

3. CONSTITUTIONS, LISTING AND QUOTATION

3.1 CONTENTS OF CONSTITUTION

- 3.1.1 The Constitution of each NZAX Issuer shall incorporate by reference, or contain provisions consistent with, and having the same effect as, those provisions in the NZAX Listing Rules relating to the voting and governance requirements of NZAX Issuers, as such listing rules apply from time to time and as modified by any Ruling relevant to the NZAX Issuer.

(Amended 1/5/04)

As at 1 November 2003, the following NZAX Listing Rules relate to voting and governance:

- NZAX Listing Rule A4.3.1 and A4.4
- NZAX Listing Rules A5.1.7 and A 5.2
- NZAX Listing Rules B1.1A
- NZAX Listing Rule B2
- NZAX Listing Rule B3 (where an NZAX Issuer is not a Code Company)
- NZAX Listing Rule B4
- NZAX Listing Rules 7.3, 7.4, 7.5, 9.1.1, 9.1.3, 9.3.1 to 9.3.3 and 9.3.5 in Appendix 1
- NZAX Listing Rule 7.6 in Appendix 1 (if the NZAX Issuer is a company registered under the Companies Act 1993)

- 3.1.2 The Constitution of each NZAX Issuer shall also:

- (a) contain a provision to the effect that, for so long as the NZAX Issuer is Listed, the NZAX Issuer shall comply with the NZAX Listing Rules;
- (b) contain a provision to the effect that if NZX has granted a Ruling in relation to that NZAX Issuer authorising any act or omission which in the absence of that Ruling would be in contravention of the NZAX Listing Rules or the Constitution, that act or omission shall, unless a contrary intention appears in the Constitution, be deemed to be authorised by the NZAX Listing Rules and by the Constitution, and

- (c) not contain any provision inconsistent with the NZAX Listing Rules as modified by any Ruling relevant to the NZAX Issuer and shall in any event include a provision that provides that if a provision in the Constitution is inconsistent with the NZAX Listing Rules, the NZAX Listing Rules shall prevail. *(Amended 1/5/04)*

3.1.3 Compliance: Subject to applicable law and the other provisions of the NZAX Listing Rules, each NZAX Issuer shall comply at all times with all of the provisions set out in the footnote to NZAX Listing Rules A 3.1.1 (except in so far as they have been waived or varied in relation to that NZAX Issuer by a Ruling) as if provisions giving effect to them were incorporated in, included in, or formed part of the Constitution of that NZAX Issuer, whether or not they are so included. *(Inserted 1/5/04)*

3.2 DISCRETION OF NZX AS TO LISTING AND QUOTATION

3.2.1 NZX Not Obligated: NZX is not obliged to grant Listing of any person or Quotation of any Securities, whether or not the NZAX Issuer or person concerned complies with all applicable provisions of the NZAX Listing Rules. NZX may refuse Listing or Quotation in its absolute discretion and without giving any reasons for such refusal.

NZX regards Listing as a privilege, not a right. It is not willing to fetter its discretion in respect of the initial grant of Listing, for fear of becoming involved in challenges from parties whose reputations or associates are suspect but against whom the available evidence is not readily verifiable. For example, the Listing Rules do not stipulate character standards for directors or promoters. Nevertheless NZX will not facilitate the Listing of companies whose directors have a history of unsavoury practices. NZX will not, however, act capriciously and the discretion will be exercised on the basis of the principles stated in the Foreword to the NZX Listing Rules.

3.2.2 Additional Conditions: NZX may at any time or times impose conditions (whether or not additional to the NZAX Listing Rules) that must be fulfilled by any NZAX Issuer in order to obtain or maintain Listing, or Quotation of all or any of its Securities on the NZAX, if NZX in its absolute discretion considers such conditions are necessary or desirable to maintain a properly informed

market, or to ensure compliance with, or achieve the intent of, any of the NZAX Listing Rules.

1. For example, NZX may require NZAX Issuers to appoint independent directors to their boards, or to make other arrangements for the monitoring of the rights of minority holders of Securities, as a condition of Listing or continued Listing.
2. NZX may also, as a condition of Listing, impose restrictions for a specific period on the sale or other disposal of Vendor Securities.

3.2.3 Specific Matters: Without limiting NZAX Listing Rules A3.2.1 or A3.2.2 NZX may;

- (1) refuse Quotation of any Securities if it is not satisfied that the Securities Act 1978 or any other legislation has been complied with; and
- (2) impose such requirements in addition to or substitution for any of the NZAX Listing Rules, as NZX thinks fit, if an entity seeking Listing is not a company as defined in the Companies Act 1993.

(Amended 1/5/04)

Paragraph (1) should not be read as placing any obligation whatsoever upon NZX to enforce or interpret any legislation. It is for the courts to decide upon the meaning and enforcement of legislation.

3.3 LISTING

3.3.1 Application: Any person may apply to NZX for Listing regardless of whether or not that person is domiciled or incorporated outside New Zealand. Such Listing may be either:

- (1) with NZX as the Home Exchange; *(Amended 1/5/04)*
- (2) a Dual Listed NZAX Issuer; or

- (3) with a Recognised Stock Exchange as the Home Exchange, if that person is domiciled or incorporated outside New Zealand and Listed on a Recognised Stock Exchange (an “Overseas Listed NZAX Issuer”)
(Amended 1/5/04)

3.3.2 NZX Sponsor: An Applicant for Listing on the NZAX must appoint an NZX Sponsor. The NZX Sponsor must have the prior approval of NZX to act as an NZX Sponsor in relation to that Listing. The listing rules governing the conduct of approved NZX Sponsors are contained in Appendix 2 of the NZAX Listing Rules.

3.3.3 Non Standard NZAX Issuers: An Applicant for Listing on the NZAX which:

- (a) has a defined or limited set of Security holders; or
(b) imposes restrictions or limitations on the ability of certain holders of its Securities to vote.

may apply to NZX for Listing as a Non Standard NZAX Issuer or NZX may determine the Applicant shall only be Listed as a Non Standard NZAX Issuer.

3.3.4 Where an NZAX Issuer has been classified as Non Standard, the NZAX Listing Rules will only apply to those Securities of the Non Standard NZAX Issuer which are Quoted on the NZAX and as otherwise set out elsewhere in these NZAX Listing Rules.

3.3.5 Any Offering Document, Disclosure Document or statement issued or distributed by a Non Standard NZAX Issuer which refers in any way to the Listing of the Non Standard NZAX Issuer or Quotation of its Securities and each annual or interim report of the Non Standard NZAX Issuer, shall contain a statement to the effect that the NZAX Issuer has been classified Non Standard and where necessary details reasonably likely to inform the recipients of the reasons for the Non Standard designation.

3.3.5A Non Standard NZAX Issuers must provide to NZX prior to Listing on the NZAX Market, a complete list of the Common Shareholder Numbers for all those eligible to hold Securities in that Non Standard NZAX Issuer.

3.3.5AB Non Standard NZAX Issuers must provide to NZX on a daily basis, either prior to 8am or after 5pm, all additions or deletions to the list of Common Shareholder Numbers for all its eligible Security Holders, provided to NZX prior to Listing.

3.3.5B Dual Listed NZAX Issuers: The Rules set out in appendix 17 to the NZAX Listing Rules do not apply to a Dual Listed NZAX Issuer, provided always that:

- (a) that Dual Listed NZAX Issuer satisfies and complies at all times with any conditions set out in appendix 17 to the NZAX Listing Rules regarding the non-application of those NZAX Listing Rules; and
- (b) that Dual Listed NZAX Issuer complies at all times with the ASX Listing Rules (subject to any applicable waiver or ruling obtained by that Dual Listed NZAX Issuer from the ASX) and the Australian Corporations Act 2001 (Cth).

Notwithstanding the foregoing, NZX may at any time or times, by notice to a Dual Listed NZAX Issuer, declare that any NZAX Listing Rule set out in appendix 17 to the NZAX Listing Rules shall thereafter apply to that Dual Listed NZAX Issuer, whether or not the ASX Listing Rules or Corporations Act 2001 (Cth) contain a similar or analogous provision and whether or not that Dual Listed NZAX Issuer is then complying with any such provision.

(Inserted 1/5/04)

3.3.5C Notice Requirements: A Dual Listed NZAX Issuer must provide NZX with notice of:

- (a) all waivers and/or rulings granted or revoked by the ASX in respect of that Dual Listed NZAX Issuer from the ASX Listing Rules and the terms of such waivers and/or rulings or revocation of such waivers and/or rulings; and
- (b) any variation to the ASX Listing Rules or Corporations Act 2001 (Cth) made after the date on which that Dual Listed NZAX Issuer lists on an NZX market other than those which could not, in any circumstances, be relevant to that Dual Listed NZAX Issuer. For avoidance of doubt, if a Dual Listed NZAX Issuer is unsure whether such change could or may affect that Dual Listed NZAX Issuer, notice of such change should be given to NZX.

(Inserted 1/5/04)

3.3.6 Overseas Listed NZAX Issuers: An Overseas Listed NZAX Issuer shall:

- (a) be deemed (subject to NZAX Listing Rule A3.3.7) to satisfy and comply with all the NZAX Listing Rules so long as it remains Listed on its Home Exchange, provided that NZX may, at any time, by notice to any Overseas Listed NZAX Issuer, declare that any of the NZAX Listing Rules shall thereafter apply to that NZAX Issuer, whether or not the rules of its Home Exchange contain a similar or analogous provision, and whether or not that NZAX Issuer is then complying with any such provision; and
- (b) if application has been made to NZX for a Class or Classes of its Securities quoted on its Home Exchange to be Quoted on NZX, be deemed to satisfy and comply with all of the NZAX Listing Rules for so long as those Securities remain Quoted on its Home Exchange; and
- (c) give to NZX the same information and notices it is required to give to its Home Exchange, at the same time as it is required to give such information and notices to its Home Exchange.

3.3.7 NZAX Listing Rules Applicable to Overseas Listed NZAX Issuers:

Notwithstanding NZAX Listing Rule A3.3.6; NZAX Listing Rules A1, A3.2, A5.3 and A6.1.1, and this NZAX Listing Rule A3.3.7 shall apply, with the necessary modifications, to each Overseas Listed NZAX Issuer.

1. **The intention of NZAX Listing Rules A3.3.6 and A3.3.7 is that a company or other entity which is Listed on a Recognised Overseas Stock Exchange, and is accepted by NZX for Listing on the NZAX as well, is not required to comply with the NZAX Listing Rules, so long as that company or other entity complies with the rules of the Recognised Overseas Stock Exchange. NZX may however in its discretion at any time require that company or other entity to comply with any provisions of the NZAX Listing Rules. (Amended 1/5/04)**
2. **Where an Overseas Listed NZAX Issuer wishes to quote a class of Securities on the NZAX only but not on its Home Exchange, all the NZAX Listing Rules shall apply in relation to that Overseas Listed NZAX Issuer.**

3. As a general rule, NZX will cancel the Listing of an Overseas Listed NZAX Issuer if the Listing of that NZAX Issuer is cancelled on its Home Exchange, and will suspend Quotation of, or halt trading of all or a Class of Securities if Quotation of all or that Class of Securities is suspended on the Home Exchange of that Overseas Listed NZAX Issuer.
(Amended 1/5/04)

- 3.3.8 Listing Requirements:** The Application for Listing must be made through an NZX Sponsor and the following information and documentation must be submitted to NZX for approval:
- i) the Offering Document (in accordance with NZAX Listing Rule A3.4.1) or the Disclosure Document (in accordance with NZAX Listing Rule A3.4.2) for approval by NZX; and
 - ii) in the case of an Offering Document, the financial statements and audit reports required by the Securities Act (New Zealand Exchange Limited – NZAX Market) Exemption Notice 2003; and
 - iii) a Listing Agreement, in a form specified by NZX and requiring the applicant to comply with the NZAX Listing Rules from the date the Application for Listing is accepted by NZX, duly executed by the NZAX Issuer; and
 - iv) substantial security holder notices as at the date of execution of the Listing Agreement; and
 - v) acknowledgements by Directors regarding compliance with the NZAX Listing Rules and as required by NZAX Listing Rule A2.2.2; and
 - vi) a declaration from the NZX Sponsor in accordance with the requirements contained in Appendix 2 to the NZAX Listing Rules; and
 - vii) a copy of the NZAX Issuer’s Constitution at the time of Listing and certificate of incorporation (or commensurate document for the Issuer’s entity (if applicable), together with a solicitor’s certificate from the NZAX Issuer’s solicitor in accordance with NZAX Listing Rule A5.1.2; and

- viii) in the case of a Non-Standard NZAX Issuer, where applicable, confirmation as to the defined group of Security holders (and qualifications for being a Security holder) and any limitations on the ability of Security holders to vote; and
- ix) copies of annual reports for the last five years, if available; and
- x) details of the number and each class of Security the NZAX Issuer has on issue as at the time of the Application, and details of any issue or allotment intended prior to Listing (other than the Securities to be Quoted); and
- xi) any Advertisement that is proposed to be issued in relation to the offer; and
- xii) contact details (in accordance with the requirements of NZX as prescribed from time to time) of the applicant and the NZX Sponsor; and
- xiii) confirmation that the fees prescribed by NZX from time to time have been, or will at the time of Listing be, paid to NZX; and
(Amended 1/5/04)
- xiv) confirmation that the bond or deposit required by NZAX Listing Rule A6.2.2 has been provided; and
- xv) any other information or documents that NZX may, at the time of submission or subsequently, request.

3.3.9 If NZX grants approval of the Application for Listing made pursuant to NZAX Listing Rule A3.3.8, NZX will advise the NZAX Issuer of the approval in writing. Following such notification of approval, the NZAX Issuer shall, in addition to complying with the provisions of the Securities Act 1978 in relation to the allotment of Securities:

- (a) post on the NZAX Internet website for public inspection, the Offering Document or the Disclosure Document, financial statements, audit reports and all other material information as required by NZX from time to time; and
- (b) retain and make available to an investor upon request, copies of any Offering Document or Disclosure Document, financial statements, audit reports and material contracts.

3.3.10 Acceptance of the offer will proceed in the usual manner, and on closure of the offer the Securities will be Quoted on the NZAX and available for trading provided all NZAX Listing Rules are complied with on completion of the allotment procedures.

3.3.11 **Effective Date of Listing:** The date upon which Listing takes effect shall be the date specified as such by NZX in a notice published by NZX advising that the applicant has been Listed.

3.4 LISTING DOCUMENTATION

3.4.1 **Offering Document:** An Applicant for Listing or an NZAX Issuer shall prepare an Offering Document if required to do so by the Securities Act 1978 and where the NZAX Issuer is required by law to do so, the Offering Document shall be delivered to each subscriber prior to subscription and a copy of any Offering Document delivered to a subscriber shall be retained by the NZAX Issuer. The Offering Document shall comply with the Securities Act 1978, the Securities Regulations 1983 and the Securities Act (New Zealand Exchange Limited – NZAX Market) Exemption Notice 2003 and any other applicable legislation.

3.4.1A **Offering Document Additional Term:** Every Offering Document shall include in its subscription application a field for subscribers to insert their CSN number (if any). *(Inserted 1/5/04)*

3.4.2 **Disclosure Document:** Where an Applicant for Listing on the NZAX is not required to prepare an Offering Document it shall prepare a Disclosure Document. The Disclosure Document shall comprise all matters set out in Appendix 3 of the NZAX Listing Rules and following approval of the Disclosure Document by NZX, the NZAX Issuer shall:

- (a) post on the NZAX Internet website for public inspection, the Disclosure Document and all other material information as required by NZX from time to time; and
- (b) retain and make available to an investor upon request, copies of the Disclosure Document, financial statements, audit reports and material contracts.

3.4.3 **Approval of Offering Document and Disclosure Document:** Any Offering Document or Disclosure Document prepared pursuant to NZAX Listing Rules

A3.4.1 or A3.4.2 above, shall be submitted to NZX for approval pursuant to NZAX Listing Rule A5.1.1.

The Offering Document and any Advertisement in relation to the Offer shall also include the following statement or such other statement as NZX may require:

“The Company has applied to NZX for listing as an NZAX Issuer. All the requirements of NZX for Quoting of Securities, that can be complied with on or before the date of distribution of this Offering Document, have been complied with. However NZX accepts no responsibility for any statement in this Offering Document. NZX has authorised the NZX Sponsor to act in this Offer.”

In its review for the purposes of approval of the Offering Document pursuant to NZAX Listing Rule 6.1.1, NZX will pay particular attention to the adequacy of the description of risks, business description and drivers of future performance to ensure a fair representation of the future prospects of the NZAX Issuer is provided.

- 3.4.4 Subscriptions Reserved:** Every Offering Document shall state the number and percentage of Securities of any Class which have been reserved for any class of applicant or are otherwise not available for application by Members of the Public, including Securities which are not part of the issue or are not offered under the Offering Document, and the names or description of any class of persons to whom any preference in allotment is to be given. NZX may in any particular case require the inclusion of a statement to this effect in any Advertisement.
- 3.4.5 Variation of Rates of Commission:** No Offering Document shall include provision for the variation of the rate of commission payable in respect of subscription for the Securities concerned unless it also states the maximum rate which may be payable.
- 3.4.6 Lodgement of Applications:** Every Offering Document, after stating that applications may be made to the NZAX Issuer, shall state that they may be lodged with any Primary Market Participant, or any other channel approved by NZX (in that order) in time to enable forwarding to the appropriate place prior to the application closing date. *(Amended 1/5/04)*

- 3.4.7 Over-subscriptions:** Every Offering Document shall state the method of dealing with over-subscriptions, and the maximum amount of over-subscriptions which will be accepted.
- 3.4.8 Subscription Refunds:** Each Offering Document shall specify:
- (a) the period within which a refund of subscription moneys will be made to applicants for Securities to whom allotments are not made; and
 - (b) whether or not interest will be paid on amounts refunded in terms of (a), and, if so, the basis upon which interest will be calculated.
- 3.4.9 Variation of Interest Rates:** If an Offering Document contains provision for variation in interest rates or other rates of return, the NZAX Issuer shall advise any reduction in rates to subscribers who apply for Securities otherwise than on the basis of the reduced rates. Unless those subscribers confirm their application for Securities, those Subscribers shall be repaid their subscription moneys within the period specified in accordance with NZAX Listing Rule A3.4.8, together with any interest referred to in NZAX Listing Rule A3.4.8.
- 3.4.10 Dividend Policy:** Every Offering Document for Equity Securities shall specify the Directors' intentions and expectations as to the NZAX Issuer's future dividend policy. *(Footnote deleted 1/5/04)*
- 3.4.11 Statements in Offering Documents or Advertisements:** Any statement required by the NZAX Listing Rules to be contained in an Offering Document or Advertisement shall be sufficiently prominent and legible so as to come to the attention of a reasonable person reading or viewing that Offering Document or Advertisement.

3.4.12 VENDOR SECURITIES

If Vendor Securities are issued at or about the time of any issue or sale of Securities, or with a view to the issue or sale of those Securities, the Offering Document in respect of those Securities shall state with reasonable prominence either:

- (1) the restrictions which are to be imposed upon the disposal of the effective ownership and control of all or any of those Vendor Securities by the holders of those Vendor Securities (and if the holders are not to be the beneficial owners of those Vendor Securities, by the beneficial owners); or

- (2) that there are no restrictions of the nature referred to in (1).

3.4.13 SECURITY AGREEMENTS

3.4.13.1 Security Agreement: If an Offering Document states, pursuant to NZAX Listing Rule A3.4.12, that restrictions are to be imposed upon disposal of the effective ownership or control of any Securities, then:

- (a) the NZAX Issuer and NZX shall enter into an agreement (a "Security Agreement") with the persons to whom those Securities are to be issued, and if those persons are not the beneficial owners of those Securities, those beneficial owners, and with such other persons (if any) as NZX may consider necessary in order to ensure that the restrictions on disposal of effective ownership or control of those Securities can be effectively enforced; and
- (b) that agreement shall be in such form as NZX may require, and shall prohibit the parties to it from taking steps which would cause the effective ownership or control of those Securities to be disposed of otherwise than:
 - (i) in accordance with the restrictions specified in the Offering Document; or
 - (ii) with the prior approval of NZX.

3.4.13.2 Enforcement: The NZAX Issuer shall advise NZX immediately if the NZAX Issuer becomes aware of a breach or likely breach of a Security Agreement, and shall in consultation with NZX take such steps as NZX may require to enforce that Security Agreement or prevent or remedy a breach of it.

3.4.14 RIGHTS ISSUES – ADDITIONAL REQUIREMENTS

3.4.14.1 Letters of Entitlement: Letters of entitlement to Rights (whether or not Renounceable) are to be mailed to holders of the Rights within five Business Days of the Record Date for the determination of the entitlement and by means that will give the holders reasonable time to deal with their Rights, whether the holders' addresses are in New Zealand or elsewhere.

- 3.4.14.2 Closing Date for Applications:** Without limiting NZAX Listing Rule A3.4.14.1, the closing date and time for applications under Rights issues (whether or not renounceable) shall not be earlier than the 18th Business Day after the day of mailing of the last of the letters of entitlement.
- 3.4.14.3 Closing Date for Renunciations:** The closing date for receipt of renunciations of a Renounceable Rights issue shall be the same date as the closing date for receipt of applications.
- 3.4.14.4 Amount of Entitlement:** Entitlements to Rights may be scaled up to a minimum number not greater than a Minimum Holding, and shall be altered to disregard fractions. The announcement of the Rights issue and any Offering Document shall state the terms on these matters.
- 3.4.14.5 Entitlement:** A Renounceable Right shall not entitle the holder of the Right to apply for more than the entitlement of Securities except to enable acquisition of the number of Securities needed to give that holder a Minimum Holding.
- 3.4.14.6 Form of Renunciation and Acceptance:** NZAX Issuers shall use a standard form of renunciation and acceptance previously approved by NZX which shall be distributed with, or form part of, the letter of entitlement. A non-standard form may be used only if:
- (1) the non-standard form has been approved by NZX; and
 - (2) the NZAX Issuer agrees to accept the standard "brokers acceptance" form in an emergency; and
 - (3) an adequate supply of the non-standard form is provided by the NZAX Issuer for Trading Participants at least three Business Days before the day appointed for the commencement of trading in the Rights.
- (Amended 1/5/04)*
- 3.4.14.7 Renunciation to Take Priority Over Acceptance:** The terms of a Renounceable Rights Issue shall provide that if the NZAX Issuer receives, on or before the closing date for renunciations, both a renunciation and an acceptance in respect of the same Right(s), the renunciation shall be given effect in priority to the acceptance.

3.5 QUOTATION OF SECURITIES

3.5.1 **Quotation Requirements:** The following information and material shall be submitted in relation to an application for Quotation of Securities:

- i) details of the Security for which application for Quotation is sought including the number, Security Class, ISIN and face value (if any);
- ii) a declaration from the NZX Sponsor in accordance with the requirements contained in Appendix 2 to the NZAX Listing Rules;
- iii) the Offering Document (in accordance with NZAX Listing Rule A3.4.1) or the Disclosure Document (in accordance with NZAX Listing Rule A3.4.2) for approval by NZX;
- iv) any Advertisement that is proposed to be issued in relation to the offer;
- v) confirmation that the fees prescribed by NZX from time to time have been paid to NZX; and
- vi) any other information or documents that NZX may, at the time of submission or subsequently, request.

3.5.2 **Types of Securities eligible for Listing:** Where an NZAX Issuer wishes to quote any Security other than Equity Securities, Quotation of such securities shall be governed by such of the NZAX Listing Rules applicable to the type of non Equity Security the NZAX Issuer wishes to quote or any other NZX Listing Rules as NZX may determine in its absolute discretion.

3.5.3 The following specific listing rules apply in relation to the following Securities:

- (a) **Unit Trusts:** Without limiting any other provision of these Listing Rules, the Trust Deed governing a unit trust for which Listing is sought shall contain the provisions specified in appendix 10 of the NZAX Listing Rules.
- (b) **Equity Warrants:** Without limiting any other provision of these Listing Rules, the Listing and Quotation of equity warrants shall comply with the provisions contained in appendix 13 of the NZAX Listing Rules and shall not be required to comply with the provisions set out in appendix 14 of the NZAX Listing Rules.

(c) **Approved Overseas Warrant Issuers:** Notwithstanding anything to the contrary in these NZAX Listing Rules, an approved warrant issuer on the ASX (or the equivalent on another Recognised Stock Exchange) will be accepted as an Overseas Listed NZAX Issuer able to Quote equity warrants on NZX. *(Amended 1/5/04)*

3.5.4 **Spread:** A Class of Securities will generally not be considered for Quotation on the NZAX Market unless those Securities are held by at least 50 members of the public. *(Amended 1/5/04)*

3.5.5 **Spread – Ongoing Obligations:** An NZAX Issuer shall inform NZX without delay if it becomes aware that the number of Listed Securities which are in the hands of the public have fallen below the prescribed minimum set out in NZAX Listing Rule A3.5.4. Once an NZAX Issuer becomes aware of such a fall, the NZAX Issuer shall take steps to ensure compliance at the earliest possible moment.

3.5.6 **Effective Date of Quotation:** Quotation of a Class of Securities will be effective from the date specified in a notice published by NZX.

As a matter of general policy, NZX will not grant Quotation of Securities until NZX has received from the NZAX Issuer notice that those Securities have been allotted. However, NZX will generally agree to the Quotation of Securities arising from rights issues, options or conversion of Convertible Securities, on a date not earlier than two Business Days prior to the closing of applications.

3.5.7 **Deferral of Quotation:** Where Securities are issued which are not, at the time of issue, of the same Class as Securities which are Quoted, but which may become of that Class, whether by passage of time, elapse of an escrow period, payment of calls or otherwise, notification under this Listing Rule must be given forthwith after issue of those Securities, but Quotation will not be granted for those Securities (unless application is made for their Quotation as a separate Class) until they have qualified for inclusion in the Class already Quoted.

3.5.8 **Quotation of Rights:** An NZAX Issuer may apply to NZX for Quotation of Rights under a Rights issue of Securities. Appendix 7 shall be completed and supplied to NZX with the application required by NZAX Listing Rule A3.5.1. If such Quotation is granted:

- (1) the Quotation of Rights will commence on the Ex Date for that Rights issue; and
- (2) the Head Security under the Rights issue will be quoted ex rights on the Ex Date for that Rights issue; and
- (3) Quotation of Rights for a Renounceable Rights issue will cease at the close of trading on the day two Business Days before the closing date for receipt of acceptances and renunciations.

3.5.9 Information on Rights Issues For Which Quotation Not Sought: Where a Rights issue is to be made but Quotation is not sought the NZAX Issuer shall give to NZX forthwith after the decision has been made and at least 10 Business Days before the Record Date to determine entitlements, on the form in appendix 7, full details of the issue, including the nature, entitlement and timing of the issue of Rights and conversion, pricing, amounts payable and ranking of Securities for future benefits.

3.6 ALLOTMENT

3.6.1 Time of Allotment: An NZAX Issuer making an issue shall proceed to allotment, issue Statements or certificates, and advise NZX thereof, within five Business Days after the latest date on which applications for Securities close.

3.6.2 Payments in Advance of Allotments: Where the issue price of an issue may be paid by installments, the NZAX Issuer shall acknowledge payments made in advance of the due date on the advice of allotment.

3.6.3 Commission Statements: NZAX Issuers shall ensure that commission statements rendered to Primary Market Participants contain sufficient detail to allow the Primary Market Participants to check allotments to clients.

(Amended 1/5/04)

3.7 ANNOUNCEMENTS

3.7.1 Information Required to be Supplied to NZX: Where an NZAX Issuer issues Securities, or acquires Securities of that NZAX Issuer, the NZAX Issuer shall forthwith give to NZX details of the issue or acquisition, including:

- (a) Class of Security and ISIN; and
- (b) the number issued or acquired; and
- (c) the nominal value (if any) and issue or acquisition price; and

- (d) whether payment was in cash; and
- (e) any amount paid up (if not in full); and
- (f) the percentage of the total Class of Securities issued or acquired; and
- (g) the reason for the issue or acquisition; and
- (h) the specific authority for the issue or acquisition (if any); and
- (i) any terms or details of the issue or acquisition (such as an escrow provision); and
- (j) the total number of Securities of the Class in existence after the issue or acquisition; and
- (k) in the case of an acquisition of shares by an Issuer which is a company registered under the Companies Act 1993, whether those shares are to be held as Treasury Stock; and
- (l) the dates of issue or acquisition.

For the purposes of this NZAX Listing Rule B3.7.1, the sale of Treasury Stock by an NZAX Issuer shall be deemed to constitute an issue of Securities. Without limiting the obligation in this Listing Rule to supply information forthwith, details of the acquisition by an NZAX Issuer of Securities of that NZAX Issuer, and of the sale of Treasury Stock, shall be given to NZX not later than the end of the Business Day in which that acquisition or sale takes place.

- 3.7.2 Notification:** Where any benefit is to be paid or distributed on Quoted Securities (including dividends, interest or bonus issues) or any Conversion of Securities or call on Securities is to take place, the NZAX Issuer shall give to NZX, forthwith after any Director's recommendation and at least 10 Business Days before the Record Date to determine entitlements or obligations, full details of the benefit, Conversion or call, including the information in the table below. That information shall be supplied in the form set out in appendix 7 of the NZAX Listing Rules.

Event	Information Required
Dividend	<ul style="list-style-type: none"> - Security description - ISIN - Total amount of dividend - Cents per share - Imputation tax credits per share (where applicable to six decimal places) - Withholding tax cents per share (where applicable to six decimal places) - Source of dividend - Payable date - Record Date - Strike price for any issue in lieu of dividend
Interest	Details no less than the equivalent required above for a dividend.
Bonus Issue	Full details of the issue including timing, entitlement and tax information.
Conversions	Full details of the nature and timing of the Conversion including pricing, entitlement and conversion ratio information.
Calls	Full details of the call including the Securities affected, and payment details.

3.7.3 Notification of Decision to Make Call: Where the date of a call on Quoted Securities has not been stated in an Offering Document, the NZAX Issuer shall notify NZX as soon as a decision has been taken to make a call.

3.7.4 Supplementary Dividends: A supplementary dividend paid in terms of the Income Tax Act 1994 shall be deemed not to be a dividend for the purposes of NZAX Listing Rule A3.7.2. An NZAX Issuer which pays a supplementary dividend shall notify NZX not less than 10 Business Days before the supplementary dividend is paid of:

- (1) the amount of the proposed supplementary dividend and the amount (in cents) per Security; and
- (2) the date upon which it will be paid.

3.7.5 Optional Conversion: Where Securities are Convertible at the option of the holder before final maturity the Issuer shall give notice to NZX, and all holders of those Securities, of the option to Convert. That notice:

- (a) shall be given:
 - i) if the Securities are Convertible on a fixed date or dates, at least six weeks before each such date; or
 - ii) if the Securities are Convertible by reason of the occurrence of some event, as soon as practicable after the occurrence of that event, or before the occurrence of that event if it becomes apparent that that event will occur; and
- (b) need not be given if the Securities are Convertible at the option of the holder at any time; and
- (c) shall disclose any option for Conversion which may be exercised at a later date; and
- (d) shall contain a statement to the effect that if a holder of Securities is in any doubt as to whether Conversion is desirable, that holder should seek advice from an Advisor or other financial advisor.

(Amended 1/5/04)

3.7.6 Notice Upon Conversion: Immediately following each Conversion of Securities (including Options), the NZAX Issuer shall notify NZX of:

(Amended 1/5/04)

- (a) the number of Securities Converted and the number and Class of Securities into which they have been Converted; and
- (b) details of any interest or dividend conditions attaching to the Securities Converted, and allotted upon Conversion; and
- (c) how many Securities of the same Class remain to be Converted.

3.8 EARLY AND LATE SUBSCRIPTION CLOSURE

3.8.1 Early Closure: Where an issue is closed before the stated closing date, the Issuer shall notify NZX thereof forthwith after the closure.

Where an issue is filled (or full subscription is assured) before the stated closing date, NZX recommends that the issue be closed immediately.

- 3.8.2 Extension of Closing Date:** An NZAX Issuer shall not extend the closing date for applications to subscribe for new Securities unless, at least five Business Days prior to the original closing date, the NZAX Issuer has notified NZX of the extension, and of the new closing date. An NZAX Issuer shall not, without the prior consent of NZX, extend a closing date more than once.

3.9 NOTIFICATION OF LEVEL OF SUBSCRIPTION

- 3.9.1 Undersubscription - Underwritten:** Where an offer of Securities has been underwritten, the NZAX Issuer shall notify NZX immediately the undersubscription is ascertained, and in any event not later than five Business Days after the closing date of the offer, whether any of the Securities have been or are to be taken by any underwriter or any sub-underwriter in any capacity and if so, how many were or are to be taken up in that way.

- 3.9.2 Undersubscription - Not Underwritten:** Where an offer of Securities has not been underwritten, the NZAX Issuer shall notify NZX of any undersubscription immediately the undersubscription is ascertained, and in any event not later than five Business Days after the closing date of the offer. In the case of a Renounceable issue, NZX must be notified of any undersubscription of an issue which is not underwritten within five Business Days after the closing date for applications and renunciations.

3.10 ISSUE OF NEW EQUITY SECURITIES

- 3.10.1** Any time following its Initial Public Offer, an NZAX issuer may raise additional capital either in accordance with the NZAX Listing Rules, or by departure from those NZAX Listing Rules, following a pre-break announcement in accordance with NZAX Listing Rule B1.1.A.
- 3.10.2** An NZAX Issuer wishing to raise additional capital from the public must consult a NZX Sponsor in relation to such a proposal. The NZAX Issuer's Securities will continue to be Listed and trade on the NZAX throughout the offer.

- 3.10.3 Subsequent Public Offer Document:** The NZAX Issuer must comply with NZAX Listing Rule A3.4.1.
- 3.10.4** The NZAX issuer shall provide the following documents to NZX for approval pursuant to NZAX Listing Rule A5.1:
- (a) the Offering Document;
 - (b) an updated NZX Sponsor's declaration;
 - (c) additional financial statements and audit reports; and
 - (d) any other material information.
- 3.10.5** Following approval by NZX, the documents outlined in NZAX Listing Rule A3.10.4 shall be posted for public inspection on the NZAX website, copies of the documents shall be made available to prospective investors on request and a copy of those documents shall be retained by the NZAX Issuer for evidential purposes.
- 3.10.6** The NZAX Issuer shall then make the offer to the public by either:
- (a) providing the Offering Document to each prospective investor with acceptance in the usual manner; or
 - (b) by placement of the Securities on the NZAX market, by way of filing an offer notice, in accordance with NZAX Listing Rule A3.10.7 and receiving application by way of orders placed via Trading Participants for their clients on the NZAX, and accepted by the NZAX Issuer's Trading Participant and processed by the order matching and settlement through NZX's FASTER system.
- 3.10.7** Where an NZAX Issuer makes the offer to the public by way of filing an offer notice pursuant to NZAX Listing Rule A3.10.6(b), that notice shall be posted on the NZAX website, shall be announced to the market and shall comprise the following information:
- (a) the intention to make the offer;
 - (b) the date of commencement of the offer;

- (c) the maximum amount offered;
- (d) that an Offering Document is available on the NZAX website and on request from the NZAX issuer;
- (e) the internet address of the NZAX issuer's NZAX website; and
- (f) where applicable, a statement that the offer is been made with the benefit of an exemption, that the NZAX issuer is not under an obligation to ensure investors receive an Offering Document before placing an order for Securities, and encouraging investors to obtain and review a copy of that Document prior to placing an order.

3.10.8 NZAX Listing Rules A3.10.6 and A3.10.7 shall only apply to shares allotted through the FASTER system.