NXT Market Procedures

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AN NZX MARKET

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Interpretation and Construction

Definitions incorporated by reference

Terms that are defined in the **rules** have the same meaning in these **procedures**, unless expressly stated or the context requires otherwise.

Interpretation and construction

Without limiting any provision in a **rule** relating to the application of that **rule** to one or more **procedures**, the glossary contained in the **rules** shall also apply to these **procedures**, with such necessary modifications to assist such application including a reference to a "**rule**" being replaced with a reference to a "**procedure**".

1. Generally accepted accounting practice

1) In these **procedures**, **generally accepted accounting practice** or **GAAP**—

   a) has the same meaning as generally accepted accounting practice in section 6(1) of the **FMC Act**; and

   b) includes, if the Financial Reporting Act 1993 applies in respect of the entity, generally accepted accounting practice within the meaning of that Act.

2) In these **procedures**, an amount or information is **determined in accordance with GAAP** or **prepared in accordance with GAAP** if—

   a) it is taken or derived from financial statements or group financial statements that are prepared in accordance with **GAAP**; or

   b) the amount or information would have appeared in financial statements or group financial statements prepared in accordance with **GAAP** if those statements had included the amount or information.

3) For the purposes of sub-clause (2), **GAAP** means,—

   a) in the case of information for **accounting periods** that have ended before the date of the **listing document**,—

      i) **GAAP** as in effect on the date of the **listing document**; or

      ii) **GAAP** as in effect during those **accounting periods**:

   b) in any other case, **GAAP** as in effect on the date of the **listing document**.

4) For the purposes of sub-clause (2), a requirement for an amount or information to be determined in accordance with **GAAP** or prepared in accordance with **GAAP** is subject to any provision that requires or permits pro forma financial information to be substituted for other financial information.

2. Relevant party

A person (**R**) is a **relevant party** in relation to another person (**A**) if—

   a) **A** is a body corporate and **R** has the power, directly or indirectly, to exercise, or control the exercise of, the rights to vote attaching to 25% or more of the voting products of **A**; or

b) **A** and **R** are acting jointly or in concert; or

c) **A** acts, or is accustomed to act, in accordance with the wishes of **R**; or

d) **R** is able, directly or indirectly, to exert a substantial degree of influence over the activities of **A**; or

e) **R** is a director or senior manager of **A** or of a relevant party of **A** under subparagraphs (a) to (d).

3. Status of examples

An example in the **procedures** is only illustrative of the clauses to which it relates. It does not limit those clauses. If an example and a clause to which it relates are inconsistent, the clause prevails.

Definitions

In these **procedures** the following terms bear the following meanings:

accounting period	has the same meaning as in the Financial Reporting Act 2013.
applicant's group	means the **applicant** and its subsidiaries.
crime involving dishonesty	has the same meaning as in section 2(1) of the Crimes Act 1961; and includes an offence committed in an overseas jurisdiction that, if committed in New Zealand, would be a crime involving dishonesty within the meaning of that Act.
ex date	in relation to a benefit, means the first **business day** before the **record date** for that benefit unless **NZX** determines otherwise.
FMC Act	means the Financial Markets Conduct Act 2013.
hydrocarbon	means a compound of the elements hydrogen and carbon, in either liquid or gaseous form. Natural gas and petroleum are mixtures of hydrocarbons.
hydrocarbon reserves	means proved hydrocarbon reserves, **probable hydrocarbon reserves** or **possible hydrocarbon reserves**.
interim accounting period	has the same meaning as in the Financial Reporting Act 2013.
KIS	means key information summary.
market participant	means a market participant as defined in the **NZX Participant Rules**
material information	for the purposes of the **procedure** for rules 2, 3 and 4 means information that – a) a reasonable person would expect to, or to be likely

to, influence persons who commonly invest in **securities** in deciding whether to acquire the **shares** to which the **listing document** relates; and

b) relates to the particular securities referred to in the **listing document** or the particular **applicant** or **NXT company,** rather than to securities generally or issuers generally.

mining tenement	includes an exploration licence and any mineral, oil, or natural gas lease or concession.
most recent period	means the **applicant group's** or the **group's** most recently completed **accounting period** before the date of the **listing document**
offer document	means a document containing an offer by a **NXT company** of **equity securities** or **securities convertible** into **equity securities**
P-1	means the **applicant group's accounting period** or the **group's accounting period** that immediately precedes the **most recent period.**
P-2	means the **applicant group's accounting period** or the **group's accounting period** that immediately precedes **P-1.**
P+1	means the **applicant group's accounting period** or the **group's accounting period** that will immediately follow the **most recent period**
P+2	means the **applicant group's accounting period** or the **group's accounting period** that will immediately follow **P+1**
permit	means a permit in terms of the Crown Minerals Act 1991 or a petroleum prospecting licence or petroleum mining licence in terms of the Petroleum Act 1937.
possible hydrocarbon reserves	means reserves less well defined by geological and geophysical control than **probable hydrocarbon reserves** and consist of extensions to the **proved and probable hydrocarbon reserves** areas where so indicated by geophysical and geological studies. The probability generally assigned to these reserves would be 25% but may be higher or lower.
probable hydrocarbon reserves	means those reserves that may be reasonably assumed to exist because of geophysical or geological indications and drilling done in regions which contain **proved hydrocarbon reserves**. This category may also include reserves commercially recoverable as a result of the beneficial effects which may be derived from the future institution of some form of pressure maintenance or other

	secondary recovery methods, or as a result of a more favourable performance of the existing recovery mechanism than that which would be deemed proved at the present time. There is equal risk of there being larger or smaller volumes of reserves resulting.
proved hydrocarbon reserves	means those reserves that, to a high degree of certainty, are recoverable, at commercial rates, under presently anticipated production methods, operating conditions, prices and costs. There is relatively little risk associated with these reserves.
record date	means the time fixed by a **NXT company** for the determination of the shareholders to whom an entitlement, right or obligation relating to the **shares** of that **NXT company** shall apply.
register entry	means the entry for the offer in the **register of offers of financial products**
register of offers of financial products	means the register of offers of financial products kept under Schedule 2 of the Financial Markets Conduct Act 2013
relevant period	means any of **P-2**, **P-1** and the **most recent period** and includes, if the **most recent period** ended more than 9 months before the date of the **listing document**, an **interim accounting period** from the balance date of the **most recent period** and ending on a stated date (being an **interim accounting period** that is not less than 6 months)
relevant proceeding or **action**	means: a) a civil or criminal proceeding or regulatory action (whether in New Zealand or overseas) in relation to the contravention of any- (i) financial markets legislation; or (ii) overseas law that regulates the supply of nay financial service, any dealing in financial products or the management of an entity; or b) a regulatory or disciplinary action for a breach of a professional or industry code or conduct or the rules of a financial product (whether in New Zealand or overseas).
share purchase plan	in relation to an offer made under a share purchase plan, means an offer to holders of **shares** to participate in an issue made under paragraph 2 of Schedule 3B of the **rules**
specified period	means the period starting at the beginning of **accounting period P-2** and ending on the date of the date of the

listing document.

Procedure for Rule 2 and Rule 27 – Offer Requirements

This is a **procedure** for **rule** 2 and **rule** 27 that prescribes:

- the types of offer for which **NZX** approval of an **offer document** is not required ("**exempt offers**");
- the types of offer for which **NZX** approval of an **offer document** is required;
- the content requirements for **offer documents** that are required to be approved by **NZX**; and
- the timetable requirements for all offers.

An **applicant** must comply with clauses 6 to 8 of this **procedure**.

1. Exempt Offers

1) A **NXT company** is not required to obtain **NZX's** approval of any document that contains an offer:

   a) that is made in reliance on the exclusion contained in clause 8 of Schedule 1 to the Financial Markets Conduct Act 2013, being an offer under an employee share purchase scheme;

   b) that is made in reliance on the exclusion contained in clause 3 of Schedule 1 to the Financial Markets Conduct Act 2013, that is an offer to wholesale investors; or

   c) that is made in reliance on the exclusion contained in clauses 4 or 5 of Schedule 1 to the Financial Markets Conduct Act 2013, that is an offer to persons in a close business relationship.

2. NZX approval required for other offers

1) A **NXT company** must prepare an **offer document** and obtain **NZX's** approval of that **offer document** under **rule** 95, if the **NXT company** makes an offer:

   a) in reliance on the exclusion contained in clause 10 of Schedule 1 to the Financial Markets Conduct Act 2013, that is a dividend reinvestment plan; or

   b) in reliance on the exclusion contained in clause 19 of Schedule 1 to the Financial Markets Conduct Act 2013, that is a **rights offer** (whether **renounceable** or non-**renounceable**).

2) A **NXT company** that is making an offer that is not an **exempt offer** or an offer referred to in sub-clause (1) above, must consult with **NZX** as to whether it is required to prepare an **offer document** that requires **NZX's** approval in relation to that offer. If **NZX** determines that an **offer document** is required, the **NXT company** must prepare an **offer document** and obtain **NZX's** approval of that **offer document** under **rule** 95. A **NXT company** must include such information in the **offer document** for the offer, as **NZX** requires.

3. Offer document requirements for dividend reinvestment plans

1) A **NXT company** must ensure that its **offer document** for a dividend reinvestment plan includes:

   a) a description of where information about the **NXT company's** dividend policy is available;

   b) the following statement:

*"[Name of **NXT company**] will take any necessary steps to ensure that the shares will be quoted on the NXT Market.NZX is a registered exchange under the Securities Markets Act 1988 and the NXT Market is a registered market under that Act. From 1 December 2014, NZX will be a licensed market operator under the Financial Markets Conduct Act 2013 and the NXT Market will be a licensed market due to the transitional provisions of that Act. NZX takes no responsibility for any statement in this document."*

   c) any other information that **NZX** in its sole discretion considers appropriate.

4. Offer document requirements for rights offers

1) A **NXT company** must ensure that its **offer document** for a **rights offer** includes:

   a) a statement of the principal terms of the **rights**;

   b) a timetable, which must comply with this **procedure**, including (as applicable):

      a. the initial **quotation** date for the **rights**;

      b. the date from which the **share** containing the entitlement to participate in the **rights** offer will be **quoted** on an "ex" basis;

      c. the closing date for the **rights offer**; and

      d. the final **quotation** date for the **rights**.

   c) The terms on which entitlements may be scaled up to a minimum number of **shares** that is not greater than a **minimum holding**;

   d) In respect of a **renounceable rights offer**, a statement that if the **NXT company** receives both a renunciation and acceptance in respect of the same **rights**, the renunciation will prevail;

   e) A renunciation and acceptance form, that is a standard form that has previously been provided by **NZX**;

   f) a description of where information about the **NXT company's** dividend policy is available;

   g) the applicable following statement:

      (i) "*[Name of **NXT company**] will take any necessary steps to ensure that the shares and rights will be quoted on the NXT Market. NZX is a registered exchange under the Securities Markets Act 1988 and NXT is a registered market under that Act. From 1 December 2014, NZX will be a licensed market operator under the Financial Markets Conduct Act 2013 and NXT will be a licensed market due to the transitional provisions of that Act. NZX takes no responsibility for any statement in this document*"; or

(ii) "*[Name of **NXT company**] does not intend that the rights offered in this document will be quoted on the NXT Market."*

5. Timetable requirements for rights offers

1) A **NXT company** making a **rights offer** (whether **renounceable** or non-**renounceable**) must give shareholders a reasonable time to deal with their **rights**. Without limiting this clause, a timetable for a **rights offer** must comply with the following requirements:

   a) letters of entitlement must be sent to shareholders within 5 **business days** of the **record date** for the **rights offer**; and

   b) the closing date must be at least 12 **business days** from the date on which letters of entitlement were sent to shareholders.

2) A **NXT company** making a **renounceable rights offer** must comply with the following requirements:

   a) the closing date for receipt of renunciations must be the same date as the closing date for receipt of application for the **securities**;

   b) the initial **quotation** date for the **renounceable rights** will be the **ex date** for the **rights offer** or such other date as approved by **NZX**;

   c) the date from which the **shares** under the **rights offer** will be **quoted** on an ex-basis will be the **ex date** for the **rights offer**; and

   d) the final **quotation** date for the **rights** will be 3 **business days** before the closing date.

Clauses 6 to 8 of this **procedure** specify timetable requirements for all offers of **equity securities** for which **NZX's** approval to an **offer document** is required. An **applicant** must comply with clauses 6 to 8 of this **procedure** as if they are a **NXT company** and as if references to **offer document** are references to **listing document**.

6. Closing date requirements for all offers

1) In relation to offers for which **NZX**'s approval is required, a **NXT company** or **applicant** must:

   a) immediately notify **NZX** if it decides to close an offer before the stated closing date;

   b) not extend a closing date unless **NZX** has been notified of the extended closing date at least 5 **business days** prior to the original closing date. A **NXT company** must not extend a closing date for an offer more than once without the prior consent of **NZX**.

7. Notification of level of subscription for all offers

1) If an offer of **securities** for which **NZX**'s approval of an **offer document** is required, has been underwritten, the **NXT company** shall notify **NZX** immediately after the under subscription is ascertained, and in any event not later than 5 **business days** after the closing date of the offer, whether any **equity securities** have been or are to be taken up by any underwriter or sub-underwriter in any capacity and if so, how many were or are to be taken up in that way.

2) If an offer of **securities** for which **NZX**'s approval of an **offer document** is required, has not been underwritten, the **NXT company** shall notify **NZX** of any under subscription immediately after the under subscription is ascertained, and in any event not later than 5 **business days** after the closing date of the offer. In the case of a **renounceable rights offer**, **NZX** must be notified of any under subscription of an issue which is not underwritten within 5 **business days** after the closing date for applications and renunciations.

3) If an offer of **securities** is oversubscribed, the **NXT company** shall make no announcement of that oversubscription unless that announcement specifies the precise percentage by which the offer has been oversubscribed.

8. Allotment date requirements for all offers

1) A **NXT company** issuing **shares** in an offer for which **NZX**'s approval of an **offer document** is required, and that will be **quoted** on **NXT** (other than **shares** issued under paragraphs 3 until 10 inclusive of Schedule 3B of the **rules**) must allot those **shares** within 5 **business days** of the closing date for the offer.

2) A **NXT company** issuing **shares** under a distribution reinvestment plan (under paragraph 5 of Schedule 3B of the **rules**) must allot those **shares** on the same day that dividends are paid to shareholders who did not participate in the issue.

Procedure for Rules 2, 3 and 4: NXT Listing Document

This is a **procedure** for **rules** 2, 3 and 4 that prescribes the requirements in relation to a **listing document**, including requirements as to the form and content for a **listing document** and the information that must be made available on the **NXT website** before releasing a **listing document** for distribution. In addition NZX may require a **listing document** to include additional information under **rule** 3(c).

1. Listing Document – prior to 1 December 2014

1) A **listing document** in relation to an offer of **equity securities** made before 1 December 2014, must comply with any exemption granted by the Financial Markets Authority from any requirements of the Securities Act 1978, in relation to offers of securities by the **NXT company** or an **applicant.**

2) A **listing document** for a compliance listing (where no offer of **equity securities** is being made by an **applicant**), prior to 1 December 2014, must comply with:

   (a) the form and general requirements set out in Schedule 1 to this **procedure;** and

   (b) the content requirements set out in Schedule 2 to this **procedure**;

   except where **NZX** determines that any of those requirements do not apply.

2. Listing Document – after 1 December 2014

1) A **listing document** in relation to an offer of financial products made on or after 1 December 2014, must comply with the requirements for a product disclosure statement under the **FMC Act** as modified by any exemption granted by the Financial Markets Authority, in relation to offers of financial products by a **NXT company** or an **applicant.**

2) A **listing document** in relation to a compliance listing (where no offer of **equity securities** is being made by an **applicant**) on or after 1 December 2014, must comply with the requirements set out in sub-clause 1, except where **NZX** determines that any of those requirements do not apply.

3. Listing Document for material transactions

A **listing document** for the purposes of **rule 38** must comply with the requirements contained in this procedure that apply to a **listing document** for a compliance listing.

4. Listing Document to be clear, concise and effective

A **listing document** must be worded and presented in a clear concise and effective manner; and the format, font and font size of the **listing document** must be easily readable.

5. Information to be included on the NXT website

A **NXT company** or **applicant** must include the information specified in Schedule 3 to this **procedure** on the **NXT website** before distributing a **listing document**.

Schedule 1

Compliance Listing: Listing Document Form and General Requirements

1. Limit on length of listing document

The **listing document** must comply with at least 1 of the following length limits:

a) 40 A4 pages when printed; or

b) 24000 words.

2. Information at front of **listing document** may be on separate cover page or before **KIS**

1) The information required or permitted under clause 1 of Schedule 2 to this **procedure** must be –

a) on a separate cover page; or

b) on the same page as, and before, the start of the **KIS**.

2) If sub-clause (1)(a) applies and the cover page contains no information other than the information required or permitted by clause 1 of Part 1 of Schedule 2 to this **procedure**, the cover page must be disregarded when determining whether the **listing document** complies with the length restriction that applies under clause 1 of this Schedule.

3. KIS

1) The listing document must contain a **KIS**.

2) The **KIS** must at the start of the **KIS** include in capitals and in a prominent position the words "KEY INFORMATION SUMMARY".

3) The **KIS** must comply with at least 1 of the following length limits:

a) 4 A4 pages when printed; or

b) 2400 words.

4) A **KIS** does not fail to comply with sub-clause (3) merely because it includes–

a) 1 or more brands or logos customarily used by the **applicant** or the **NXT Advisor**; or

b) a warning required to be contained in the **listing document** under an order made under section 49 of the Financial Markets Authority Act 2011.

5) The warning required in clause 1(1)(c) of Schedule 2 to this **procedure** and a warning referred to in sub-clause 4(b) must be disregarded when determining whether the **KIS** or **listing document** complies with the length restrictions that apply under sub-clause (3) or clause 1 of this Schedule.

4. Additional information

1) A **listing document** may contain any information in addition to the required or permitted information providing-

a) the **listing document** meets the length restriction that applies under clause 1 of this Schedule; and

b) either –

i) the additional information does not detract from the prominence of the information that is required to be included in the **listing document**; or

ii) the relevant information is included only after section 7 of the **listing document**.

5. General provisions relating to statements in particular form

1) This clause applies if Schedule 2 to this **procedure** requires a statement to be included in a **listing document** in a specified form or using prescribed wording.

2) A statement included or warning statement provided for the purpose of sub-clause (1) is not invalid just because it contains minor differences from the requirements prescribed by Schedule 2 to this **procedure** if the differences are necessary –

a) because particular information required is inapplicable to the **shares** to which the **listing document** relates; or

b) because additional or modified information that relates to the **securities** needs to be included to ensure the statement is not false, misleading, deceptive or confusing, in relation to the **securities** to which the **listing document** relates; or

c) to ensure the statement is grammatically correct.

6. Listing document not required to refer to matter that is not applicable

If a matter that is required by **procedure** to be contained in the **listing document** is not applicable to the **securities** to which the **listing document** relates, the **listing document** is not required to refer to that matter and is not required to state that the matter is inapplicable.

7. Section numbers may be renumbered

If a section of a **listing document** is not included because it is not applicable, the section heading numbers of the **listing document** may be renumbered and any references to those numbers may be consequentially renumbered.

8. Rules relating to financial measures

1) If a **listing document** includes a **non-GAAP profit measure**, the **listing document** must—

a) state that it is not a measure that is **determined in accordance with GAAP**; and

b) refer to where reconciliations from that **non-GAAP profit measure** to information **prepared in accordance with GAAP** can be obtained on the **applicant's NXT** webpage.

2) If a **listing document** includes a **GAAP financial measure** or a **non-GAAP financial measure** and either of the following applies, the **listing document** must include a statement to that effect:

a) any information used to calculate the financial measure is derived from financial statements, or group financial statements, that have not been audited by a **qualified auditor**:

b) any information used to calculate the financial measure is derived from audited financial statements, or audited group financial statements, in respect of which the auditor's report was qualified or referred to a fundamental matter in any respect.

3) If sub-clause (2)(b) applies, the **listing document** must explain what the qualification or fundamental matter was.

4) If the information required by sub-clause (1) or (2) would, but for this sub-clause, be required to be specified in 2 or more places in the **listing document**, the **listing document** may include the information in 1 or more of those places and in other places include a cross-reference to where the information may be found in the **listing document**.

5) In this clause,—

determined in accordance with GAAP, in relation to a measure, means that the measure may be calculated and presented in accordance with **GAAP**

GAAP financial measure means a numerical measure of an **applicant's** historical or future financial performance, financial position, or cash flows that is determined in accordance with **GAAP**

non-GAAP financial measure means a numerical measure of an **applicant's** historical or future financial performance, financial position, or cash flows that is used as an alternative to, or to supplement, a **GAAP** financial measure

non-GAAP profit measure means a non-**GAAP** financial measure that is used as an alternative to, or to supplement, net profit after tax.

Schedule 2

Compliance Listing prior to 1 December 2014: Listing Document Content Requirements

1. Information at the start of the listing document

1) The **listing document** must at the start of the **listing document**, -

   a) identify the **applicant** or **NXT company**; and

   b) state the date of the **listing document**; and

   c) contain a warning in the following form:

“**Warning**

The NXT Market (“NXT”) is a registered market operated by NZX Limited that is designed for smaller companies that are typically at an earlier stage of business development and accordingly, the risks of investing in companies listed on NXT may be higher than investing in other companies.

Under the NXT Market Rules, NXT companies are required to immediately disclose information concerning specific events prescribed in the NXT Market Rules, however it is possible that some price sensitive information may not be required to be disclosed, and therefore you could trade on NXT without the benefit of all price sensitive information in relation to a NXT company. The NXT Market Rules require NXT companies to have an insider trading policy and insider trading law applies to anyone trading on the NXT Market.

NZX has appointed market makers and research providers for NXT, however, there is uncertainty as to the level of liquidity on NXT, which may impact upon your ability to sell shares when you want to.

This document gives you important information about this investment to help you decide whether you want to invest, but does not contain as much information as a prospectus prepared under the Securities Act 1978. There is other useful information on the NXT website at: [insert link to NXT website]. [Name of applicant] has prepared this listing document in accordance with the NXT Market Rules. You can also seek advice from a financial adviser to help you to make an investment decision.”

   d) if the **applicant** or **NXT company** or the **applicant’s group** or **NXT company’s group** is currently loss making or has received an audit opinion that is modified (including where the opinion is adverse, qualified or disclaimed) include a prominent statement to that effect.

2) The **listing document** may also, at the start of the **listing document**, do any of all of the following:

   a) identify the **NXT Advisor**;

   b) include 1 or more brands or logos customarily used by the **applicant** or **NXT company,** or the **applicant’s group** or **group,** or the **NXT Advisor**.

2. Listing document sections

1) The **listing document** must have sections that are headed up, and ordered as follows:

   1. Key information summary

   2. [*Name of **applicant’s** group*] or [*name of **group***] and what it does

   3. Terms of the **shares**

   4. Key features of the **shares**

5. [*Name of* ***applicant group***]'s or [*name of* ***group***]'s financial information and key operating milestones

6. Risks to [*Name of* ***applicant group***]'s or [*Name of* ***group***]'s business and plans

7. Tax

8. Other material information

9. Where you can find more information

10. **Directors**' certification

11. Contact information

2) The sections of the listing document must be numbered sequentially.

Key information summary

3. Key information summary

1) The **KIS** must have sections that are headed up and ordered as follows:

What is this?

About [*name of* ***applicant's group***] or [*name of* ***group***]

Compliance listing statistics and important dates

How you can get your money out

Key operating milestones

Key risks affecting this investment

Where you can find [*name of* ***applicant group***]'s [*name of* ***group***]'s financial information

2) Clauses 4 to 10 specify the information that must be contained in the **KIS** under each of the headings in sub-clause (1).

3) The section heading relating to financial information may be amended in accordance with clause 10(2) and the section relating to financial information may be omitted in accordance with clause 10(3).

4. What is this?

1) The **KIS** must contain a statement in the following form:

"*Shares give you a stake in the ownership of [name of* ***applicant****] / [name of* ***NXT company****]. You may receive a return if *dividends are paid or [name of* ***applicant****] / [name of* ***NXT company****] increases in value and you are able to sell your shares at a higher price than you paid for them.*

If [name of ***applicant****] / [name of* ***NXT company****] runs into financial difficulties and is wound up, you will be paid only after all creditors *and holders of preference shares have been paid. You may lose some or all of your investment."*

*Omit the words "dividends are paid or" if those words are inapplicable or may be false, misleading, deceptive, or confusing.

*Omit the words "and holders of preference shares" if those words are inapplicable or may be false, misleading, deceptive, or confusing.

2) In the case of co-operative shares, the sentence in sub-clause (1) relating to a return may instead be in the following form:

"You could receive a return reflecting the performance of [name of **applicant**] / [name of **NXT company**] through [specify mechanism for receiving returns (for example, rebates)]."

5. About [name of applicant group] / [name of group]

1) The **KIS** must contain a brief description of the **applicant's group**'s or **group's** business.

Example

ABC Limited and its subsidiaries primarily invest in transport infrastructure in New Zealand, including in major roading public– private partnerships.

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6. Compliance listing statistics and important dates

1) The **KIS** must contain the listing statistics and important dates, briefly summarised in a table, including –

a) the total number of **shares** on issue as at the date of the **listing document**;

b) the total capital raised by the **applicant** over the 12 month period that ends on the date of the **listing document**;

c) the **quotation** date of the **shares**; and

2) If an investor is required to make payments on specified dates or at a specified frequency, the **listing document** must specify the payment dates or frequency and the consequences of failing to make the payments.

7. How you can get your money out

1) The **KIS** must include the following statement:

"[*Name of **applicant***] / [*name of **NXT company***] intends to quote these shares on the NXT Market. This means you may be able to sell them on that market if there are interested buyers. You may get less than you invested. The price will depend on the demand for the shares. You should refer to the warning at the start of this listing document for further information about the risks of investing on the NXT Market."

2) For the purposes of sub-clause (1), if the **applicant** or **NXT company** intends that the **shares** will be approved for trading on an overseas market (as well as being **quoted** on the **NXT Market**), the statement in that paragraph may be amended to refer to the name of the overseas market as well as the name of the licensed market.

3) The **KIS** must contain a description of the ability to redeem the **shares** (if any).

8. Key operating milestones

1) The **KIS** must —

a) state the **key operating milestones** for the **applicant's group** or **group** and targets for those **key operating milestones** in respect of the **most recent period** and **P+1**, in tabular format; and

b) include a statement in the following form:

"[Name of applicant] / [name of NXT company] considers that the key operating milestones in the above table, taken together address the most significant factors by which the performance of [name of applicant [and the applicant's group (if applicable)] / [name of NXT company [and group (if applicable)] should be assessed and monitored and will result in understandable reporting for investors"; and

c) include a statement in the following form:

"You should also read [*refer to a **listing document** page(s) or provide another **listing document** cross-reference to where further information about the **key operating milestones** may be found*] for more information about the key operating milestones including the reasons why [*name of **applicant***] / [*name of **NXT company***] selected the key operating milestones, the applicant group's or group's strategies and plans for achieving the targets included in the above table and the key assumptions relating to those targets."

9. Key risks affecting this investment

1) The **KIS** must include a statement in the following form:

"*Investments in shares are risky and investing on the NXT Market carries additional risks compared with investing in other securities markets operated by NZX (see the warning statement at the start of this listing document for further information). You should consider if the degree of uncertainty about the [name of **applicant's** group]'s / [name of **group**]'s future performance and returns is suitable for you. The price of these shares should reflect the potential returns and the particular risks of these shares.*

*[Name of **applicant]** / [name of **NXT company**] considers that the most significant risk factors that could affect the value of the shares are: [brief summary of the most significant risk factors that the applicant considers may affect the value of the **equity securities**]."*

2) In the case of co-operative shares, the statement in sub-clause (1) may instead be in the following form:

"*[Name of **applicant**] / [name of **NXT company**] considers that the most significant risk factors that could affect the returns received from holding these shares are: [brief summary of the most significant risk factors that the **applicant** or **NXT company** considers may affect the returns]."*

3) The brief summary under sub-clause (1) or (2) must include particulars that make it clear why each circumstance is of particular significance in relation to the particular **applicant** or **NXT company** or the particular **shares** (as compared to other issuers or **equity securities**).

4) The **KIS** must include a statement in the following form after the statement in sub-clause (1) or (2):

"*This summary does not cover all of the risks of investing in shares. You should also read [references to section 6 of the listing document (risks to [name of **applicant's** group]'s / [name of **group**]'s business and plans) and to other places in the listing document that describe risk factors (for example, risks arising for investors from the nature of the security) and to the information about the risks of investing in the NXT Market at the start of this listing document."*

10. Where you can find [name of applicant's group]'s or [name of group]'s financial information

1) The **KIS** must include a statement in the following form:

"The financial position and performance of [*name of **applicant** group*] / [*name of **group***] are essential to an assessment of this investment. You should also read [reference to section 5 of the listing document ([*name of **applicant's** group]'s / [name of **group**]'s financial information and **key operating milestones***)]."

2) The **KIS** must include 1 or more items of financial information that may be included in the listing document under clause 28 (in which case the words "where you can find" may be omitted from the heading of this section of the **KIS**).

3) This clause does not apply if no financial information is required to be provided under section 5 of the **listing document**.

11. Table of contents

1) After the **KIS**, the **listing document** must include a table of contents showing the number of each section of the **listing document**, the heading of each section of the **listing document**, and the page number, or cross reference in the **listing document** on which the section starts.

12. Letter from chairperson of applicant's or NXT company's board

1) After the **KIS** and the table of contents, the **listing document** may include a letter from the chairperson of the board of the **applicant** or **NXT company**.

[*Name of applicant's group*] / [*name of group*] and what it does

13. Application

Clauses 14 to 20 apply to section 2 of the **listing document** ([*name of **applicant's** group*]/ [*name of **group***] and what it does).

14. Overview

1) The **listing document** must give an overview of the business of the **applicant's** group or the **group**.

2) The overview—

    a) must cover the **specified period** (or any shorter period for which it has been in business); and

    b) may cover a longer period if information about a longer period involves **material information**.

3) The overview must,—

    a) if the **applicant** or **NXT company** has **subsidiaries**, include a diagram or brief description of the **applicant's group** or **group**, which must—

        i) identify the most significant members of the **applicant's** group or **group**; and

        ii) if New Zealand is not the place of incorporation of the **applicant or NXT company**, specify the place of incorporation of the **applicant** or **NXT company**; and

    b) if the membership of the **applicant's** group or **group** is likely to change during P+1, include, in that diagram or description, information about the likely changes (to the extent that information about the changes is **material information**); and

    c) describe the nature of the operations, and the main activities, of the **applicant's group** or **group** and specify how long it has been undertaking that kind of business; and

d) briefly describe, in relation to the period covered by the overview, any change to those operations or activities if information about the change is **material information**; and

e) briefly describe, in relation to the period covered by the overview, the purchase or sale of any assets by any member of the **applicant's group** or **group** if—

i) information about the purchase or sale is **material information**; and

ii) the purchase or sale is not carried out in the ordinary course of business of the member; and

f) briefly describe the main industry or sector, or industries or sectors, in which the **applicant's group** or **group** operates; and

g) identify the current aspects of the business that are key to generating returns for holders of the **shares**; and

h) briefly describe the **applicant's** group's or **group's** key strategies and plans for generating further returns for holders of the **shares**; and

i) briefly describe the key factors that are likely to influence the **applicant's group's** or **group's** ability to achieve those returns; and

j) if either or both of the following has occurred in respect of any member of the **applicant's group** or the **group** or a **relevant party** of a member of the **applicant's group** or the **group**, include a statement to that effect:

i) the member or **relevant party** has at any time been subject to an insolvency event or been convicted of a **crime involving dishonesty**:

ii) the member or **relevant party** has, in the 10-year period preceding the date of the **listing document**, been the subject of a successful **relevant proceeding or action**:

k) if any **relevant proceeding or action** is pending in respect of any member of the **applicant's group** or the **group** or a **relevant party** of a member of the **applicant's group** or the **group** at the date of the **listing document**, include a statement to that effect.

4) Sub-clause (3)(j) is not limited by sub-clause (2).

5) Sub-clause (3) applies in relation to a **relevant party**—

a) only to the extent that information about the matter is **material information**; and

b) only to the extent that the **applicant** is aware of information about the **relevant party** after having made reasonable endeavours to obtain all relevant information; and

c) only if the **relevant party** is an entity.

6) Sub-clause (3)(j)(ii) and (k) apply only to the extent that information about a matter is **material information**.

15. Directors, senior managers, and individual relevant parties

1) The **listing document** must—

   a) specify the names of—

      i) every **director** of the **applicant** or **NXT company**; and

      ii) every proposed **director** of the **applicant** or **NXT company** ; and

      iii) every **senior manager** of the **applicant** or **NXT company**; and

      iv) every proposed **senior manager** of the **applicant** or **NXT company**; and

   b) if any of the following have, at any time, occurred in respect of a person referred to in paragraph (a) or a **relevant party** of a member of the **applicant's group** or the **group** (whether in New Zealand or overseas), include a statement to that effect and the name and any alternative or former name or names of the person:

      v) the person has been adjudged bankrupt:

      vi) the person has been convicted of a **crime involving dishonesty**:

      vii) the person has been prohibited from acting as a **director**, or from taking part in the management, of an entity:

   c) if either or both of the following has occurred in respect of a person referred to in paragraph (a), or a **relevant party** of a member of the **applicant's group** or the **group,** in the 10-year period preceding the date of the **listing document**, include a statement to that effect and the name and any alternative or former name or names of the person:

      i) the person has been a **director** or a **senior manager** of an entity that, while the person held that position or within 2 years after the person ceased to hold that position, became subject to an insolvency event:

      ii) the person has been the subject of a successful **relevant proceeding or action**:

   d) if any **relevant proceeding or action** is pending in respect of a person referred to in paragraph (a) or a **relevant party** of a member of the **applicant's group** or the **group** at the date of the **listing document**, include a statement to that effect.

2) Sub-clause (1)(c)(i) applies only to the extent that information about the matter is **material information**.

3) Sub-clause (1) applies in relation to a **relevant party**—

   a) only to the extent that information about the matter is **material information**;

   b) only to the extent that the **applicant** or the **NXT company** is aware of information about the **relevant party** after having made reasonable endeavours to obtain all relevant information; and

   c) only if the **relevant party** is an individual.

4) The **listing document** may include information about the role, position, skills, experience, or background of a **director**, proposed **director**, **senior manager** or proposed **senior manager** of the **applicant** or the **NXT company** if it is **material information**.

5) The **listing document** may include a brief description of the composition and role of the Audit Committee and any other governance committee of the **applicant** or the **NXT company**, to the extent such information is **material information**.

16. Overview must include information about acquired businesses, subsidiaries, and bodies corporate

1) This clause applies if—

   a) either or both of the following apply:

      i) a member of the **applicant's group** or the **group** acquired a business, or became a **subsidiary** of the **applicant** or the **NXT company**, at any time in a **relevant period**:

      ii) the **listing document** contains a statement to the effect that a member of the **applicant's group** or the **group** intends to acquire a business or to acquire **equity securities** that will result in a body corporate becoming a **subsidiary** of the **applicant** or **NXT company**; and

   b) financial information about the business, subsidiary,or body corporate is **material information**.

2) The information under clause 14(3)(c) to (g), (j), and (k) must include information on the business, subsidiary, or body corporate as if references to the **applicant's group** or the **group** included references to the business, subsidiary, or body corporate.

17. Table of substantial shareholders and of relevant interests held by directors and senior managers, etc

1) The **listing document** must include 1 or more tables showing the information under—

   a) sub-clause (2)(a),(b), and (c) in relation to each security holder of an **applicant** that has, as at a date not earlier than 20 working days before the date of the **listing document**, relevant interests in 5% or more of a class of **relevant securities**:

   b) sub-clause (2)(a),(b), and (d) in relation to each person who is likely to have, immediately after the listing, relevant interests in 5% or more of a class of **relevant securities**:

   c) sub-clause (2)(a), (b), (c), and (d) in relation to each **director**, proposed **director**, **senior manager**, or proposed **senior manager** of an **applicant**.

2) The information is—

   a) the name of the person referred to in sub-clause (1)(a) to (c) ("**A"**):

   b) the legal ownership or other nature of the relevant interest that is held, or that is likely to be held, by **A**:

   c) the percentage and number of the total **relevant securities** of each class that are held by **A** as at a date not earlier than 20 working days before the date of the **listing document**:

d) the percentage and amounts of the total **relevant securities** of each class that are likely to be held by **A** immediately after the listing.

3) Disclosure under this clause must be made on the basis of information of which an **applicant** is aware after having made reasonable endeavours to obtain all relevant information for the purposes of preparing that disclosure.

4) The **listing document** is not required to include information under this clause relating to co-operative shares held by a **director**, proposed **director**, **senior manager**, or proposed **senior manager** if –

a) the co-operative shares are acquired by the **director**, proposed **director**, **senior manager**, or proposed **senior manager** in his or her capacity as transacting shareholder; and

b) the information is not **material information**.

5) In this clause, **relevant security**—

a) means an **equity security** of the **applicant**; and

b) includes a **security** that will be **converted**, or is or may become **convertible**, into an **equity security** of the **applicant**.

18. Options to acquire securities of applicant or NXT company

1) If an option to acquire **equity securities** is granted to, or is proposed to be granted to, any person by or on behalf of the **applicant** or the **NXT company**, the **listing document** must contain the following information in respect of each class of the **securities** that are under option:

a) a description of the class of **securities**:

b) the total number of **securities** to which the option relates:

c) the price of each **security**:

d) the consideration (if any) given or to be given for each option and the expiry date of the option.

2) In this clause, **equity securities** means any equity securities of the **applicant** or the **NXT company**—

a) that are **shares**; or

b) that rank equally with, or in priority to, **shares** in respect of –

i) a liquidation of the **applicant**; or

ii) the payment of dividends.

19. Other equity securities of applicant or NXT company

1) If another class of **equity securities** of the **applicant** or **NXT company** (**class A securities**) ranks equally with, or in priority to, the **applicant**'s or **NXT company's shares**, the **listing document** must—

a) identify the **class A securities** and the number of those **class A securities** on issue; and

b) describe the ranking of the **shares** as compared with the **class A securities** in respect of—

i) a liquidation of the **applicant** or **NXT company**; and

ii) the payment of dividends.

2) The **listing document** must contain particulars of any voting rights or pre-emptive rights attaching to other classes of **equity securities** of the **applicant** or **NXT company** if those same rights are not attached to the **shares**.

3) If any other class of **equity securities** of the **applicant** or **NXT company** that would rank equally with, or in priority to, the **shares** could be issued (under the **applicant**'s or **NXT company's** constitution) without a **special resolution** of shareholders, the **listing document** must—

a) state that fact; and

b) briefly describe the circumstances in which those **securities** could be issued.

4) In this clause, **equity securities** rank equally with, or in priority to, the **shares** with, or in priority to, the **shares** referred to in the **listing document** in either or both of the following circumstances:

a) a liquidation of the **applicant** or **NXT company**:

b) the payment of a dividend.

5) In this clause, **equity securities**—

a) means any equity securities of the **applicant** or **NXT company**; but

b) does not include options.

20. Interests of directors, senior managers, etc

1) The **listing document** must—

a) state, in respect of each **director** or proposed **director** of the **applicant** or **NXT company**, the total of the remuneration and the value of other benefits received by that **director** or proposed **director** in respect of the **applicant** or **NXT company** or any other member of the **applicant's group** or the **group** during the **most recent period**; and

b) describe the nature of any services provided by a **director** or proposed **director** of the **applicant** to which that remuneration or those benefits relate (other than services provided in that person's capacity as a **director**); and

c) state the number of **employees** or former **employees** of the **applicant** or **NXT company**, not being **directors** of the **applicant** or **NXT company**, who, during the **most recent period**, received remuneration and any other benefits in their capacity as **employees**, that in value was or exceeded $100,000 per annum, and must state the number of such **employees** or former **employees** in brackets of $10,000.

2) If the **applicant** or **NXT company** has reasonable grounds to believe that the remuneration or benefits of the kind referred to in sub-clause (1) for **P+1** will be materially different from the remuneration or benefits disclosed under that sub-clause, the **applicant** or **NXT company** must include—

   a) a statement to that effect; and

   b) a brief description of the expected differences.

3) The **listing document** must specify particulars of any direct or indirect material interest in the **applicant** or **NXT company** or any **subsidiaries**, or in any agreement entered into by or on behalf of or in respect of the **applicant** or or **NXT company** any **subsidiaries**, that—

   a) any **specified person** has, or has had, at any time during the **specified period**; and

   b) is material to either or both of the person who has the interest and the **applicant** or **NXT company** any **subsidiaries**.

4) In this clause, **specified person** means a **director** or proposed **director**, **senior manager** or proposed **senior manager** of the **applicant**, or an associated person as that term is defined in section 12 (1) of the **FMC Act** of any of them.

21. Other material governance disclosures

1) The **listing document** must describe—

   a) any ability under the **applicant**'s or **NXT company's** constitution or any other agreement for 1 or more persons to exercise a power that would usually be exercised by the shareholders by resolution; and

   b) any restrictions under the **applicant**'s constitution or **NXT company's** constitution or any agreement on the ability of the shareholders to control the composition of the board of the **applicant** or **NXT company**; and

   c) any provision under the **applicant**'s or **NXT company's** constitution or any agreement that provides for the board of the **applicant** or **NXT company**, or a **director** of the **applicant**, or **NXT company** to act in a manner that the board or the **director** believes is in the best interests of a person other than the **applicant** or **NXT company** (even though it may not be in the best interests of the **applicant** or **NXT company**).

Terms of the shares

22. Application

Clause 23 applies to section 3 of the listing document (terms of the shares).

23. Terms of the shares

1) The **listing document** must include a table that sets out the terms of the **shares** or provides a cross-reference to where those terms can be found in the **listing document**.

2) Sub-clause (1) does not apply to any terms implied by law.

3) The **listing document** must—

a) refer to the constitution and any other deed or agreement that sets the terms of the **shares** or other terms of the shares; and

b) include a statement to the effect that these documents may be obtained from the **applicant's** webpage or **NXT company's** webpage on the **NXT website**.

4) To the extent that the **applicant** or **NXT company** considers that the terms referred to in sub-clause (3) are not key terms, the **listing document** may, rather than setting out those terms in the table under sub-clause (1),—

a) briefly describe the nature of those terms; and

b) refer to the constitution or deed or agreement under which the terms are set.

Key features of the shares

24. Application

Clause 25 applies to section 4 of the **listing document** (key features of shares).

25. Key features

1) The **listing document** must include a description of—

a) the key features of the **shares** (to the extent that those features are not already disclosed in section 4 of the **listing document** (terms of the shares) and are not features that apply to ordinary **shares** in a **company** generally); and

b) the **applicant**'s or **NXT company's** dividend policy.

2) The description under sub-clause (1)(a) must be sufficient to make it clear why a feature is of significance to investors.

3) The description under sub-clause (1)(b) must—

a) specify the dates and amounts of dividends per **share** that are declared by the **applicant** or **NXT company** in the **specified period**; and

b) refer to the information on dividends under section 6 of the listing document (see clause 28(1)(d)); and

c) include a statement to the effect that dividends are not guaranteed, are at the discretion of the **directors**, and will be declared only after meeting appropriate solvency requirements.

4) The information under sub-clause (3)(a) about a dividend may be omitted if the dividend policy described under sub-clause (1)(b) has significantly changed from the dividend policy that applied when the dividend was declared (and if no information is included about any dividend under sub-clause (3)(a), the information under sub-clause (3)(b) must be omitted).

[Name of applicant group]'s/ [*Name of group*]'s financial information and key operating milestones

26. Application

Clauses 27 to 29 apply to section 5 of the listing document ([*name of **applicant** group*]'s /[name of **group**]'s financial information and key operating milestones).

However, the words "financial information and" can be omitted from the heading for section 5 if no financial information is required to be included in the **listing document** under clause 28.

27. Applicant group's or the group's financial information

The **listing document** must include a statement in the following form:

"These tables provide key financial information about [*name of **applicant's group***] / [*name of **group***]. Full financial statements are available on the NXT website at [*specify Internet site address*] and on the New Zealand Companies Office Register at [*insert link*]. If you do not understand this financial information, you can seek advice from a financial adviser or an accountant."

28. Selected financial information (table 1)

1) The **listing document** must include a table headed "**Selected financial information**" that contains, at a minimum, the following information for the **applicant's group** or the **group** for each of the **relevant periods**:

    a) revenues as **determined in accordance with GAAP**:

    b) net profit after tax plus interest, tax, depreciation, and amortisation (EBITDA) as each of those items is **determined in accordance with GAAP**:

    c) net profit after tax as **determined in accordance with GAAP**:

    d) dividends on all **equity securities** of the **applicant** or **NXT company** (showing both the total dividends for each class of **equity securities** and a total for all of the **equity securities**):

    e) total assets as **determined in accordance with GAAP**:

    f) cash and cash equivalents as **determined in accordance with GAAP**:

    g) total liabilities as **determined in accordance with GAAP**:

    h) total debt (being liabilities, as **determined in accordance with GAAP**, that are owed under debt securities):

    i) net cash flows from operating activities as **determined in accordance with GAAP**.

2) Sub-clause (3) applies if—

    a) either or both of the following apply:

        i) a member of the **applicant's group** or the **group** acquired a business, or became a **subsidiary** of the **applicant** or **NXT company**, at any time in a **relevant period**:

        ii) the **listing document** contains a statement to the effect that a member of the **applicant's group** or the **group** intends to acquire a business or to acquire

equity securities that will result in a body corporate becoming a **subsidiary** of the **applicant**; and

b) financial information about the business, subsidiary, or body corporate is **material information**.

3) If this sub-clause applies, either or both of the following paragraphs must be complied with:

a) the **listing document** must, in the table under sub-clause (1) or in 1 or more separate tables, separately specify the information referred to in sub-clause (1)(a) to (c) and (e) to (i) for the business, **subsidiary**, or body corporate for a **relevant period** if it was not part of the **applicant's group** or the **group** for any part of that period (but this paragraph does not require information for a **relevant period** after it ceased to be a part of the **applicant's group** or the **group**); or

b) pro forma financial information that is prepared as if the business, **subsidiary**, or body corporate were a part of the **applicant's group** or **group** for each of the **relevant periods** must be substituted for financial information referred to in sub-clause (1) (see clause 37(1)(h)).

4) In this clause, **equity securities** means any equity securities (and not only those being referred to in the **listing document**).

29. Miscellaneous rules relating to table 1

1) The following rules apply to information that is prepared under clause 28:

a) in table 1, information for the **most recent period, P-1**, or **P-2** is not required if no member of the **applicant's group** or **group** was in operation during that period:

b) if at the date of the **listing document**, the **applicant** or the **NXT company** has not completed its first **accounting period** but a member of the **applicant's group** or the **group** has commenced business and has acquired an asset or has incurred a debt, information under clause 28 must be provided for the **applicant's group** or the **group** for the period from the date of commencement of business and ending on a stated date that is not more than 4 months before the date of the **listing document**:

c) other financial measures and non-financial information may be added to a table if the **applicant** or **NXT company** reasonably considers that the added information is likely to be useful for investors:

d) another **GAAP financial measure** or **non-GAAP financial measure** may be substituted for EBITDA or debt if the **applicant** or **NXT company** reasonably considers that the other financial measure is likely to be more useful to investors than EBITDA or debt:

e) in the case of a listing of co-operative shares, other financial measures of earnings or distributions may be substituted for EBITDA, net profit, or dividends, if the **applicant** or **NXT company** reasonably considers that the other financial measure is likely to be more useful to investors:

f) in the case of paragraph (d) or (e), the substituted information must be included in the same place in the table as the information that is replaced and any description and note in the table must be consequentially modified:

g) interim financial information using amounts **determined in accordance with GAAP** may be added to table 1:

h) if there are any factors that would materially affect the comparability of the information reflected in table 1 (for example, changes to accounting policies, business combinations, or dispositions),—

i) pro forma financial information may be added to a table or substituted for financial information for a period; or

ii) the **listing document** must include explanatory notes about those factors if those notes are necessary or desirable to explain the effect of the factors on that comparability:

i) in the case of the **listing document** including pro-forma information, the **listing document** must—

i) identify any information derived from financial statements or other information that has not been **determined in accordance with GAAP**; and

ii) briefly describe the basis on which pro-forma information has been prepared; and

iii) refer to where information about the principal assumptions on which the pro forma financial information is based can be obtained on the **NXT website**; and

iv) refer to where reconciliations to information **prepared in accordance with GAAP** can be obtained on the **NXT website**.

30. Other financial information

Schedule 3 to this **procedure** contains other rules on financial information that the **listing document** must contain.

31. Key operating milestones

1) The **listing document** must include **key operating milestones** for the **applicant's group** or the **group** and targets for those **key operating milestones**, in respect of **P+1** and **P+2**, in tabular format.

2) Immediately under the table required by sub-clause (1),the **listing document** must include:

a) the key assumptions relating to the targets included in that table;

b) a statement of the **applicant's group's** or the **group's** key strategies and plans for achieving the targets in that table and generating further returns for shareholders; and

c) the reasons why the **applicant** or **NXT company** has selected the **key operating milestones** in the table by reference to how those **key operating milestones** are relevant to the key strategies and plans and generating returns for shareholders referred to in paragraph (b).

3) The **listing document** must include the following statement:

*"Under the NXT Market Rules, [name of **applicant**] / [name of **NXT company**] will be required to immediately disclose information concerning specific events prescribed in the NXT Market Rules, however it is possible that some price sensitive information may not be required to be disclosed, and therefore you could trade on*

*NXT without the benefit of all price sensitive information in relation to [name of **applicant**] / [name of **NXT company**].”*

4) The **listing document** must:

   a) describe what a business update is and when the first business update following the date of the **listing document** is due and that thereafter the **applicant** or **NXT company** will provide business updates on a quarterly basis;

   b) describe what an interim update is and the circumstances in which the **applicant** or **NXT company** will provide an interim update; and

   c) explain how the **applicant**’s or **NXT company’s** business updates and interim updates can be obtained on the **NXT website**.

5) The **listing document** must include the following statement:

“*After due enquiry, the directors of [name of **applicant**] / [name of **NXT company**] are of the opinion that taken together, the key operating milestones contained in this listing document, address the most significant factors by which the performance of the [name of **applicant’s** group]’s or [name of the **group**]’s business should be assessed and monitored and will result in understandable reporting for investors*. ”

6) The **listing document** must include the following statement:

“*The key operating milestones and targets for the **applicant’s group** or the **group** may change over time. [Name of **applicant**] / [name of **NXT company**] will review the key operating milestones annually. Any restatement of the key operating milestones and any reset of the annual targets will be disclosed in a business update in accordance with the NXT Market Rule*s.”

Risks to [name of applicant group]’s or [name of the group]’s business and plans

32. Application

Clauses 33 to 34 apply to section 6 of the **listing document** (risks to [*name of **applicant group***]’s / [*name of the **group***]’s business and plans).

33. Risks

1) The **listing document** must include a brief description of the circumstances that the **applicant** or **NXT company** is aware of that exist or are likely to arise that significantly increase the risk to the **applicant group’s** or the **group’s** financial position, financial performance, or stated plans.

2) The description of the circumstances must include—

   a) particulars that make it clear why each circumstance is of particular significance in relation to the particular **applicant** or **NXT company** or the particular **shares** (as compared to other issuers or **shares**); and

   b) particulars that will, to the extent reasonably practicable, assist an investor to assess the likelihood of the risk arising, the nature of its impact, and the potential magnitude of that impact.

3) The description is only required to include information about circumstances to the extent that the information is **material information** that is not generally available to the market.

34. Risks otherwise disclosed in listing document or on NXT website

If a risk is described elsewhere in the **listing document** (other than the **KIS**) or on the **applicant's** webpage or the **NXT company's** webpage on the **NXT website**, the **listing document** is not required to include the information under clause 33 in respect of that risk but must instead include a brief summary of the general nature of the risk and a reference to where the description of the risk is set out in the **listing document** or on the **applicant's** webpage or the **NXT company's** webpage on the **NXT website**.

Tax

35. Application

Clauses 36 applies to section 7 of the **listing document** (tax).

36. Taxation

1) The **listing document** must include a statement to the effect that—

    a) tax can have significant consequences for investments; and

    b) if an investor has queries relating to the tax consequences of the investment, the investor should obtain professional advice on those consequences.

2) This **listing document** section may include other information on the tax consequences of the investment if, and only if, the information relates to the particular **shares** to which the **listing document** relates (rather than to **equity securities**, or classes of **equity securities**, generally).

Other material information

37. Application

Clause 38 applies to section 8 of the **listing document** (other material information).

38. Other material information

The **listing document** must–

a) include a brief description of all other **material information** relating to the **shares** to which the **listing document** relates that is not expressly set out elsewhere in the **listing document**;

b) state that further information about the **material information** referred to in paragraph (a) can be found on the **applicant's** or **NXT company's** webpage on the **NXT website** and include a link or URL for the page or section of the **applicant's** or **NXT company's** webpage on the **NXT website** where such further information is set out; and

c) state that the information on the **applicant's** webpage or **NXT company's** webpage on the **NXT website** forms part of the **listing document**.

Where you can find more information

39. Application

Clause 40 applies to section 9 of the **listing document** (where you can find more information).

40. Where you can find more information

1) The **listing document** must include a statement to the effect that further information relating to the **applicant** or **NXT company** and the **shares** is available free of charge on the **applicant's** webpage or **NXT company's** webpage on the **NXT website** at [*insert link*] (for example, the **applicant's** constitution and financial statements).

2) If applicable, the **listing document** must include—

   a) a link to, or URL for, an Internet site for a register kept by the Registrar on which there is an entry for the **applicant** or the **NXT company** (for example, the New Zealand register or the overseas register kept under the Companies Act 1993); and

   b) a statement to the effect that further information relating to the **applicant** or the **NXT company** is available from that Internet site.

3) The **listing document** must include a statement—

   a) briefly describing any information relating to the **applicant** or the **NXT company** or the **shares** to which the **listing document** relates that is required to be, or otherwise will be,—

      i) available to the public by any means other than on the **NXT website** or the register referred to in sub-clause (2)(a); or

      ii) on request to the **applicant** or the **NXT company;** and

   b) explaining—

      i) how that information can be obtained; and

      ii) how a request for that information should be made; and

   c) specifying whether any charge may be made for the information that is requested and the amount of the charge.

Directors' certification

41. Application

Clause 42 applies to section 10 of the **listing document** (**directors'** certification)

42. Directors' certification

The **listing document** must include a statement from the **directors** as to whether, in their opinion, after due enquiry by them, any of the following has materially and adversely changed during the period between the end of the **most recent period** or **interim accounting period** for which the latest financial statements or interim financial statements for the **applicant's group** or the **group** have been lodged by the **applicant** or the **NXT company** with **NZX** for display on the **applicant's** webpage on the **NXT website** and the date of the **listing document**:

   a) the trading or profitability of the **applicant's group** or the **group**:

   b) the value of the **applicant's group's** or the **group's** assets.

Contact information

43. Application

Clause 44 applies to section 11 of the **listing document** (contact information).

44. Contact details

1) The **listing document** must state the contact details of—

   a) the **applicant** or the **NXT company;** and

   b) the **NXT advisor**; and

   c) the securities registrar (if the register will be kept on behalf of the **applicant** or the **NXT company**); and

   d) 1 or more **employees** or agents of the **applicant** or the **NXT company** to whom queries or complaints about the **equity securities** can be made.

2) The contact details must include an address and a business telephone number.

Schedule 3

Information to be published on NXT website

1. Financial information to be published on NXT website

1) This clause applies only if, before the date of the **listing document**, a member of the **applicant's group** has commenced business and—

   a) has acquired an asset; or

   b) has incurred a debt.

2) The **applicant** must lodge the following financial information with **NZX** for display on the **applicant's** webpage on the **NXT website**:

   a) group financial statements for the **applicant's** group for the **most recent period, P-1, and P-2**:

   b) financial statements for each business, **subsidiary**, or body corporate referred to in clause 28 of Schedule 2 of this **procedure** for each of the following periods if the business, **subsidiary**, or body corporate was not a part of the **applicant's** group during any part of that period:

      i) the **most recent period** :

      ii) **P-1**:

      iii) **P-2**:

   c) if a table prepared under clause 28 of Schedule 2 of this **procedure** includes interim financial information derived from interim financial statements, those interim financial statements:

   d) if the **most recent period** ended more than 9 months before the date of the **listing document**, interim financial statements for the **applicant's** group for an **interim accounting period** from the date of the group financial statements for the **most recent period** and ending on a stated date (being an **interim accounting period** that is not less than 6 months):

   e) if a table prepared under clause 28 of Schedule 2 of this **procedure** includes pro forma financial information, a description of the principal assumptions on which the pro forma financial information contained in the **listing document** is based:

   f) in the case of clause 8(1) of Schedule 1 of this **procedure**, a reconciliation between the following:

      i) the information used to calculate the financial measure that is derived from financial information that has not been **prepared in accordance with GAAP**:

      ii) financial statements or other financial information that has been **prepared in accordance with GAAP**.

3) The **group** financial statements or financial statements referred to in sub-clause (2)(a) or (b) for the **most recent period** must be **prepared in accordance with GAAP** and

audited by a **qualified auditor**, and be accompanied by a copy of the auditor's report on those statements.

4) However, group financial statements or financial statements included on the **applicant's** webpage on the **NXT website** and are not required to include comparative information for any period before **P-2**.

5) For the purposes of sub-clause (2)(a) and without limiting sub-clause (3), instead of the **applicant's** webpage on the **NXT website** including separate group financial statements for each of the **most recent period, P-1, and P-2** the webpage may contain group financial statements for the **applicant's** group for the **most recent period** that incorporate comparative information for **P-1** and **P-2**.

6) Group financial statements for the **most recent period**, **P-1**, or **P-2** are not required if no member of the **applicant's** group was in operation during that period.

7) If the **applicant** has not, at the date of the **listing document**, completed its first **accounting period**,—

   a) sub-clause (2)(a) does not apply; but

   b) the **applicant's** webpage on the **NXT website** must contain—

      i) group financial statements for the **applicant's** group that are **prepared in accordance with GAAP** for the period from the date of commencement of business and ending on a stated date that is not more than 4 months before the date of the **listing document**; and

      ii) a **qualified auditor**'s report on those statements.

8) If group financial statements or interim financial statements referred to in sub-clause (2) are not **prepared in accordance with GAAP**, the **applicant's** webpage on the **NXT website** must include—

   a) a statement to that effect; and

   b) a statement that those financial statements may contain different financial information from the information in the table headed "Selected financial information" in the **listing document**; and

   c) a statement explaining why those financial statements are not **prepared in accordance with GAAP**.

9) The interim financial statements referred to in sub-clause (2)(c) or (d) must be—

   a) prepared in accordance with NZ IAS 34 (but need not be audited); and

   b) accompanied by the audit or review report on those statements (if any).

10) For the purposes of sub-clause (2)(e), the reconciliation must—

   a) be a tabular reconciliation to **GAAP**; and

   b) disclose each material adjustment; and

c) include explanatory notes about those adjustments if those notes are necessary or desirable in order to explain the tabular information.

2. Information about constitution, material contracts to be published on NXT website

1) An **applicant** or **NXT company** must lodge the following information, documents and other matters with **NZX** for display on the **applicant's** webpage or **NXT company's** webpage on the **NXT website** —

   a) a copy of the constitution of the **applicant** or **NXT company**:

   b) if the existence, or any of the terms, of a contract entered into by any member of the **applicant's** group or **NXT company's group** are **material information**,—

      i) a copy of the contract or, if the contract is not in writing, a document giving full particulars of the contract; and

      ii) if the contract is wholly or partly in a foreign language, a correct translation of the contract in English; and

3. Other material matters to be published on **NXT website**

The **applicant** or **NXT company** must lodge all other **material information** relating to the **equity securities** to which the **listing document** relates that is not contained in the **listing document** with **NZX** for display on the **applicant's** webpage or **NXT company's** webpage on the **NXT website**.

4. Information referred to in **listing document** to be published on **NXT website**

If this Schedule requires a **listing document** to refer to information contained on the **applicant's** webpage or **NXT company's** webpage on the **NXT website** the **applicant** or **NXT company** must lodge that information with **NZX** for display on the **applicant's** webpage or **NXT company's** webpage on the **NXT website**.

Procedure for Rule 33 - Adjustment of terms of Options

This **procedure** sets out the adjustments permitted under **rule** 33 to the terms of options relating to the exercise price or the number of **shares** to which the options relate.

1. An option must not confer the right to a change in the exercise price or number of underlying **shares**, except if that option:

   (a) was issued with the approval of holders of **quoted shares**, then the exercise price or number of underlying **shares** may change in accordance with the formula or provision contained in the terms of the option if there is a **rights offer** to the holders of the underlying **shares**; or

   (b) was not issued with the approval of holders of **quoted shares** and there is a **rights offer** to the holders of the underlying **shares**, then the exercise price of that option may be reduced according to the formula set out as follows:

$$0^1 = 0 - \frac{E[P-(S+D)]}{N+1}$$

O1 = the new exercise price of the option.

O = the old exercise price of the option.

E = the number of underlying **shares** into which one option is exercisable.

Note: E is generally one unless the number has changed because of a bonus issue or capital change.

P = the average market price per **share** (weighted by reference to volume) of underlying **shares** during the 5 **business days** ending on the day before the **ex date** for the rights.

S = the subscription price for a **share** under the **rights issue**.

D = the dividend due but not yet paid on the existing underlying **shares** (except those to be issued under the **rights issue**).

N = the number of **shares** with rights or entitlements that must be held to receive a right to one new **share**.

Provided that nothing in this clause shall apply to any option which was issued prior to the coming into force of this clause or **listing** of a **NXT company**.

Example:

The capital of a company comprises ordinary shares at an issue price of 20 cents each and options over unissued ordinary shares exercisable at $1.00 each.

The company announces a 4:7 rights issue. There is no dividend payable. The issue price for the shares under the rights issue is $2.00.

The average price that ordinary shares trade at over the 5 business days ending on the day before the ex date for the rights is $3.00 after the announcement. To receive one right a shareholder must hold 1.75 ordinary shares (7 ÷ 4 = 1.75, which is N). The amount by which the exercise price of an option is to be reduced is calculated as follows:

$$0^1 = \$1 - \frac{1[\$3.00 - (\$2.00+\$)]}{1.75+1}$$

$$0^1 = \$1 - \frac{1}{2.75}$$

$$0^1 = \$1 - \underline{\$0.3636}$$

$$0^1 = \$0.636364$$

The new exercise price of the option is 63.6364 cents and the option holder has gained the benefit of any bonus element in the rights issue. This benefit is the same as that conferred on shareholders. There is no change in the number of shares to which the option holder is entitled. At the time when the option is exercised, it may be necessary to round up or round down any fraction of a cent remaining after aggregating the exercise price of each of the options exercised by the holder.

2. If there is a bonus issue to the holders of the underlying **shares** the number of **shares** over which an option is exercisable may be increased (or additional **shares** may be reserved for issue on exercise of an option) by the number of **shares** which the holder of the option would have received if that option had been exercised before the **record date** for the issue.

Example:

The capital of a company comprises ordinary shares of $1.00 each and options over unissued ordinary shares exercisable at $1.00 each. The entity makes a 1:1 bonus issue. An option holder with 1000 options with a total exercise amount payable of $1000 will then have an entitlement to 2000 securities for a total exercise amount payable of $1000. Each option is exercisable for $1.00 and entitles the holder to 2 shares. The exercise amount payable per option stays the same (i.e. $1.00). If the entity subsequently has a further 1:1 bonus issue, the option holder would become entitled to 4000 securities for a total exercise amount payable of $1000. Each option is exercisable for $1.00 and entitles the holder to 4 shares. The exercise amount payable per option stays the same (i.e., $1.00).

3. If there is a consolidation or subdivision or similar proportionate reconstruction of the underlying **shares**, the number of **shares** over which an option is exercisable may be consolidated or subdivided in the same ratio and the exercise price amended in inverse proportion to that ratio.

Procedure for Rule 57 – Timetable for Corporate Action Notices for Rights and Share Purchase Plans

This is the **procedure** for **rule** 57 that sets out the timetable requirements for providing a **corporate actions** notice in relation to a **rights offer** (including a **rights offer** under a **share purchase plan**).

1. Time for announcement to the market

1) A **NXT company** making a **rights offer** must provide **NZX** with the notice set out in **template** for **release** in relation to the **rights offer** at least 5 **business days** before the **ex date** to determine entitlements.

2) If a **NXT company** makes a **rights offer** under a **share purchase plan** in accordance with paragraph 2 of Schedule 3B of the **rules**, it must provide **NZX** with the notice set out in **template** for **release**, either:

   a) at least 5 **business days** before the **ex date** to determine entitlements; or

   b) if the **record date** for the **share purchase plan** offer falls on a date prior to **release** of an announcement by the **NXT company** about the **share purchase plan** offer, within 1 **business day** after the **record date** for the offer.

Procedure for Rule 70 – Statements of shareholdings

The following is the **procedure** that prescribes the content required to be included in statements of shareholdings under **rule** 70.

1. Content of statements following a transfer or allotment of shares

A statement that is required to be sent to a person in whose name a transfer or allotment of **shares** has been registered under **rule** 70 must include the following information:

1) the class of **shares** held by that person and the number of **shares** of that class held by the shareholder;

2) the register on which the person's **shares** are held, if other than the principal register;

3) the shareholder's number, **CSN** and the address of the person;

4) the postal address of the share registrar;

5) the number of **shares** transferred (to or from the person) in each transfer since the last statement sent to that person; and

6) if the transfer was submitted by a **market participant**, the subscriber reference provided in that transfer.

2. On request

Where a person has requested a statement in relation to **shares**, the statement must include the following information:

1) all of the information specified in sub-clause (1) to (4) of clause 1 of this **procedure**;

2) the total number of **shares** of the class held by the person issued by the **NXT company**;

3) the rights, privileges, conditions and limitations, including restrictions on transfer (if any) attaching to the **shares** held by the person; and

4) the relationship of the **shares** held by the person to other classes of **quoted shares**.

Procedure for Rule 77 - Mining companies

Without limiting any provisions of the **rules** and **procedures**, a **mining company** must comply with this **procedure**.

1 Announcements by mining companies

1.1 Joint venture arrangements

Where an unlisted company or entity is or becomes the operator in a joint venture with a **mining company** to investigate or explore a **mining tenement**, the **mining company** shall ensure that the contract between the parties provides that the operator must disclose immediately to the **mining company** any significant discovery of mineralisation or **hydrocarbon** and, if so required, give to the **mining company** a full report on such discovery and information necessary to avoid the establishment of a false market in the **mining company's shares**. In addition, the **mining company** shall secure the right to make all or part of such report available to **NZX**.

2 Reports

2.1 Quarterly reports

(1) A **mining company** shall give to **NZX** for **release** within 20 **business days** after the end of each quarter a report giving all the information required by the appendix to this procedure, and in addition providing full details of production, development and exploration activities (including geophysical surveys) and expenditure incurred thereon. Where there has not been any production, development and/or exploration activities, that fact shall be stated.

(2) Where a **mining company** reports on the progress of any geophysical survey, the report shall state:

(a) the name of the survey; and

(b) the nature of the survey; and

(c) the **permit** in which the survey is being conducted; and

(d) the status of the survey.

2.2 Weekly reports

(1) In addition to any other requirement to report in the **rules** or in this **procedure**, a **mining company** shall provide to **NZX** for **release** the following information on **hydrocarbon** exploration and assessment during drilling and testing operations weekly (prior to 9.00am on a **business day**):

(a) The name of the well, the **permit** in which it is located, and its position in the **permit** with respect to previous wells, known oil or gas fields or towns.

(b) The time of reporting.

(c) The progress for the past week.

(d) Current operation.

(e) Any results of drill stem tests and other flow tests where **hydrocarbons** are recovered to surface, in accordance with clause 2(6) of this **procedure**.

(f) The participating companies and their beneficial percentage interest in the well.

Disclosure of the information required by this sub-clause by a **mining company** participating in the well shall be adequate disclosure on behalf of all the other participants in the well where such other participants are identified.

2.3 Immediate reports

(1) A report shall be **released** on the day that:

(a) a decision to flow test an interval of the well is made, advising of the decision and the depth and gross interval to be tested; and

(b) flow test operations commence, advising of such; and

(c) **hydrocarbons** are flowing to surface.

(d) Within 24 hours of completion of flow test operations over the test interval, a report shall be issued which includes:

(e) depth and interval tested; and

(f) representative sustained flow rate (if achieved); and

(g) choke size and representative surface flowing pressure (if achieved); and

(h) summary description of fluids recovered.

2.4 Content of reports

A) Hydrocarbon reports

(1) **Probable hydrocarbon reserves** shall only be reported in conjunction with **proved hydrocarbon reserves**. **Possible hydrocarbon reserves** shall only be reported in conjunction with **proved and probable hydrocarbon reserves**.

(2) Where a report relates to the potential **hydrocarbon reserve** state (i.e., from the earliest exploratory investigations to the stage preceding that at which proved **hydrocarbon reserves** can be estimated), the word “reserves” shall not be used.

(3) Where a report relates to results of exploratory investigations which have reached the stage where a **hydrocarbon reserve** can be estimated, reports which refer to **hydrocarbon reserves** shall use the expressions for categories of **hydrocarbon reserves**, as defined in this **procedure**.

(4) Any report which relates to a **mining company’s hydrocarbon reserves** shall be based on and state that it is based on, or be accompanied by, a statement of information compiled by a person engaged in the practice or teaching of geology, geophysics or petroleum engineering who holds a Bachelor Degree (or its equivalent) in geology, geophysics, petroleum engineering or a related discipline and who, in addition, has had at least five years’ experience in the practice or the teaching of geology, geophysics or petroleum engineering.

Where that person is:

(a) not a full-time employee of the reporting **mining company**, a report based on information compiled by the person shall not be released by the reporting **mining company** unless the person has consented in writing to the inclusion in that report of matter based on the information so compiled by him in the form and context in which it appears and the report or attached statement so states; or

(b) a full-time employee of the reporting **mining company**, it shall be stated in the report or attached statement that the report accurately reflects the information compiled by the person.

B) Ore and Mineralisation Reports

(1) Where a report relates to the pre-identified mineral resources stage as described in the appendix to this procedure, the words “ore”, “reserves” or “resources” shall not be used and in lieu of such words such a report shall refer to “mineralization” or some similar term having no economic connotation.

(2) Reports and statements in the field of mineral exploration and assessment which may be made by a **mining company** during the pre-resource mineralisation stage shall include relevant basic data such as the type and method of sampling and the distribution, dimensions, assay results and relative location of all relevant samples. If true dimensions, particularly width or mineralisation, are not stated, the report shall be qualified accordingly.

(3) References to geophysical or geochemical results shall refer only to “anomalies” and not to “mineralization”, “ore”, “reserves”, “resources” or similar terms.

(4) Assay results shall be set out in one of the following three forms considered most suitable by the **mining issuer’s** geologist and/or mining engineer:

(a) all assay results, with sample widths or size in the case of bulk samples; and

(b) the weighted average grade of the mineralised zone, indicating clearly how the grade was calculated; and

(c) when high values are recorded they must be given in context, with full supporting data.

The type of assay method used shall be stated for all assay results submitted to **NZX**.

(1) Where a report relates to results of exploratory investigations which have reached the stage where an identified mineral resource or ore reserves can be estimated with reasonable assurance, reports which refer to identified mineral resources or ore reserves shall use the expression for categories of identified mineral resources or ore reserves, as defined in the appendix to this **procedure**.

(2) Any report which relates to a **mining company’s** ore or mineralisation must be based on and state it is based on or be accompanied by a statement signed in the same manner as the report that it is based on, of information compiled by a person who is a competent person, as defined in the appendix to this **procedure**.

Where the competent person is:

(a) not a full-time employee of the reporting **mining company**, a report based on information compiled by the competent person shall not be released by the reporting **mining company** unless the competent person has consented in writing to the inclusion in that report of matter based on the information so compiled by him in the form and context in which it appears and the report or attached statement so states; or

(b) a full-time employee of the reporting **mining company**, it shall be stated in the report or attached statement that the report accurately reflects the information compiled by the competent person.

Procedure for Minimum Holdings

The following is the procedure that prescribes the number of **shares** in a **NXT company** that constitutes a **minimum holding**.

Minimum holdings at any time shall, unless otherwise determined by **NZX**, be as follows:

(a) In relation to **shares**, a holding with a market price at the relevant time of:

Number of shares	Price (both figures inclusive)
2,000	where the price does not exceed 25 cents
1,000	where the price exceeds 25 cents but does not exceed 50 cents
500	where the price exceeds 50 cents but does not exceed $1.00
200	where the price exceeds $1.00 but does not exceed $2.00
100	where the price exceeds $2.00 but does not exceed $5.00
50	where the price exceeds $5.00 but does not exceed $10.00
25	where the price exceeds $10.00

(b) In relation to **rights** to **shares**, the number that would, upon exercise, **convert** to a **minimum holding** as specified in (a).