

Summary

This Practice Note explains the:

- general features of the most common types of accelerated entitlement offers
- standard timetable for accelerated offers
- class waiver relief available for standard accelerated offers

Relevant Listing Rules

- Main Board: 7.3.1(a), 7.10.1, 7.10.2, 7.10.7, 7.10.8 and 9.2.1 (the **Listing Rules**)

What are accelerated entitlement offers?

Accelerated entitlement offers are pro-rata offers of securities to existing shareholders under an accelerated timetable. Accelerated offers can be structured in a number of ways. This Practice Note covers the most common forms of accelerated entitlement offer undertaken in the Australasian capital markets:

- Accelerated renounceable entitlement offers (**AREOs**)
- Simultaneous accelerated renounceable entitlement offers (**SAREOs**)
- Pro Rata accelerated institutional, tradable retail entitlement offers (**PAITREOs**)

Each of these types of accelerated offer includes an accelerated institutional offer, a subsequent retail offer, and one or more bookbuilds to deal with rights not taken up.

The standard features of an AREO include:

- Institutional shareholders participating in an accelerated offer (**Institutional Offer**) before the commencement of an offer to retail shareholders (**Retail Offer**).
- No on market rights trading occurs. Shares in respect of entitlements that are not taken up, or not able to be taken up, by shareholders are offered through a bookbuild process. Separate bookbuilds are undertaken following the Institutional Offer (**Institutional Bookbuild**) and the Retail Offer (**Retail Bookbuild**). An issuer would usually apply for a trading halt to be in place for the separate bookbuilds.

SAREOs and PAITREOs are largely conducted in the same way as AREOs, with the following exceptions:

- Under a SAREO, there is no Institutional Bookbuild. Instead, a SAREO features a single bookbuild at the end of the Retail Offer period.
- Under a PAITREO, quotation is sought for trading of the rights entitlements of eligible retail shareholders. Shares in respect of entitlements not taken up are offered through the Retail Bookbuild.

Standard timetable for accelerated offers

This timetable assumes a standard offer structure undertaken in the minimum time permitted under the Listing Rules, unless otherwise stated.

Action(s) or Event	AREO	SAREO	PAITREO
<input type="checkbox"/> Apply to NZX Regulation to review the rights offer document, and proposed cleansing notices	At least 10 Business Days before Day X	At least 10 Business Days before Day X	At least 10 Business Days before Day X
<input type="checkbox"/> Apply to NZX Regulation for quotation of rights	N/A	N/A	At least 10 Business Days before Day X
<input type="checkbox"/> Apply to NZX Regulation for trading halt for Institutional Offer and Institutional Bookbuild	Day X-1	Day X-1	Day X-1
Day X <input type="checkbox"/> First cleansing notice released <input type="checkbox"/> Trading halt begins pre market open <input type="checkbox"/> Announce accelerated offer and release offer document on NZX <input type="checkbox"/> Institutional Offer opens	Day X	Day X	Day X
<input type="checkbox"/> Ex Date of Accelerated Offer <input type="checkbox"/> Institutional Offer closes	Day X+1	Day X+1	Day X+1
<input type="checkbox"/> Quotation date of rights	N/A	N/A	Day X+1
<input type="checkbox"/> Second cleansing notice released <input type="checkbox"/> Institutional Bookbuild (if applicable) <input type="checkbox"/> Record Date	Day X+2	Day X+2	Day X+2
<input type="checkbox"/> Third cleansing notice released <input type="checkbox"/> Trading halt ends on open of trading <input type="checkbox"/> Retail Offer opens <input type="checkbox"/> Retail entitlement letters and forms sent out	Day X+3	Day X+3	Day X+3
<input type="checkbox"/> Last day for settlement and allotment for Institutional Offer and Institutional Bookbuild	Day X+6	Day X+6	Day X+6
<input type="checkbox"/> Last date for letters of entitlement to be sent to Retail Shareholders <input type="checkbox"/> Allotment notice for Institutional Offer and Institutional Bookbuild (as applicable) provided to NZX within one business day of issue	Day X+7	Day X+7	Day X+7
<input type="checkbox"/> Cease quotation date	N/A	N/A	Day X+11



<input type="checkbox"/> Retail Offer closes	Day X+15	Day X+15	Day X+15
<input type="checkbox"/> Fourth cleansing notice released <input type="checkbox"/> Trading halt begins pre market open <input type="checkbox"/> Retail Bookbuild	Day X+17	Day X+17	Day X+17
<input type="checkbox"/> Trading halt ends on open of trading	Day X+18	Day X+18	Day X+18
<input type="checkbox"/> Last date for settlement and allotment of Retail Offer and Retail Bookbuild	Day X+20	Day X+20	Day X+20
<input type="checkbox"/> Allotment notice for Institutional Offer and Institutional Bookbuild provided to NZX within one business day of issue	Day X+21	Day X+21	Day X+21

Waivers relevant to Accelerated Offers

NZX Regulation has granted a class waiver of various Listing Rules that would otherwise apply to standard form Accelerated Offers. The class waiver can be found [here](#).

Issuers undertaking an Accelerated Offer that may require additional waiver relief, should engage with NZX Regulation. NZX Regulation is willing to consider transaction specific waivers if, for example, a related party will be underwriting the Accelerated Offer.

How should applications be made?

Applications for waivers, approvals of offering documents, and trading halts should be emailed to regulation@nzx.com.

For further information on engaging with NZX Regulation, please refer to [Practice Note 01/2017: Issuer Engagement with NZX Regulation](#).

For further information on applying for trading halts, please refer to [Practice Note 10/2017: Trading Halt Applications](#).

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 NZXR'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.