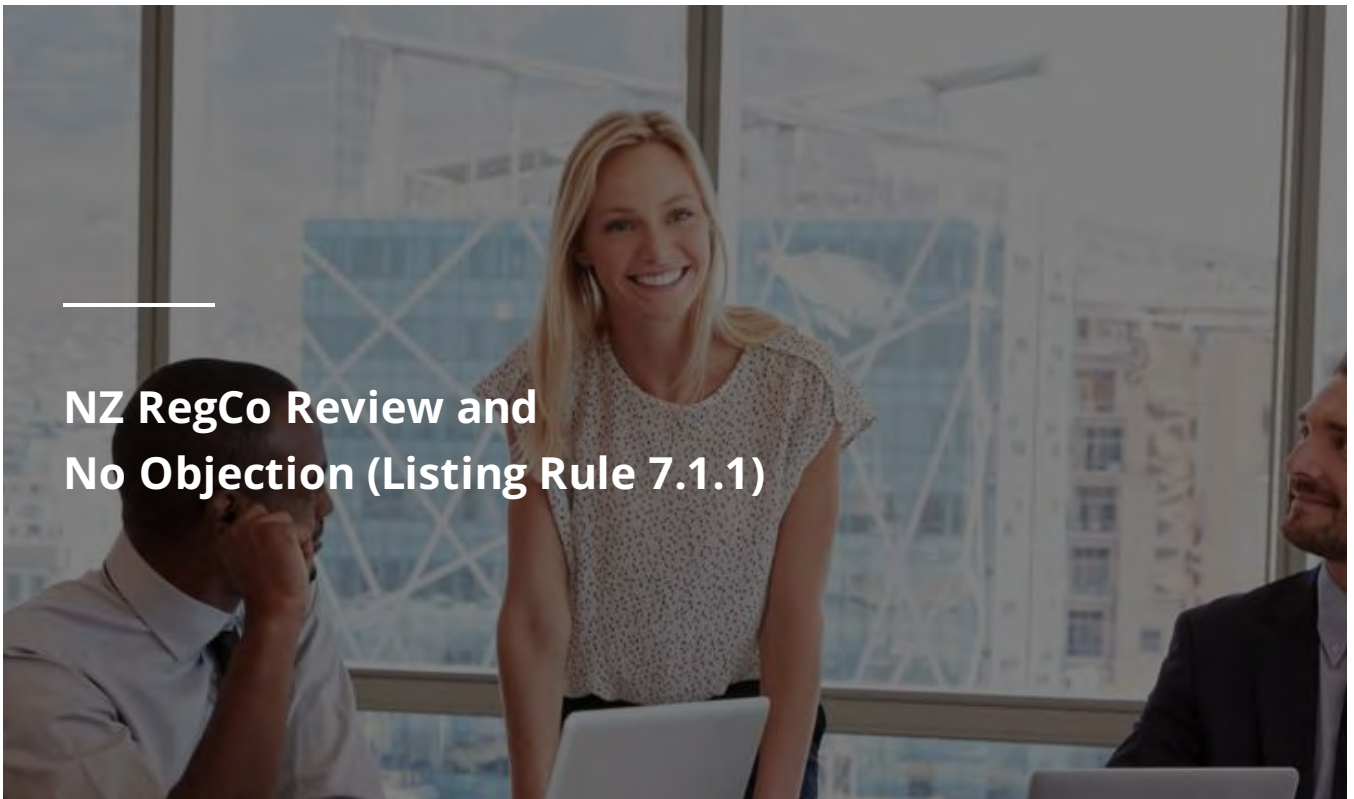
Consequences of a Resolution Not Passing (Listing Rule 7.8.2)



If a notice of meeting seeks shareholder approval for non-standard matters (including the amendment of the governing document), it must explain the consequences if the resolution is not passed.

This requirement is not required to be met if the resolution falls within the exemptions under Listing Rule 7.1.2(a)(i) to (vii).

[CONTINUE](#)



**NZ RegCo Review and
No Objection (Listing Rule 7.1.1)**

Click on each arrow to view more.



Depending on the resolutions being put to shareholders, issuers may need to obtain NZ RegCo's formal non-objection to a notice of meeting prior to publication.



An issuer must obtain NZ RegCo non-objection to a notice of meeting prior to publication if the matters to be considered at that meeting are non-standard.



Examples of notices of meeting that require NZ RegCo review and non-objection include if an issuer seeks approval to issue shares, is seeking shareholder ratification of a previous share issue, or is proposing a major or related party transaction.

CONTINUE



Where NZ RegCo Review is Not Required (Listing Rule 7.1.2)

Standard matters under the Listing Rules that do not require NZ RegCo review prior to publication of the notice of meeting are:

- amendments to the issuer's Governing Document;
- the consideration of the annual report or financial statements;
- the election of directors or fixing director remuneration;
- a change in name of the issuer;

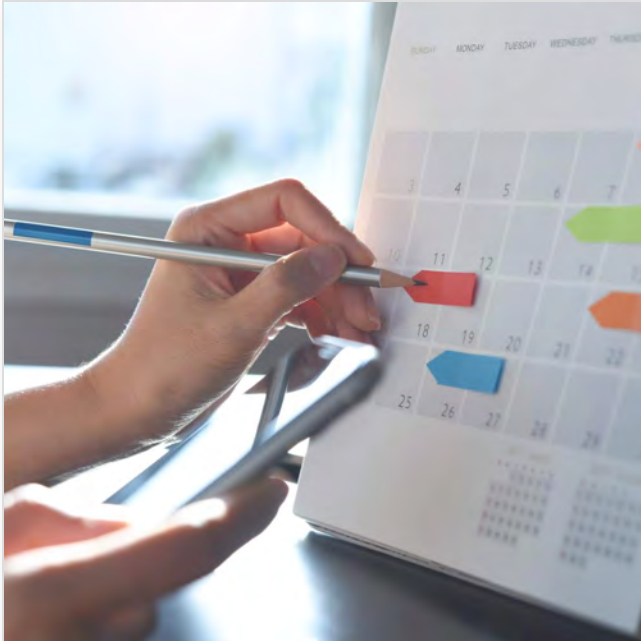
- the appointment of auditors or fixing auditor remuneration;
- a resolution required or regulated under the Takeovers Code, or a resolution for a scheme of arrangement under Part 15 of the Companies Act where the issuer is the target company; or
- a shareholder proposal under the governing document of the issuer or under Schedule 1 of the Companies Act.

CONTINUE



Timing Considerations

Click on the flip cards to reveal.



Under the Companies Act, the minimum notice that New Zealand companies must provide for a shareholder meeting is 10 working days, however the Code recommends providing 20 working days' notice. A working day is



If providing less than 20 working days' notice, an issuer must explain why it did not follow the Code recommendation in its next annual report. Issuers can also consider aligning their constitutions with this

CONTINUE

**Timeframe for NZ RegCo Document Review
(Listing Rule 7.2.1)**

14

21

28



If NZ RegCo review and no objection of a notice of meeting is required prior to printing or circulation, issuers should allow at least 10 business days for the review, comment, and no objection process. So be sure to reflect this in your meeting timetable, including allowing sufficient time for printing after NZ RegCo review and before the send out date. In order to make this process as efficient as possible submit a final draft – re-submission of drafts with significant changes may cause NZ RegCo to restart the review timeframe.

ⓘ In limited circumstances, NZ RegCo may be able to consider an application more quickly. Whether an application can be considered under urgency is at NZ RegCo's discretion.

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Releasing over MAP (Listing Rule 3.23)

Every issuer must release over the Market Announcement Platform (MAP) its notice of meeting and proxy form no later than

the time at which it is given to other recipients.



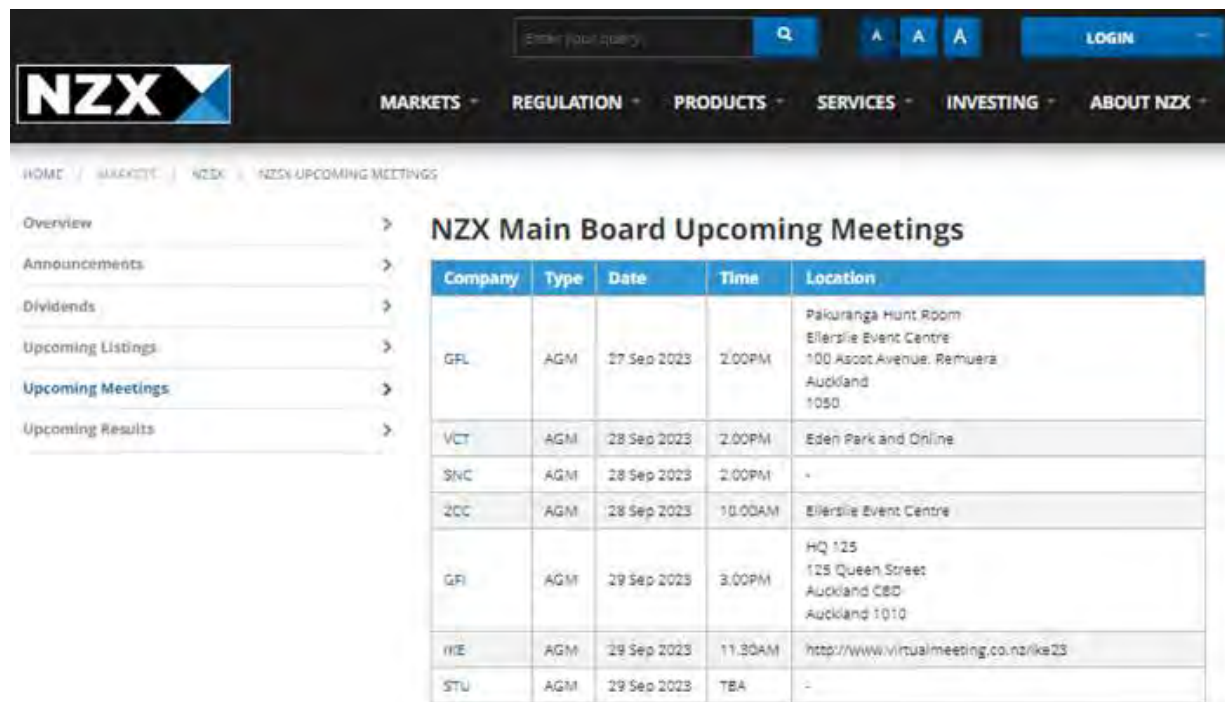
CONTINUE



(Listing Rule 3.26)

When releasing a notice of meeting over MAP, issuers must input the date of the shareholder meeting.

This information is sent to certain data users and displayed on NZX.com as follows:



The screenshot shows the NZX website interface. The top navigation bar includes the NZX logo, a search bar, and links for MARKETS, REGULATION, PRODUCTS, SERVICES, INVESTING, and ABOUT NZX. The main content area is titled 'NZX Main Board Upcoming Meetings' and features a table with the following data:

Company	Type	Date	Time	Location
GFL	AGM	27 Sep 2023	2:00PM	Pakuranga Hunt Room Ellerslie Event Centre 100 Ascot Avenue, Remuera Auckland 1050
VCT	AGM	28 Sep 2023	2:00PM	Eden Park and Online
SNC	AGM	28 Sep 2023	2:00PM	-
ZCC	AGM	28 Sep 2023	10:00AM	Ellerslie Event Centre
GFI	AGM	29 Sep 2023	3:00PM	HQ 125 125 Queen Street Auckland CBD Auckland 1010
RIE	AGM	29 Sep 2023	11:30AM	http://www.virtualmeeting.co.nz/rie23
STU	AGM	29 Sep 2023	TBA	-

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Proxy Voting

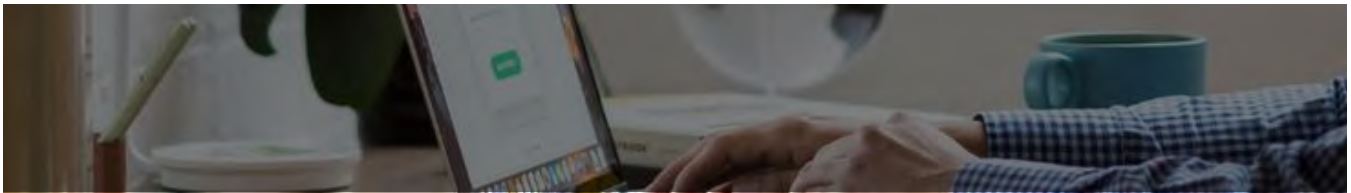
A shareholder may exercise the right to vote at a meeting by casting a proxy vote which is usually by electronic means or post. The notice of meeting should confirm these voting details, including any cut off times that apply.

The electronic option for shareholder voting is usually organised and run by the issuer's registrar.



CONTINUE

**Proxy Forms – Voting
(Listing Rule 7.9)**



A proxy form or online portal option should:

- provide for at least two-way voting (for or against) on each resolution;
- not be sent with any name or office (e.g. Chair) filled in as proxy holder; and
- contain a statement outlining who is subject to voting restrictions in relation to each resolution.

A proxy form may also provide for shareholders to abstain from voting on each resolution and/or for the proxy to exercise a discretion to vote for or against each resolution.



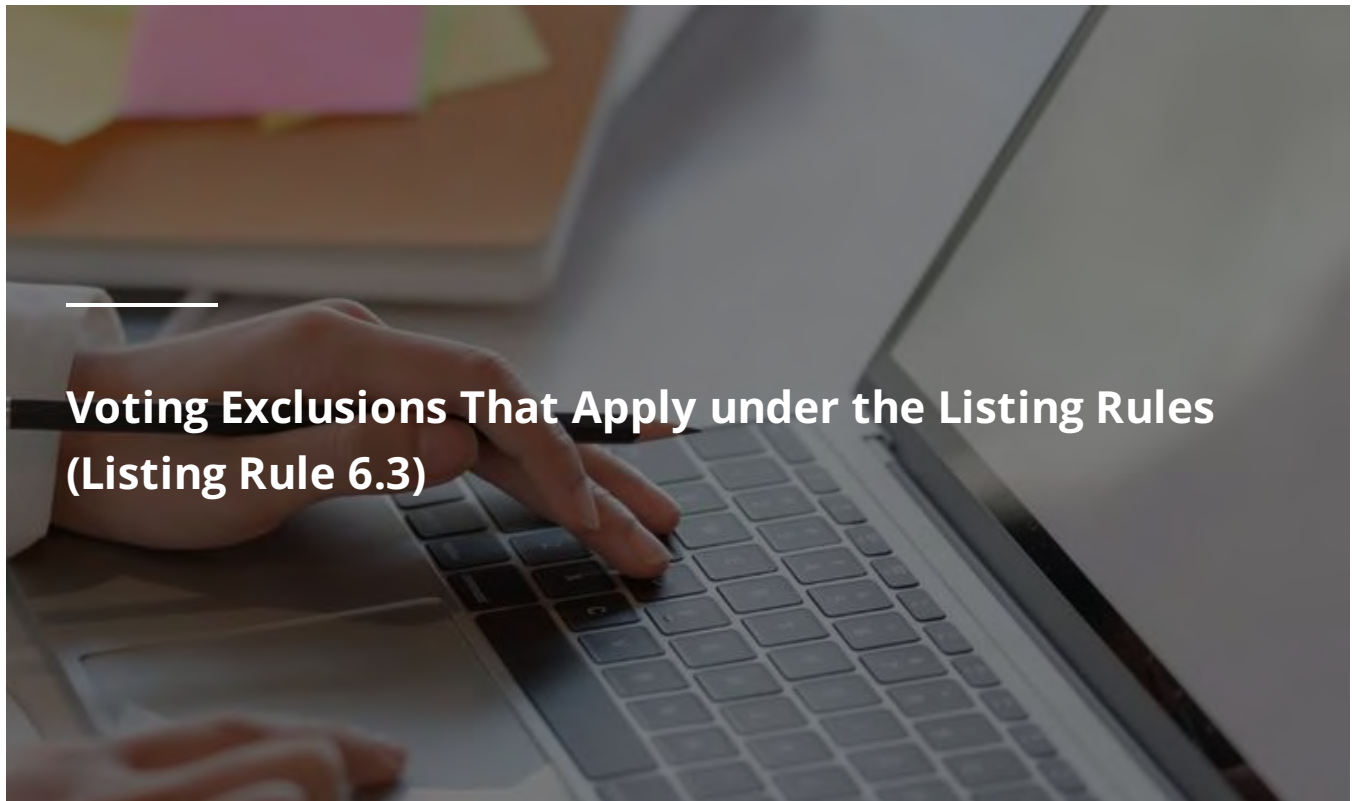
Proxy forms usually provide for the following voting:

Tick (✓) in box to vote

	For	Against	Abstain	Discretion
Resolution 1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

CONTINUE

Voting Exclusions



Voting Exclusions That Apply under the Listing Rules (Listing Rule 6.3)

The Listing Rules contain certain voting restrictions that apply to resolutions. These restrictions must be set out in an issuer's notice of meeting and proxy form.

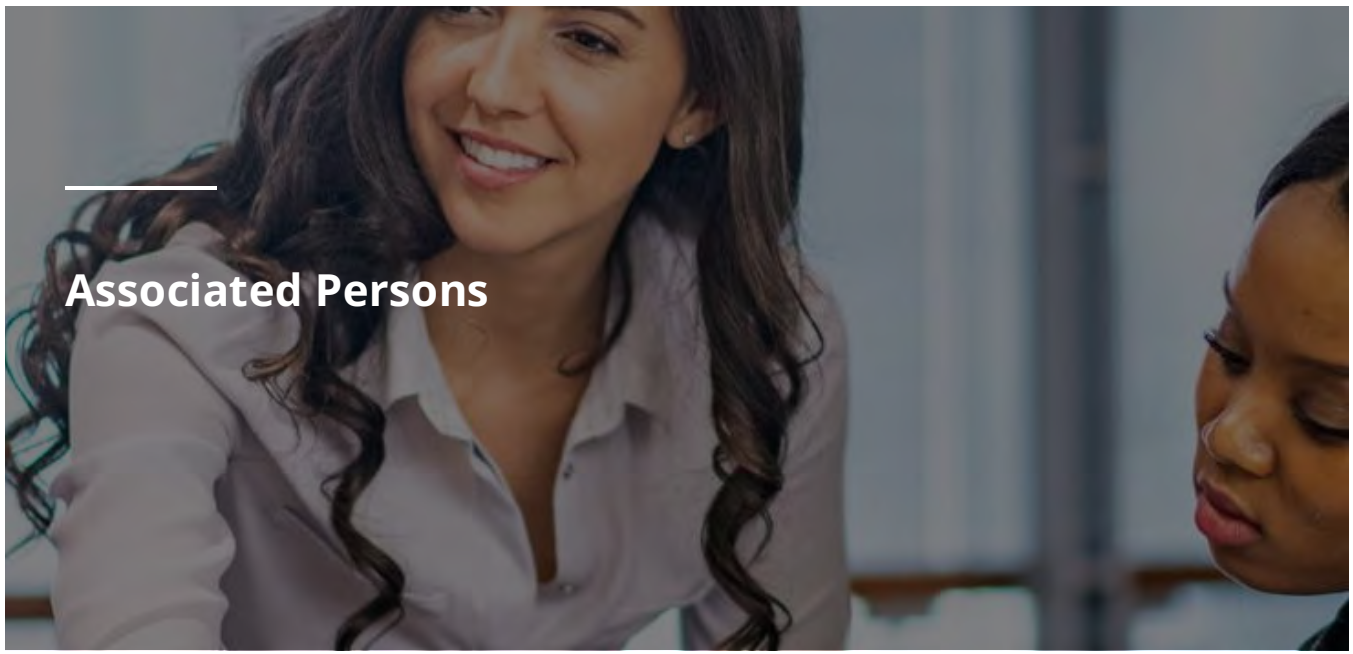
The restrictions include that:

- 1 directors and any associated persons cannot vote in favour of director remuneration resolutions;
- 2 any person and their associated persons who it is proposed will receive equity securities cannot vote to approve the issue of those securities, unless offered on same basis to all holders in that class;
- 3 any person who received equity securities cannot vote to ratify the share issue; and
- 4 a related party and their associated persons cannot vote to approve a material transaction they are party to.

i You should make sure that the share registrar is well aware of voting restrictions and applies them to all voting.

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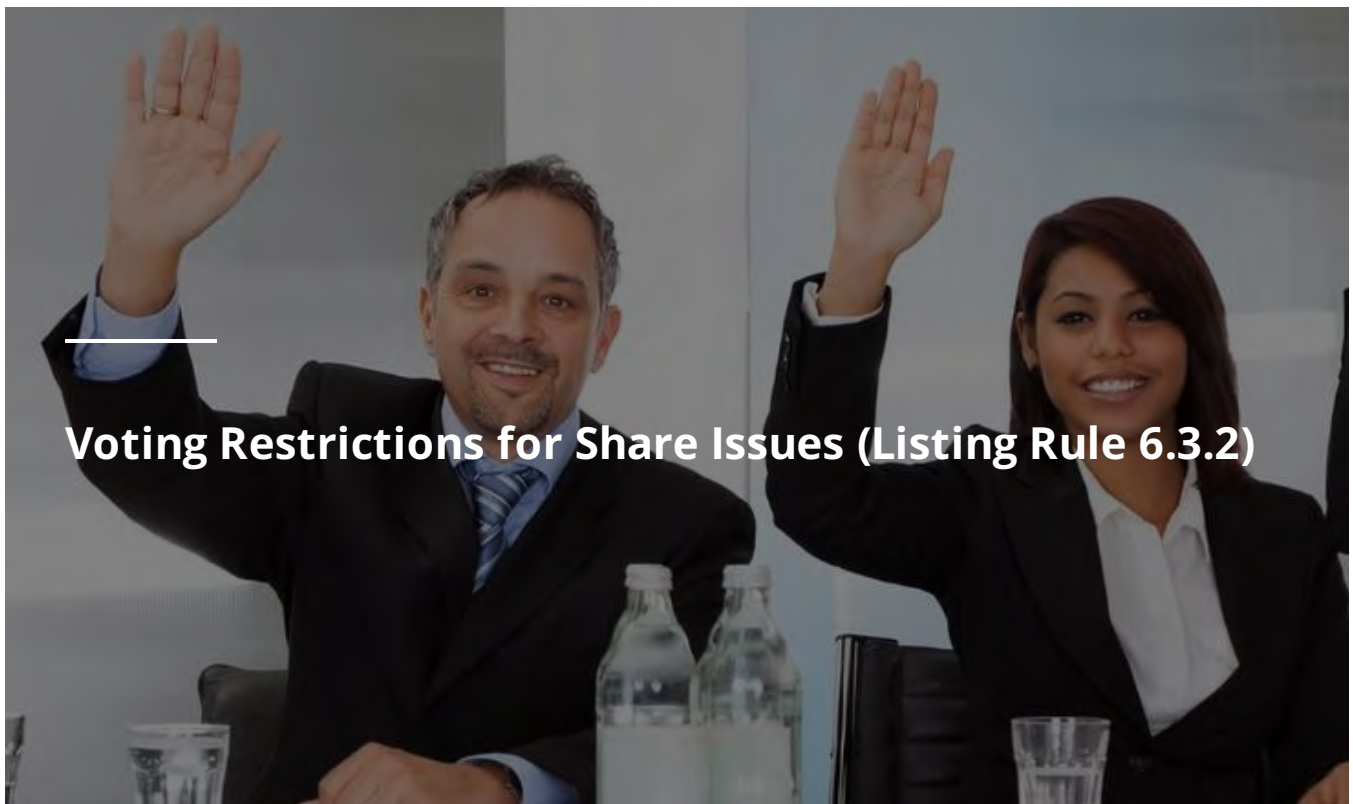
Associated Persons



Associated persons is a defined term in the Listing Rules and includes people that can exert a substantial degree of influence

over the activities of another, or a person who is acting jointly or in concert with another.

CONTINUE



Voting Restrictions for Share Issues (Listing Rule 6.3.2)

A person is not disqualified from voting to approve a share issue under Listing Rule 4.2.1 if the new equity securities are offered on the same basis to all shareholders of the same class.

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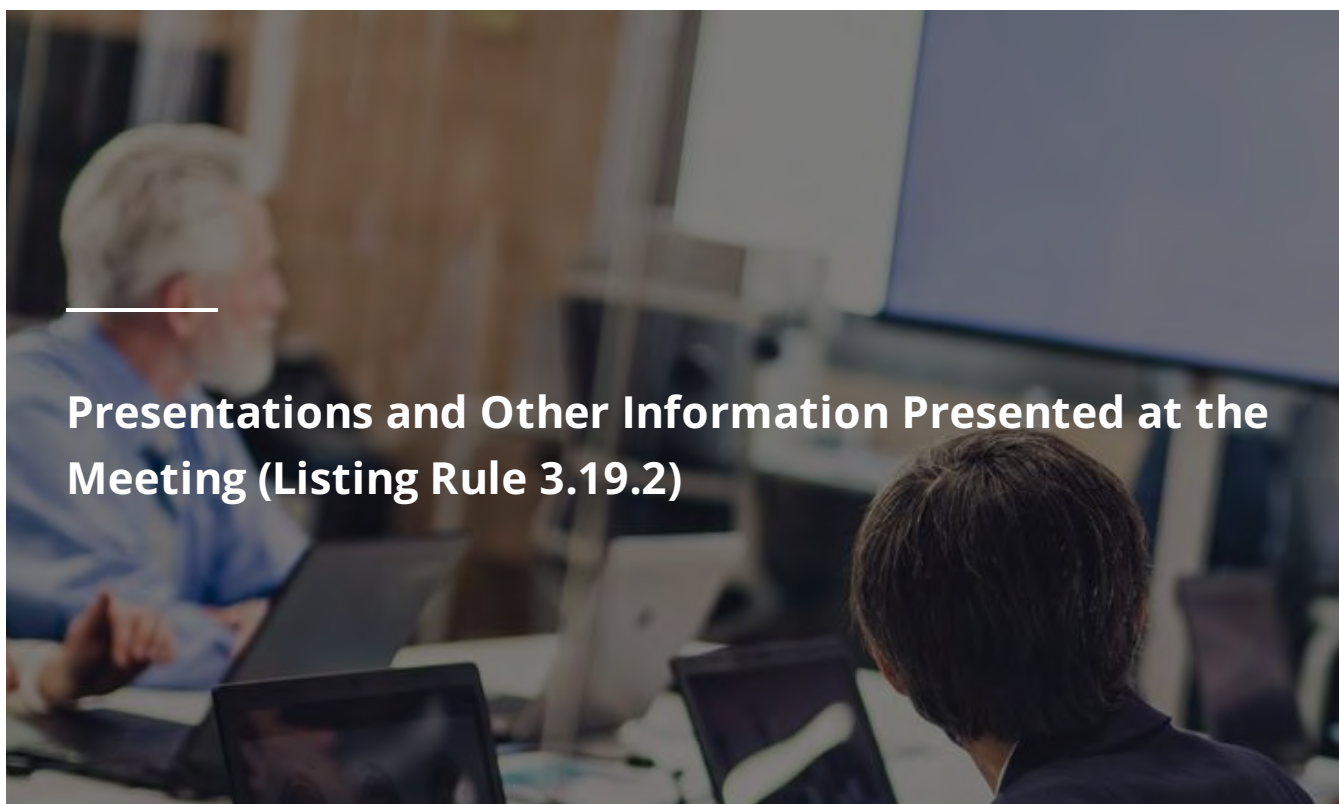
Proxy Forms – Voting Exclusions

As part of setting out the voting restrictions, a proxy form should include notes that state that persons who are prohibited under the rules from voting on a resolution are also unable to act as a discretionary proxy.



CONTINUE

Disclosure of Information



Presentations and Other Information Presented at the Meeting (Listing Rule 3.19.2)

Click on each arrow to view more.



Issuers must release over MAP any prepared announcement or presentation, including a prepared address by the Chairperson, that will be discussed at a shareholder meeting during or prior to the start of that meeting. However, NZX recommends that the information is released no later than the time of commencement of the meeting in case it contains material information for continuous disclosure purposes.



The Board and issuer should only discuss information that has already been disclosed, or information that is not material information. Material information is treated differently to other information due to continuous disclosure obligations. Once an issuer is aware of material information it must release this first through MAP promptly and without delay, subject to certain safe harbours. Therefore, the presentation materials should be reviewed carefully from this perspective, so that there is not an inadvertent breach of the continuous disclosure rules. See the

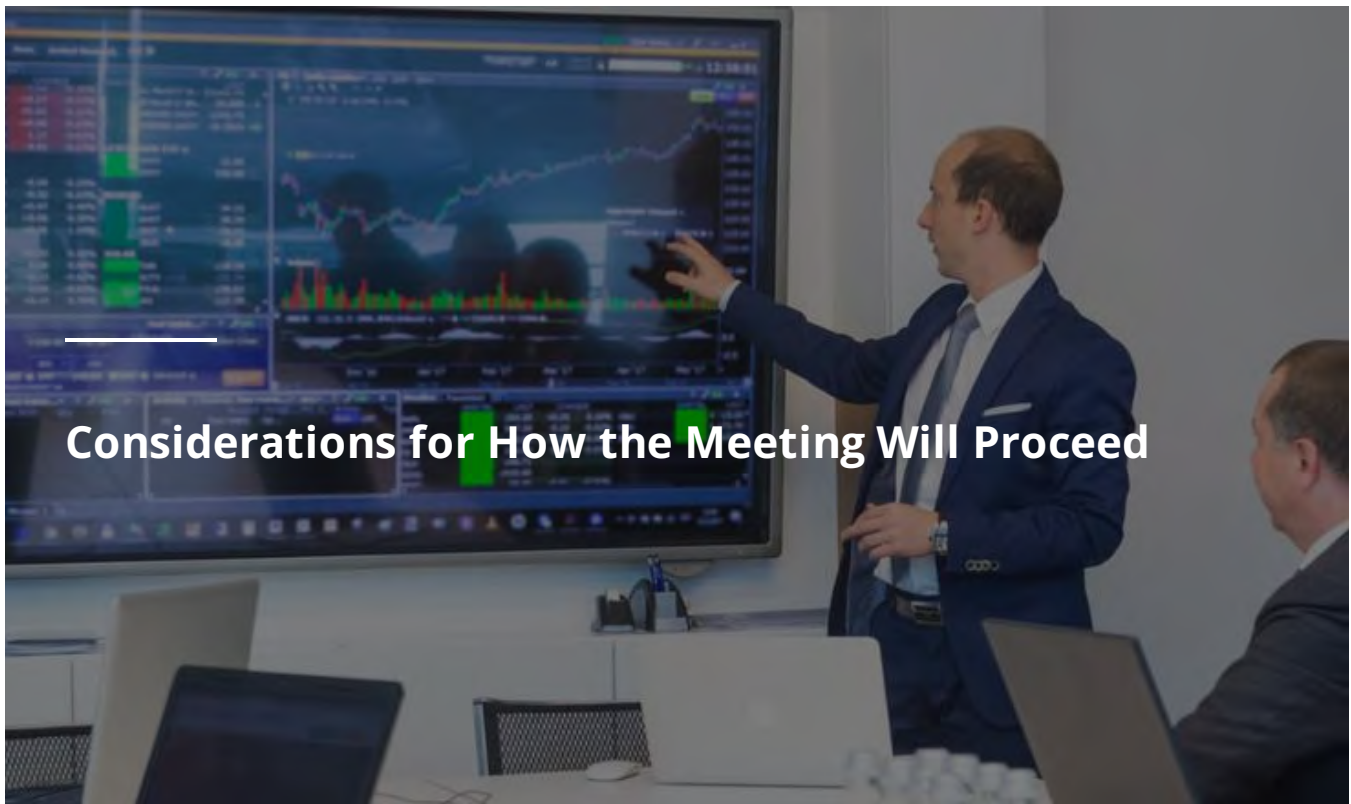
module on continuous disclosure for further information as well as NZX's Guidance Note on continuous disclosure.



The information released over MAP need not include any information that is of a procedural nature or which relates to the administration of the meeting.

CONTINUE

The Meeting Itself



Considerations for How the Meeting Will Proceed

The Chairperson of the issuer should facilitate the meeting, supporting discussion and ensuring relevant resolutions are put to shareholders for voting.

Directors will sometimes speak to their election or re-election and be willing to take questions.

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Voting – by Poll
(Listing Rule 6.1.1)

Click on the flip cards to reveal.

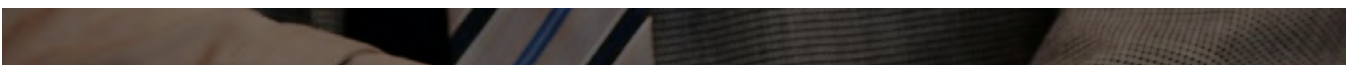


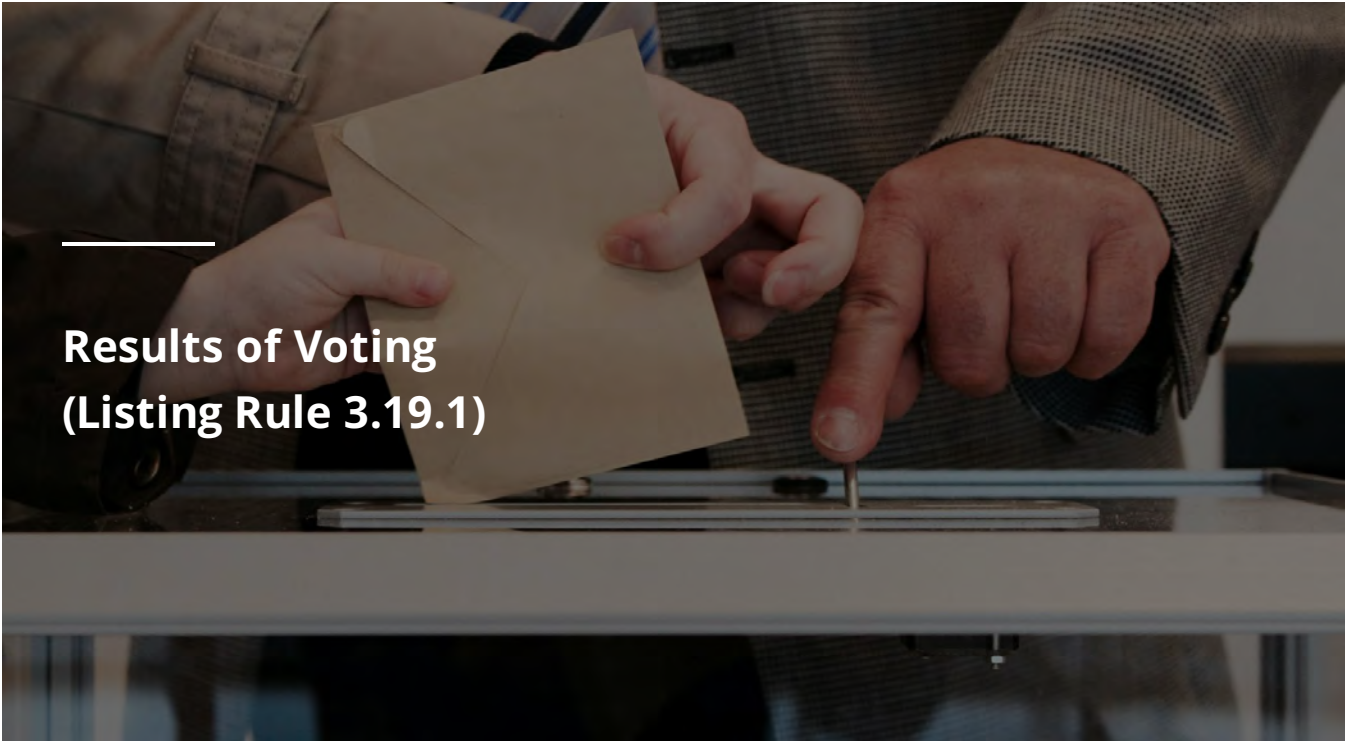
Voting at a meeting must be conducted by poll, other than in respect of motions that the Chairperson of the meeting considers to be procedural in nature.



Votes on a poll must be counted according to the votes attached to the financial products of each financial product holder entitled to vote and voting.

[CONTINUE](#)



A close-up photograph of a person's hands in a grey suit jacket. The person is holding a brown envelope in their left hand and pointing with their right index finger towards a ballot box. The ballot box is white and has a slot for inserting ballots. The background is slightly blurred, showing what appears to be a meeting room or a polling station.

Results of Voting (Listing Rule 3.19.1)

An issuer must promptly and without delay release through MAP the outcome of each resolution voted on at the meeting, including the results of polls conducted. Promptly and without delay means as soon as practicable.



CONTINUE



Adjournment
(Listing Rule 3.19.1)



An issuer must promptly and without delay release through MAP notice of any adjournment of a meeting to another time or place, and the outcome in respect of each resolution dealt with before the adjournment.

[CONTINUE](#)

Independent Appraisal Reports

Click on each plus icon to view more.





Depending on the type of resolution put forward, an issuer may need to arrange for an appraisal report or other type of independent report to accompany the notice of meeting. An appraisal report provides an independent assessment and view on a proposed transaction.



This requirement exists because the transactions in question (see below) involve parties that are in a position to influence the issuer. That influence may result in the issuer accepting terms that are not in its best interests. Therefore, the Listing Rules require an independent appraisal to ensure a third party considers the terms of the transaction and their fairness to financial product holders who do not have an interest in the transaction.

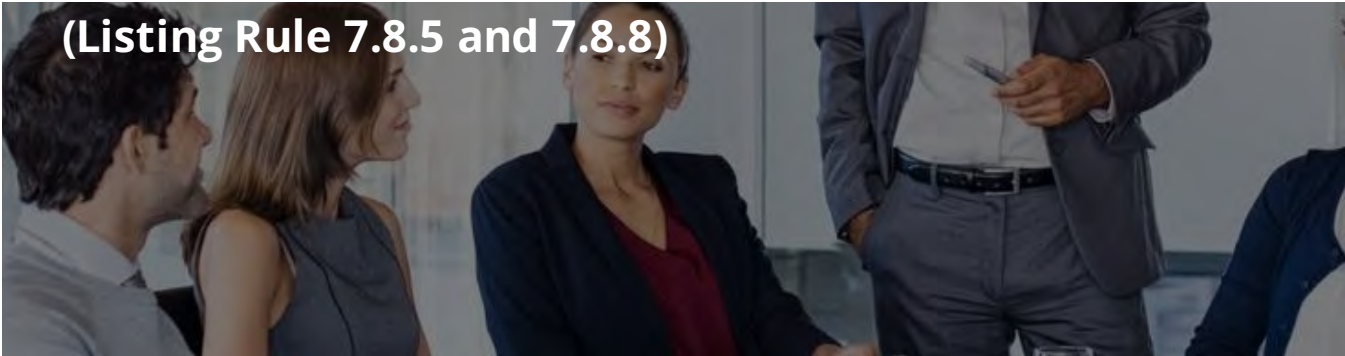


If NZ RegCo is required to review the relevant notice of meeting, then the appraisal report must be provided for review and published alongside the notice.

CONTINUE



Independent Appraisal Reports



(Listing Rule 7.8.5 and 7.8.8)

Under the Listing Rules, an appraisal report is required if a notice of meeting contains a resolution:

- to approve a material transaction with a related party;
- relating to a reverse listing;
- that requires shareholder approval for a share issue or buyback of securities affecting control;
- to approve an issue of securities intended or likely to result in more than 50% of the securities to be issued, acquired or redeemed by directors or associated persons of directors of the issuer; or
- to approve the provision of financial assistance where more than 50% of the financial assistance to be given is

intended or likely to go to directors or associated persons of directors.

CONTINUE



**Appraiser Must Apply to NZ RegCo for Approval to Act
(Listing Rule 7.10.1)**

Click on the flip cards to reveal.



A person or firm who proposes to act as an appraiser for Listing Rule requirements must first apply to NZ RegCo for approval to act.



NZ RegCo must be satisfied that a candidate wishing to act as an appraiser is independent and has appropriate qualifications so as to provide an opinion as to the fairness of the transaction for the benefit




NZX has published a Guidance Note "Approval of Appraisers" to assist with this process.



Complete the content above before moving on.

**Information That an Appraisal Report Must Contain
(Listing Rule 7.10.2)**

A photograph showing a person's hands writing on a document with a pen. The document is on a clipboard. There are other papers and a pencil visible on the desk. The text "Information That an Appraisal Report Must Contain (Listing Rule 7.10.2)" is overlaid on the image.



An appraisal report must comply with specific Listing Rule content requirements.

The Listing Rules require (among other specific matters set out in Listing Rule 7.10.2) the following statements to be included of the appraiser's opinion, with supporting reasons, as to whether or not:

- the terms and conditions of the proposed transaction are fair to shareholders, other than those associated with the relevant transaction; and
- the information to be provided by the issuer is sufficient to enable shareholders to make an informed decision as to the fairness of the transaction.

[CONTINUE](#)



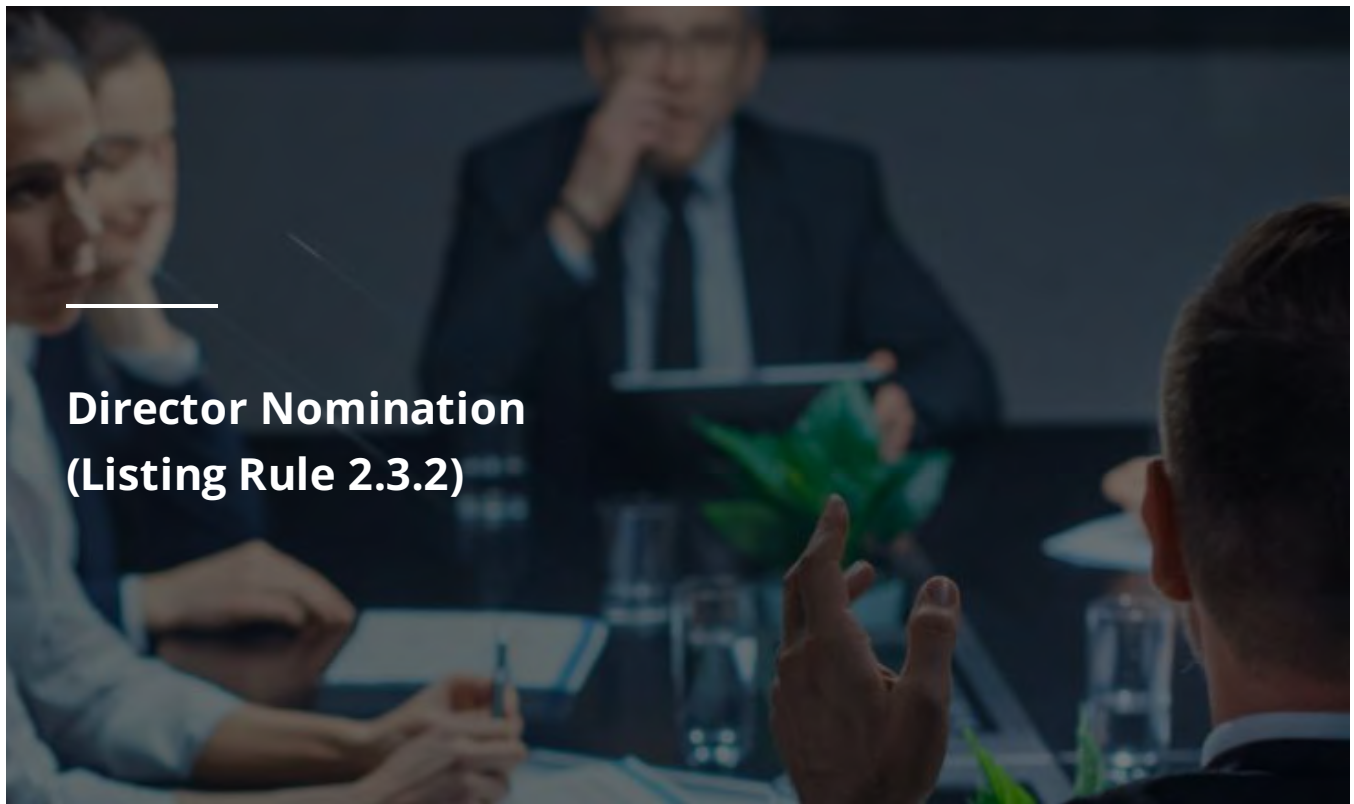
Summary of Appraisal Report (Listing Rule 7.10.3)



While issuers usually circulate the full appraisal report with the notice, issuers can circulate a summary of the report with the notice of meeting. The summary must be accompanied by a certificate from the appraiser attesting that the summary is accurate and not misleading.

[CONTINUE](#)

Directorships



**Director Nomination
(Listing Rule 2.3.2)**

Click on each arrow to view more.



Issuers must provide security holders with an opportunity to nominate directors for the Board, and to vote on those nominations at the relevant meeting.

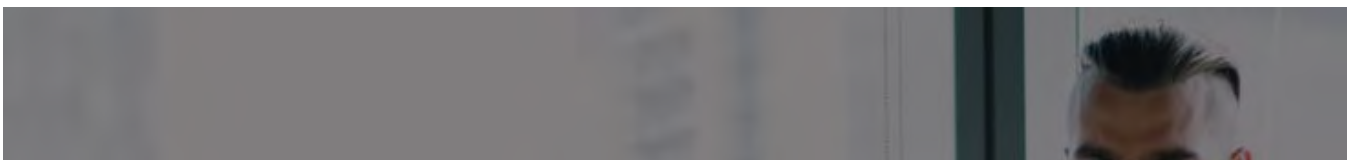


The closing date for nominations must be no more than two months before the shareholder meeting, and the closing date for nominations must be announced to market at least 10 business days prior to such closing date.



Details of all nominations received by the closing date must be included in the relevant notice of meeting.

CONTINUE



Board Appointed Directors (Listing Rule 2.7 and 7.8.3)

If a director was appointed by the Board, that director must retire and stand for election at the next annual meeting.

The practical effect of this requirement is that a Board must appoint any new directors in enough time to permit the resolution for the re-appointment to be included in the notice of meeting for that annual meeting. The notice must at least also include the Board's view on the director's independence and an outline of their experience and, if relevant, qualifications.

[CONTINUE](#)

Three Year Rotation (Listing Rule 2.4 and 2.7)

A director must retire and stand for election at the third annual meeting following their appointment, or after three years (whichever is longer).

This obligation does not apply to directors appointed by a shareholder further to a special director appointment right that the shareholder has under the governing document (e.g. constitution). Directors elected by shareholders at the annual meeting in the usual way must still retire and stand for re-election as noted above.



CONTINUE

Auditors



Auditor's Remuneration

An issuer's auditor is automatically reappointed as auditor at the annual meeting (pursuant to section 207T of the Companies Act). Therefore, in most cases the appointment of an auditor will not be voted on at the annual meeting.

However, the company is still required to seek approval to fix the fees and expenses of the auditor. Normally, the resolution authorises the Board to fix the fees and expenses of the auditor (in accordance with section 207S of the Companies Act).



CONTINUE

Conclusion

Well done! You have completed the Shareholder Meetings for NZX Issuers module

Let's start the test.

[GO TO TEST](#)