

Summary

- This practice note sets out checklists of information that NZXR requires in order to review a notice of meeting.

Relevant Listing Rules

- Main Board and Debt Market: 6.1.1, 6.1.2(d), 6.1.4, 6.2
- NZAX: 6.1.1(b), 6.1.3, 6.2
(together, the **Listing Rules**)

Issuers are required to obtain NZX Regulation (**NZXR**) approval for all notices of meeting, unless a notice of a meeting of security holders is limited to considering one or more of the following matters:

- a declaration of a dividend
- the consideration of financial statements and reports of directors or auditors
- the election of directors or the fixing of their remuneration
- a change in name of the issuer
- the appointment of auditors and the fixing of their remuneration
- a resolution required or permitted under the Takeovers Code

Notices of meeting comprise all resolutions, explanatory notes, proxy forms and voting forms.

Checklists

NZXR requires issuers to provide certain information in order to efficiently review a notice of meeting. NZXR has created checklists to assist issuers to identify that information. Some notices of meeting will relate to a number of matters, in which case all of the relevant checklists should be referred to.

Issuers submitting a notice of meeting to NZXR for approval are encouraged to include a copy of the relevant checklist(s) when making the application to NZXR. The following checklists are included as appendices to this practice note:

- Appendix 1 – standard requirements for all notices of meeting and proxy forms
- Appendix 2 – election and re-election of directors
- Appendix 3 – director remuneration
- Appendix 4 – major transactions
- Appendix 5 – related party transactions
- Appendix 6 – approval of, or changes to, a constitution or trust deed
- Appendix 7 – issues, ratifications of issues, or buybacks of securities

Approval process

Applications should be emailed to regulation@nzx.com.

Applications should be submitted at least ten business days prior to circulation or printing of the notice of meeting. Issuers should consider the timing of applications, as discussed in Practice Note [01/2017 Issuer Engagement with NZX Regulation](#). (6.1.5)



If an appraisal report is required to accompany a notice of meeting, NZXR cannot commence its review until it has also received the draft appraisal report. Please discuss with NZXR if this creates any timing issues.

The application email should:

- Attach the draft notice of meeting
- Attach the draft appraisal report (if applicable)
- Attach the relevant completed checklist(s)
- Include the date by which NZXR's decision is sought

NZXR will provide comments on the document to the applicant, by email. All comments must be addressed or explained by the issuer to NZXR's satisfaction, before NZXR will approve a notice of meeting.

Once NZXR has completed its processes, an applicant will receive a formal letter confirming approval. Under the Listing Rules, issuers are required to release notices of meeting to the market no later than the date/time that they are sent to security holders.

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



Appendix 1 – Standard requirements of a notice of meeting

The following information should be considered, or included, in all notices of meeting submitted to NZXR for approval.

Listing Rule 6.2: Standard requirements	Page number(s)
Include the name of the issuer, and the date, time and venue of the meeting	
Include the agenda of the meeting	
State the exact text of each resolution, and indicate whether these are special or ordinary resolutions	
Include a description of the requirements of an “ordinary resolution” and “special resolution” (as applicable), so security holders know how such resolutions are passed	
Include or be accompanied by sufficient information to enable a reasonable person to understand the effect of the resolutions proposed	
If a resolution relates to a material matter, state the consequences if the resolution is not passed	
Consider whether a summary of salient points section should be included	
Consider, where applicable, pinpointing or cross referencing to explanatory note(s) or IAR	

Voting and proxy information in the notice of meeting	Page number(s)
State that a security holders may attend the meeting and vote, or may appoint a proxy to attend and vote in their place	
Provide that if a security holders wishes to appoint a proxy that they should complete the proxy form enclosed and provide the date, place and time by which the proxy form must be received. Where there are multiple methods of returning the form, for example mail, delivery, email or fax, please include all of these methods and ensure that they correspond with the proxy form	
State that the appointed proxy need not be a security holders of the issuer and that a proxy may be the Chair of the Meeting	
State how the Chair of the Meeting will vote if they are appointed as discretionary proxy	
Provide, if applicable: <ol style="list-style-type: none"> i. information of those persons prohibited from voting on a resolution, or acting as a discretionary proxy, as set out in Listing Rule 9.3; and ii. that discretionary proxies given to persons prohibited from voting will not be valid 	



Provide whether or not motions will be allowed from the floor. If applicable, indicate that if a person is prohibited from voting, but is appointed as a discretionary proxy, they will be ineligible to vote on motions from the floor	
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Providing a proxy form

A notice of meeting must be accompanied by a proxy form, for NZXR’s review. The proxy form should include the following details.

Listing Rule 6.2.6: Proxy form requirements	Page number(s)
State the date, time and venue for the meeting	
Include all resolutions to be voted on at the meeting	
Provide for at least two-way voting (for or against) on each resolution, noting that four way voting is best practice (for, against, abstain or proxy discretionary)	
Enable a security holder to appoint a proxy to cast their vote on their behalf (see below).	
State the date, place and time by which the proxy form must be received (not less than 48 hours before the meeting commences)	
If restrictions apply to voting, provide information on those persons prohibited from voting on a resolution, or acting as a discretionary proxy	
Clarify whether amendments or resolutions from the floor, can be voted on by appointed proxies	
If the meeting will include a virtual element, include a statement that security holders can still attend via Link, even if they have appointed a proxy (although they will not be able to vote if proxy has been appointed)	

Appointment of proxies

Footnote 3 to Rule 6.2.6 indicates that a proxy form may include a footnote to the effect that certain officers of the issuer or other persons are willing to act as a proxy if the security holder wishes to appoint them. A person’s name or office must not be filled in as proxy holder.

In addition, if:

- a security holder has clearly stated the way in which they wish to vote (that is, for, against, or abstain);
- the security holder has not included the name of a person to act as their proxy; and
- the proxy form clearly states that if a proxy is not specified by the security holder, a specific person (for example, the Chair) will act as the proxy for the security holder (the **Default Proxy**),



NZXR is comfortable that those votes may be exercised by the Default Proxy on behalf of the security holder.

This approach may also be applied if the relevant security holder has selected that they wish to have a discretionary proxy. In such cases issuers should avoid nominating a default proxy who would be prohibited from voting, as they will not be able to exercise a discretionary proxy on such resolutions.

Appendix 2 – Election / re-election of Directors

Listing Rules 3.3.5, 3.3.6 and 3.3.13: Election / re-election of directors	Page Number(s)
Resolutions relating to the appointment of directors should be either: (a) a separate resolution for each director; or	
(b) a separate resolution that a single resolution for the appointment of two or more directors is voted on, with a further resolution for the appointment of the directors.	
The explanatory memorandum should:	
<ul style="list-style-type: none"> Clearly state the name of each director candidate 	
<ul style="list-style-type: none"> State the board's view on whether or not each director candidate would qualify as an Independent Director (not applicable to NZAX issuers) 	
<ul style="list-style-type: none"> Provide an outline of the experience (including specific details of relevant roles and organisations), and where relevant, the qualifications, of each director candidate and any other information that may be useful or prudent to a security holder 	



Appendix 3 – Director remuneration

Listing Rule 3.5: Director remuneration	Page Number(s)
Resolution regarding directors' remuneration is expressed as either: (a) A monetary sum per annum payable to all directors of the issuer taken together; or (b) A monetary sum per annum payable to any person who from time to time holds office as a director of the issuer	
The explanatory memorandum should:	
<ul style="list-style-type: none">• State the proposed amount of the increase in the director's remuneration, including the previous figure/amount and the proposed amount/figure	
<ul style="list-style-type: none">• Explain why the increase has been proposed	
<ul style="list-style-type: none">• If applicable, state whether that remuneration is payable (in part or fully) through the issue of equity securities or securities convertible into equity securities	

Appendix 4 – Major transactions

Listing Rule 9.1: Major transactions	Page number(s)
The explanatory memorandum should:	
<ul style="list-style-type: none"> Provide a summary of the transaction or series of related transactions, including an explanation of why this is a transaction that requires approval under Rule 9.1.1 	
<ul style="list-style-type: none"> State the consequences if the resolution is not passed and any other alternatives 	
<ul style="list-style-type: none"> State the implications of the transaction(s) for the issuer, including details of the risks, any steps taken to mitigate these risks and the likelihood of these risks occurring 	
<ul style="list-style-type: none"> Provide details of the consideration for the transaction(s) e.g. break fees 	
<ul style="list-style-type: none"> If a valuation was conducted, state whether it was conducted by an independent valuer 	
<ul style="list-style-type: none"> Include a reference to any additional information, reports, contracts, valuations or material being provided with the notice of meeting and, if appropriate, a summary of the key outcomes of these documents 	
<ul style="list-style-type: none"> If the transaction involves an acquisition, consider including a table outlining the market capitalisation and debt pre and post transaction 	

Appendix 5 – Transactions with related parties

Listing Rule 9.2: Transactions with related parties	Page number(s)
The explanatory memorandum should:	
<ul style="list-style-type: none"> Provide a summary of the transaction or series of related transactions, including an explanation of why this is a transaction that requires approval under Rule 9.2.3 	
<ul style="list-style-type: none"> State the implications of the transaction(s) for the issuer, including details of the risks, any steps taken to mitigate these risks and the likelihood of these risks occurring 	
<ul style="list-style-type: none"> Provide details of the consideration for the transaction(s) 	
<ul style="list-style-type: none"> The consequences to the issuer if the resolution is not passed, and any other alternatives 	
<ul style="list-style-type: none"> Clearly name the related party or parties to the transaction(s) and include a description of how they are a related party 	
<ul style="list-style-type: none"> State that the notice is accompanied by an appraisal report 	
<ul style="list-style-type: none"> Include a summary of any key findings of the appraisal report and applicable cross references 	
<ul style="list-style-type: none"> Provide details of the consideration for the transaction(s) e.g. break fees 	
<ul style="list-style-type: none"> If applicable, state any dilutionary impact of the issue, including a worked example where relevant. Where the transaction will result in material changes to significant security holdings, consider including a table outlining these holdings pre and post transaction 	

Appendix 6 - Approval of, or changes to, a constitution or trust deed

Listing Rule 6.2.4: Approval of, or changes to, a constitution or trust deed	Page number(s)
The explanatory memorandum should:	
<ul style="list-style-type: none"> Provide an explanation of the changes to the constitution or trust deed. The explanation should be such that a reasonable person need not refer to the existing or proposed constitution or trust deed 	
<ul style="list-style-type: none"> State where a full copy of the constitution or trust deed can be found by a security holder and the cost (if any) of obtaining this 	
<ul style="list-style-type: none"> Include an explanation as to why changes to the constitution or trust deed are being made 	
<ul style="list-style-type: none"> State that, in accordance with the Listing Rules, if there is any provision in the proposed new Constitution that is inconsistent with the Listing Rules relevant to the issuer, the Listing Rules (as amended by any waiver or ruling relevant to the issuer) will prevail 	
<ul style="list-style-type: none"> Include a statement to the effect that the constitution/trust deed has been approved by NZX Limited. This statement must be followed by “However, NZX does not take responsibility for any statement contained in this Notice of Meeting.” 	

Appendix 7 - Issues, ratifications of issues, or buybacks of securities

Listing Rule 7.3.1 – Issue of equity securities Listing Rule 7.3.5(c) – Ratification of Equity Securities previously issued under Listing Rule 7.3.5 Listing Rule 7.5 – Issues and Buyback of Securities affecting control Listing Rule 7.6.5 – Acquisition or Redemption of Securities, or to provide financial assistance	Page number(s)
The explanatory memorandum should:	
<ul style="list-style-type: none"> • Include an overview statement of the proposal to issue, ratify the issue of, acquire or redeem the securities, or to provide financial assistance 	
<ul style="list-style-type: none"> • State number of securities to be issued, acquired or redeemed. If the number is not known, state the formula that will be used to determine the number of securities and the maximum number that may be issued, acquired or redeemed 	
<ul style="list-style-type: none"> • State the purpose of the issue, acquisition or redemption. If the purpose is to raise cash, include an explanation of the specific purpose for raising the cash. Where there is more than one purpose, the use of proceeds should be listed in order of priority 	
<ul style="list-style-type: none"> • State the issue, acquisition or redemption price. If the price is not known, state the formula that will be used to determine the price and the relevant times for payment 	
<ul style="list-style-type: none"> • State the parties and/or any associated persons to whom the securities will be issued to or acquired from 	
<ul style="list-style-type: none"> • State the period of time within which the issue, acquisition or redemption will be made 	
<ul style="list-style-type: none"> • State the ranking of the securities to be issued e.g. equally ranked (pari passu) 	
<ul style="list-style-type: none"> • If financial assistance is being proposed, state the amount and full terms of the financial assistance. Also, state the parties to whom the assistance will be given. If assistance will be given to any director and/or associated person of a directors include the names of those persons 	
<ul style="list-style-type: none"> • State any dilutionary impact of the issue, including a worked example where relevant. Where the transaction will result in material changes to significant security holdings, consider including a table outlining these holdings pre and post transaction 	
<ul style="list-style-type: none"> • If shares are being issued at a discount to the market rate, please include the percentage of the discount 	
<ul style="list-style-type: none"> • If applicable, state that the notice is accompanied by an appraisal report 	
<ul style="list-style-type: none"> • Provide details of the consideration for the transaction(s) e.g. break fees 	