

Summary

This Practice Note outlines the standard timetable that issuers can follow for offers of warrants where quotation is sought on the NZX Main Board

Relevant NZX Listing Rules: 4.17, 7.4, 7.7

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 Guidance Note to NZX therefore also include NZ RegCo in relation to any regulatory activity or discretion.

What are warrant offers?

A warrant offer is where an Issuer issues warrants to its shareholders, usually at a predetermined ratio (i.e. one new warrant for every share held). Holders of the warrants then have the right, but are not obligated to, buy or sell the Issuer's shares at a set date and at an exercise price which is either fixed by the Issuer in advance or calculated in the future by reference to the underlying financial products.

Warrant offers and the Rules

Under the Rules warrants are Equity Securities and may be an Option, or Right. Issuers may be able to offer warrants in accordance with Schedule 1 of the Financial Markets Conduct Act 2013 under the "same class as quoted financial products" exemption (QFP exemption). The information in this Practice Note is based on an Issuer making an offer under the QFP exemption of warrants that are to be Quoted on the NZX Main Board.

Under the QFP exemption, warrant offers are not regulated offers and no prescribed disclosure requirements apply to warrant offer documents. For issuers to be able to rely on the QFP exclusion they must issue a QFP notice (also known as a "cleansing notice")¹. Warrant offers 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.

Warrants may be Quoted to enable trading on market, however this is not mandatory.

Standard timetable for an offer of warrants that will be Quoted on the NZX Main Board

This Practice Note includes a timetable for an offer of warrants that are Quoted on the NZX Main Board. The timetable assumes:

- a standard offer structure undertaken in the minimum time permitted under the Rules,

¹ Under Rule 4.17.6 a QFP notice must be released through MAP at the same time as the Corporate Action Notice for the offer of warrants. The Listing 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.

- the offer is made in accordance with a Schedule 1 Offer Document not requiring prior NZX review under Rule 7.1.1

Action(s) or Event	Date (business days)
<p>Notification Date to the market</p> <p>Application for quotation to NZ RegCo</p> <p><i>An offer of warrants must be announced to the market, and using the prescribed Corporate Action Notice (with the Bonus section filled out), no later than 5 Business days prior to Ex Date</i></p> <p><i>Rule 4.17.6</i></p>	<p>X – 6 (latest possible date)</p>
<p>NZX Quotation Notice released</p> <p><i>NZX will release a quotation notice for the warrants over the issuer's ticker code following the announcement of the issue by the issuer.</i></p>	<p>X – 6 (latest possible date)</p>
<p>Ex Date</p>	<p>X-1</p>
<p>Record Date</p>	<p>X</p>
<p>Allotment Date for the warrants</p>	<p>X+1</p>
<p>Quotation Date</p> <p><i>This is the day the warrants will be present in the NZX trading system</i></p> <p><i>Last date to release Capital Change Notice for warrants</i></p> <p><i>Rule 3.13.1</i></p>	<p>X+2</p>

Standard timetable for an Exercise of warrants that are quoted on the NZX Main Board

Action(s) or Event	Date
<p>Announcement of the Final Exercise Date and Final Exercise Price</p> <p><i>The Issuer should announce the Final Exercise Date and Final Exercise Price no later than 6 weeks prior to the Exercise Date. This information assists NZX with processing the final conversion.</i></p> <p><i>Issuers should include in the announcement the information required by Rule 3.15.1.</i></p> <p><i>Rule 3.15.1</i></p>	Y – 6 Weeks
<p>NZX Memo Released</p> <p><i>NZX will release an operational memo following the release of the Final Exercise Price to the market.</i></p>	Y – 6 weeks (following the announcement of the final exercise price)
<p>Last Trade Date</p> <p><i>This is the final day of trading of the warrants prior to being exercised. Warrants will be halted and suspended at close of business</i></p>	Y - 2
<p>Exercise Date</p> <p><i>This is the last quoted date for the warrants. Warrants will be removed from the trading system overnight</i></p>	Y
<p>Share Allotment Date</p> <p><i>Shares should be allotted within 10 Business Days of the last trade day (which is treated as the final closing date for the offer for the purposes of Rule 4.19.1)</i></p>	Y+10
<p>Last Date to Release Capital Change Notice</p> <p><i>The Capital Change Notice must be released no later than one Business Day after the shares have been issued.</i></p>	Y + 11

Action(s) or Event	Date
<i>Rule 3.13.1</i>	

Further information

The following Practice Notes will also assist when considering an offer of warrants.

- Application for Quotation
- QFP Exemption

If you have any questions please contact NZ RegCo Issuer Compliance at issuer@nzregco.com