

Summary

This Practice Note explains:

- What administrative announcements are
- What information issuers should include in these announcements

Relevant Listing Rules:

- Main Board and Debt Market: 10.6.1
- NZAX: 10.7.1
(together the **Listing Rules**)

Refer also to our Class Ruling on Listing Rules 10.6.1(e) and 10.7.1(e)

Issuers have various disclosure obligations under the Listing Rules. Although a key focus of that disclosure regime is material information and periodic financial reporting, issuers are also required to release information to the market if prescribed “administrative” events occur.

NZX Regulation expects that issuers will consider three key points when preparing announcements of administrative information: content, context and timing. This note provides information on what those factors mean in practice for issuers planning to release an administrative announcement.

Content

The Listing Rules specify which administrative events will lead to an issuer being required to make an announcement. Issuers should familiarise themselves with the list in the Listing Rules.

NZX Regulation has no objection to a single announcement disclosing multiple administrative events, provided:

- the information is clearly set out and the announcement, including the heading, is not misleading; and
- the issuer complies with the timing requirements for release of that announcement.

Issuers should not, however, hold back information to allow for release of a single announcement in these circumstances.

The Listing Rules also set out other requirements relating to the content of announcements, including for the requirement to be on letterhead, dated and attributed to an authorised officer.

Context

Issuers are encouraged to consider what contextual information could be included, in order for administrative announcements to be effective and to ensure that the market understands what is being communicated.

For example:

- if an issuer is making changes to its board or management as a result of a previously announced restructure or change in strategic direction, the announcement should refer to that restructure or change in direction and explain how the changes to the board or management contribute;
- if an issuer is proposing to consolidate its securities, the announcement should explain the issuer’s reasons for that consolidation; and



- if a credit rating change is being disclosed, the announcement should clearly disclose what that credit rating relates to and what, if any, impact the credit rating change is expected to have.

Timing

The Listing Rules state that certain information should be released as soon as the information is “first available”. Information is “first available” when it is first known to senior managers or directors, or the proposal or action has been formalised internally by the issuer (as applicable). This may be before an effective date (for example, in relation to executive appointments). This timing means that information cannot be held back, bundled or otherwise delayed. This might require an issuer to make a series of administrative announcements.

Example announcement:

[LETTERHEAD]

[DATE]

Changes for A Limited: change of name and appointment of CEO.

A Limited (AAA) proposes to change its name to ABC Ltd as part of its expansion strategy announced in its 2016 Annual Report. AAA’s ticker code will not be affected by this change of company name. AAA will provide a further announcement once it has finalised the effective date that it will become ABC Ltd.

AAA is delighted to announce that it has appointed Ms Jane Doe as its new Chief Executive Officer. Ms Doe has a strong background in widget manufacturing. She received a Bachelor of Commerce from Otago University before completing her MBA and has worked for top manufacturers in the United Kingdom and the United States. “We are looking forward to Ms Doe’s contribution to AAA’s bright future, and are pleased that her strong industry knowledge and strategic thinking will be in place to shepherd us in our new endeavours”.

Ms Doe will commence her role as CEO effective from 1 October 2016. The interim period will be used as a handover period from our outgoing CEO John Doe to Jane Doe.

If you have any questions, please contact our Company Secretary.

[COMPANY SECRETARY DETAILS]