

## 11. TRANSFERS AND STATEMENTS

### 11.1 TRANSFER OF SECURITIES

**11.1.1 Right to Transfer:** Subject to the provisions of any legislation, and to Rules 11.1.4 and 11.1.5, no Issuer shall impose, in its Constitution or otherwise, any restriction on the right of a holder of a Quoted Security to transfer that Security, or any restriction upon registration of a properly completed transfer of Quoted Securities. *(Amended 1/5/04)*

**11.1.2 Improperly Completed Written Transfers:** A transfer of Securities in writing that has not been properly completed shall be promptly returned to the person submitting it, for completion, and (subject to Rules 11.1.4 and 11.1.5) shall be registered when the errors or omissions have been rectified.

**11.1.3 Documentation:** Subject to the provisions of Rule 11.1.5 and of any legislation no Issuer shall:

- (a) require any documentation relating to transfers other than to establish an entitlement to transfer; or
- (b) require any information relating to the transferee; or
- (c) impose any restriction on the acceptability of any common form of transfer.

**11.1.4 Permitted Restrictions:** An Issuer may decline to accept or register:

- (a) a transfer of a Security on which the Issuer has a lien; or
- (b) a transfer of Securities if such registration, together with the registration of any further transfer or transfers then held by the Issuer and awaiting registration, would result in the proposed transferee holding Securities of less than the Minimum Holding; or
- (c) *(Revoked 1/5/04)*
- (d) *(Revoked 1/5/04)*

- 11.1.5 Special Restrictions:** An Issuer may, with the prior approval of NZX, incorporate in its Constitution or Trust Deed a provision restricting the issue, acquisition or transfer of Relevant Interests in Equity Securities.  
(Amended 1/12/02)

NZX recognises that there are situations in which a restriction on the ownership of the Equity Securities of an Issuer may be appropriate. In addition, NZX wishes to facilitate the Listing of entities (such as co-operative companies) which may have membership or security ownership restrictions and have not previously availed themselves of the services offered by NZX. NZX will generally exercise its discretion to permit a restriction to be introduced where:

- (a) the Issuer has some right, licence, or property which forms a significant part of the business of the Issuer (such as airline landing rights or fishing quota) which could reasonably be expected to be adversely affected by the aggregation of the holding of Equity Securities by a person or group of persons;
- (b) the restriction is desirable, expedient or necessary in connection with giving effect to a statutory requirement;
- (c) there are other reasons which NZX considers justify the inclusion of a restriction.

NZX will as a general rule only exercise its discretion under Rule 11.1.5 before the time of the initial Listing of an Issuer or, in respect of a Class of Securities of an Issuer, before the time of the initial Quotation of that Class. NZX's view is that any restriction on the ownership of Equity Securities of an Issuer should be clear at the time of Listing or Quotation, so that investors can make an informed investment decision before they acquire Equity Securities of the Issuer through NZX.

- 11.1.6 No Cancellation of Rights:** Except as expressly permitted by the Rules, no benefit or right attaching to a Security shall be cancelled or varied by reason only of a transfer of that Security.

## 11.2 STATEMENTS

**11.2.1 Issue of Statements:** Every Issuer shall issue to each holder of Quoted Securities of that Issuer on request, a statement that sets out:

- (a) the Class of Securities held by that holder, the total number of Securities of that Class issued by the Issuer, and the number of Securities of that Class held by the holder; and
- (b) the register on which the holder's Securities are held, if other than the principal register; and
- (c) the rights, privileges, conditions and limitations, including restrictions on transfer (if any) attaching to the Securities held by the holder; and
- (d) the relationship of the Securities held by the holder to other Classes of Quoted Securities; and
- (e) the holder's number, CSN and the address of the holder; and  
*(Amended 10/05/06)*
- (f) the postal address of the registrar of the Securities.

**Rule 11.2.1 requires that further issues of Equity Securities which may eventually become part of another Class (for example, upon payment of calls in full, or elapse of a period of non-entitlement to a dividend) be clearly identified as distinct from that other Class. Statements must therefore carry the appropriate description eg “1994 Bonus Issue”, “1993 Cash Issue”. Statements provided pursuant to subsequent transfers of such Securities need contain only an endorsement of the relevant dividend qualification until the Securities eventually rank pari passu with all others of the Class they are to become.**

**11.2.2 Exceptions:** An Issuer shall not be obliged to provide a holder with the Statement required by Rule 11.2.1 if:

- (a) such a Statement has been provided within the previous six months; and
- (b) the holder has not acquired or disposed of Securities of the relevant Class since a previous Statement required by Rule 11.2.1 or Rule 11.2.3 was provided; and
- (c) the rights attached to Securities of the relevant Class have not been altered since the previous Statement required by Rule 11.2.1 was provided.

**11.2.3 Statement After Issue or Transfer:** Every Issuer shall issue a Statement including the details in Rule 11.2.4 to each holder of Securities who obtains or disposes of Securities upon an issue or a transfer within five Business Days after the date of allotment of those Securities, or the date of registration of that transfer.

**11.2.4 Transfer Details in Statement:** Where the Statement required by Rule 11.2.3 is issued following a transfer, the Statement shall include the following information:

- (a) all the information specified in paragraphs (a), (b), (e) and (f) of Rule 11.2.1, except that the total number of Securities of that Class issued by the Issuer need not be shown; and
- (b) the number of Securities transferred (to or from the holder) in each transfer since the last Statement; and
- (c) where the transfer is submitted by a Delivery and Settlement Participant, the subscriber reference provided in that transfer.

**11.2.5 Statements in Respect of Debt Securities:** In addition to the requirements of Rule 11.2.1, Statements in respect of Debt Securities shall state:

- (a) the maturity (or conversion) date of the principal together with any optional maturity (or conversion) date; and
- (b) the rate, or formula for calculation of the rate or amounts, of interest and the due dates for the payment of interest and, where appropriate, the date from which interest accrues; and

- (c) the authority under which the issue is made; and
- (d) brief particulars of any Security, or the word “unsecured”; and
- (e) the mode of transfer and minimum amount; and
- (f) the terms of conversion, where applicable; and
- (g) a summary of any other information which is likely to be material to an ordinary purchaser in the market which distinguish the terms of issue from other Debt Securities of other issues and other Issuers, including any rights to early repayment.

### 11.3 REGISTRATION

**11.3.1 Registrars to Comply:** If an Issuer appoints a registrar to keep any register of Securities, that Issuer shall ensure that its registrar complies with the requirements of this section 11, and references in this section 11 to an Issuer shall for this purpose include its registrar.

**11.3.2 General Issuer Responsibility:** Every Issuer shall ensure that its registry functions are performed promptly and properly and shall indemnify Market Participants (as defined in the NZX Participant Rules) and persons having dealings with its registrar against any losses, costs or expenses incurred as a consequence of any failure in such performance of registry functions which is not fairly attributable to the fault of the person claiming indemnity (or his or her agent). *(Amended 1/5/04)*

**11.3.3 Time of Registration After Receipt of Written Transfer:** Subject to the right of any Issuer in terms of Rule 11.1, all properly executed and documented written Security transfers shall be registered within two Business Days of their receipt by the Issuer.

### 11.4 “FASTER” SYSTEM

**11.4.1 Definitions:** For the purposes of this Rule 11.4:

“**Client Inward Transfer**” means the transfer by a Delivery and Settlement Participant of Securities out of the name of a Security holder

on an Issuer’s Securities register to the transfer account of a member firm in the manner contemplated by paragraph (c) of the Schedule to the Securities Transfer (Approval of FASTER System) Order 1998;

*(Amended 1/5/04)*

**“Client Outward Transfer”** means the registration of a Buyer (as defined in the Market Participant Rules) or Delivery and Settlement Participant as a Security holder on the Securities register of an Issuer by a FASTER Participant in the manner contemplated by paragraphs (e) (ii) and (f) of the Schedule to the Securities Transfer (Approval of FASTER System) Order 1998.

*(Amended 1/5/04)*

**“Delivery and Settlement Participant”** has the meaning given in the NZX Participant Rules.

*(Inserted 1/5/04)*

**11.4.2 Operation:** Every Issuer with Securities Quoted, or that Issuer’s registry shall:

- (a) connect its register and maintain its registry connection to the “FASTER” system, as specified from time to time by NZX, and operate it on all Business Days between the hours of 8.00 am and 6.00 pm;
- (b) comply with any time limits for the processing of electronic messages or documentation which NZX may from time to time specify in the operation of the “FASTER” system;
- (c) not delay the registration of any transfers, except as may be specified by NZX for the operation of the “FASTER” system; and
- (d) issue holders of Quoted Securities who are not participants directly connected to the system with a 4 character FASTER Identification Number (FIN).

**The NZX Participant Rules set out the procedures followed by Trading Participants when dealing with transfers through “FASTER” or by transfer document.**

*(Amended 1/5/04)*

**11.4.3 Inward Transfer:** In any case where a Client Inward Transfer is entered by a person in any circumstance where that person does not have the proper authority of the holder of the Securities being transferred to execute the transfer, the Issuer shall be obliged to immediately reinstate or otherwise compensate the dispossessed Security holder:

Provided that this obligation on the part of the Issuer shall not affect or prejudice any right the Issuer may have against any other person.

**11.4.4 Outward Transfer:** A Client Outward Transfer to a bona fide purchaser for value shall not in any circumstance be cancelled or reversed by an Issuer.

**11.4.5 Warranty by Delivery and Settlement Participants:** Each Delivery and Settlement Participant who completes a Client Inward Transfer will be deemed to warrant to the Issuer that the transfer is valid and has been authorised by the registered holder of the Securities being transferred and to indemnify the Issuer for any loss suffered by the Issuer due to a breach by the Delivery and Settlement Participant of that warranty, without prejudice to any right of the Delivery and Settlement Participant under Rule 11.3.2. *(Amended 1/5/04)*

**11.4.6 Cause of Action:** The warranty contained in Rule 11.4.5 will give rise to a cause of action by an Issuer against the Delivery and Settlement Participant in question: *(Amended 1/5/04)*

Provided that this obligation on the part of the Delivery and Settlement Participant shall not affect or prejudice any other right the Delivery and Settlement Participant may have. *(Amended 1/5/04)*

**11.4.7 Continued Application of Rules:** The requirement in this Rule 11.4 for an Issuer to connect and operate a FASTER registry shall only apply as long as the Rules include the provision of Rules 11.4.3, 11.4.4, 11.4.5, 11.4.6, and this Rule.

**11.4.8 No Waiver of FASTER Requirements:** NZX may not exercise its right of waiver under Rule 1.7 in respect of compliance with Rules 11.4.2(a), 11.4.2(d), 11.4.3, 11.4.4, 11.4.5, 11.4.6 or this Rule 11.4.8.