

Practice Note

Share Purchase Plans and Placements

Applies to Listing Rules as at: 15 January 2024
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Summary

This Practice Note describes the key actions for issuers undertaking Share Purchase Plans and/or Placements.

Relevant NZX Listing Rules:

- 4.3, 4.4, 4.5, 4.17.1, 4.17.2, 4.17.6, 4.17.8, 4.17.9, 4.19.

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 to undertake different types of secondary capital raisings. This Practice Note covers Share Purchase Plans and Placements. Issuers can undertake these offers together, or separately.

Since implementation of the Financial Markets Conduct Act 2013 (**FMCA**), most secondary capital raise issues have been made in reliance on the “same class as quoted financial products” exemption (**QFP exemption**) in the FMCA. The information in this Practice Note is based on Share Purchase Plans and/or Placements made under the QFP exemption.

Under the QFP exemption, Share Purchase Plans and/or Placements are not regulated offers and no prescribed disclosure requirements apply to Share Purchase Plans and/or Placements. For Issuers to be able to rely on the QFP exemption they must issue a QFP notice (also known as a “cleansing notice”) at the same time the Corporate Action Notice is released.¹ Share Purchase Plans and/or Placements made under the QFP exemption do not require approval by NZX but will still require a form of Offer Document to be released under the Rules.

The Listing Rules impose specific disclosure and timing requirements for Share Purchase Plans and/or Placements. The key requirements are set out in Rules 7.4 and 4.17.

NZX acknowledges that certain information pertaining to a Share Purchase Plan or Placement (such as pricing or exact size) will not be fully known until launch. Where this is the case Issuers or advisers should provide NZX (not for public release) the information that is known when meeting the notice requirements under the Rules, and clarify when specific details will be made available.

Templates for the relevant announcements can be found on the Markets Announcement Platform [forms page](#).

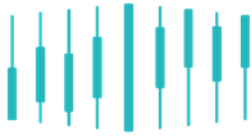
¹ Under Rule 4.17.8 or 4.17.9 (as applicable) a QFP notice must be released through MAP at the same time as the Corporate Action Notice for a Rights issue. The Rule has the effect of changing the “relevant time” for release of the QFP notice under [clause 20](#) of Schedule 8 of the Financial Markets Conduct Regulations 2014. Multiple QFP notices are **not** required.

Share Purchase Plan (SPP)

Issuers undertaking a Share Purchase Plan may choose to conduct their offer timetable in reliance on either Rule 4.17.8(a) or Rule 4.17.8(b). An example timetable under each Rule is set out below.

Event	Action(s) required		
Notice date Day X-4	<input type="checkbox"/> Provide NZX notice of the offer in the manner and form required by NZX to the extent such information is available (not for public release), namely a draft Corporate Action Notice at least five Business Days before the Ex Date. <i>Rule 4.17.8(a)(ii)(A) or Rules 4.17.8(b) and Rule 4.17.6(a)</i>		
Announcement date Day X	Under Rule 4.17.8(a)(ii)(B)	Under Rules 4.17.8(b) and 4.17.6(b)	
	<input type="checkbox"/> Release Corporate Action Notice promptly and without delay after the decision to make the offer has been made and no later than one Business Day after the Record Date <input type="checkbox"/> Release QFP notice in accordance with Rule 4.17.8 and the requirements of the FMCA	<input type="checkbox"/> Release Corporate Action Notice promptly and without delay after the decision to make the offer has been made and no later than four Business Days before the Ex Date <input type="checkbox"/> Release QFP notice in accordance with Rule 4.17.6 and the requirements of the FMCA	
Ex Date Day X+1	No action required		
Record Date Day X+2	No action required		
Offer open date Day X+3	<input type="checkbox"/> Release Offer Document to market (unless released on announcement date) <input type="checkbox"/> Send letters of entitlements to shareholders (no later than 5 Business Days after the Record Date) <i>Rule 4.17.1</i>		
If the Offer may be accepted by electronic means		If the Offer may not be accepted by electronic means	
Offer closing date Day X+9	<input type="checkbox"/> Offer closes (at least 5 Business Days after the last letter of entitlement is sent) <i>Rule 4.17.2</i>	Offer closing date Day X+16	<input type="checkbox"/> Offer closes (at least 12 Business Days after the last letter of entitlement is sent) <i>Rule 4.17.2</i>
Announce results Day X+11	<input type="checkbox"/> Release details regarding results of Offer and the level of any oversubscription or undersubscription <i>Rule 3.17</i>	Announce results Day X+18	<input type="checkbox"/> Release details regarding results of Offer and the level of any oversubscription or undersubscription <i>Rule 3.17</i>

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		
Share allotment Day X+11	<input type="checkbox"/> Shares must be allotted <i>Rule 4.19.1</i> <input type="checkbox"/> Capital Change Notice must be provided to NZX within one Business Day after the allotment takes place (Day X+12) <i>Rule 3.13.1</i>	Share allotment Day X+26	<input type="checkbox"/> Shares must be allotted <i>Rule 4.19.1</i> <input type="checkbox"/> Capital Change Notice must be provided to NZX within one Business Day after the allotment takes place (Day X+27) <i>Rule 3.13.1</i>

Placements

The following timetable is for a capital raising commonly referred to as a “placement” where Equity Securities are issued to either new or existing investors at an agreed price (which may be determined by the Issuer prior to the placement or determined through a “bookbuild” or similar process). The same timing and disclosure obligations generally apply to other issues of Equity Securities under Rule 4.5.1.

Event	Action(s) required
Notice date Day X-5	<input type="checkbox"/> Provide NZX notice of the offer in the manner and form required by NZX to the extent such information is available (not for public release), namely a draft Corporate Action Notice. <i>Rule 4.17.9(a)(i)</i>
Announcement date Day X	<input type="checkbox"/> Release Corporate Action Notice promptly and without delay after the decision to make the offer has been made <input type="checkbox"/> Release QFP notice in accordance with Rule 4.17.9 and the requirements of the FMCA <i>Rule 4.17.9(a)(ii)</i>
Offer open date Day X	<input type="checkbox"/> Release Offer Document to market (if no Offer Document, provide requisite information regarding existing shareholder participation) <i>Rule 4.17.9(b)</i>
Offer closing date Day Y	No action required
Announce results Day Y+2	<input type="checkbox"/> Release details regarding results of Offer and the level of any oversubscription or undersubscription <i>Rule 3.17</i>
Share allotment Day Y+10	<input type="checkbox"/> Shares must be allotted no later than 10 Business Days after the closing date <i>Rule 4.19.1</i> <input type="checkbox"/> Capital Change Notice must be released through MAP within one Business Day after the allotment taking place (Day Y+11) <i>Rule 3.13.1</i>
Disclosure of Participant Identification Day Y+15	<input type="checkbox"/> Release through MAP details of the approach taken in identifying investors to participate in the Placement and how the Issuer determined their respective allocations <i>Rule 4.17.9(c)</i>

After conducting a Placement Issuers must retain an allocation spreadsheet. NZX may request this (not for public release) under Rule 4.17.9(d).

Combined SPP and Placements

In the context of a SPP that is being conducted in conjunction with a Placement, NZX acknowledges that the draft Corporate Action Notice for the SPP may not be available until the draft Corporate Action Notice for the Placement is available. In such an event, Issuers may provide a single draft Corporate Action Notice which covers both the SPP and Placement in line with the timing requirements under Rule 4.17.9(a)(i) – at least five Business Days before the Placement and SPP offer opens.

Aside from this, where there is an overlap in the timetable of SPP and Placement offers, Issuers must comply with the timetables contemplated by the relevant Rules (4.17.8 and 4.17.9 respectively) and as set out above.

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*](#).