



**SECURITIES ACT (TELSTRA 2 SHARE OFFER) EXEMPTION
NOTICE (NO. 2) 1999**

PURSUANT to the Securities Act 1978, the Securities Commission gives the following notice.

ANALYSIS

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NOTICE

1. Title, commencement, and expiry—(1) This notice may be cited as the Securities Act (Telstra 2 Share Offer) Exemption Notice (No. 2) 1999.

(2) This notice comes into force on the day after the date of its notification in the *Gazette*.

(3) This notice expires on the close of 31 December 2001.

2. Interpretation—(1) In this notice, unless the context otherwise requires,—

“Act” means the Securities Act 1978:

“Commonwealth” means the Commonwealth of Australia:

“Company” means Telstra Corporation Limited:

“Exchange” means the New Zealand Stock Exchange:

“Instalment receipt” means an equity security that—

(a) Acknowledges payment by the holder of part of the purchase price of specified equity securities; and

(b) Entitles the holder to acquire specified equity securities from the trustee on the terms contained in the trust deed:

“Regulations” means the Securities Regulations 1983:

“Specified equity securities” means fully paid ordinary shares in the capital of the company registered in the name of the Commonwealth on the date on which this notice comes into force:

“Trust deed” means the deed made or to be made between the Commonwealth and the trustee that provides for the trustee to

hold specified equity securities on separate trusts for each of the subscribers for them:

“Trustee” means Telstra Instalment Receipt Trustee Limited or any other person that is a trustee under the trust deed.

(2) Any term or expression that is not defined in this notice, but that is defined in the Act, the Securities Amendment Act 1988, or the Regulations, has the meaning given to it by the Act, the Securities Amendment Act 1988, or the Regulations.

3. Exemption for instalment receipts—(1) The company, the Commonwealth, and every person acting on behalf of either or both of them, are exempted from sections 33, 37, 37A, and 53 to 54B of the Act and from the Regulations (except regulation 8) in respect of instalment receipts.

(2) The exemption is subject to the following conditions:

(a) That no offer of instalment receipts is made unless—

(i) The offer is made in an advertisement that refers to an investment statement relating to the specified equity securities; or

(ii) The offer is made in, or accompanied by, an investment statement relating to the specified equity securities; or

(iii) The offer is made in, or accompanied by, an Australian prospectus within the meaning of the Securities Act (Australian Issuers) Exemption Notice 1997 relating to the specified equity securities; and

(b) The investment statement relating to the specified equity securities—

(i) Refers to a summary of the terms of the trust deed contained in the appendices to the Australian prospectus; and

(ii) States that copies of the trust deed may be obtained on request and without charge; and

(iii) States where copies of the trust deed may be obtained; and

(c) Money or other consideration provided by or on behalf of a subscriber in payment of the first instalment of the purchase price for the specified equity securities is held by or on behalf of the Commonwealth on trust for the subscriber until the specified equity securities to which the subscriber may be entitled are transferred to the trustee and the instalment receipts for those securities are allocated to the subscriber; and

(d) On the date on which the obligation to issue instalment receipts becomes unconditional the trustee holds, and undertakes in the trust deed that it will during the period for which the receipts remain effective continue to hold, a sufficient number of specified equity securities to meet the obligations of the trustee to deliver the securities to the holders of instalment receipts in accordance with the terms of the receipts; and

(e) The specified equity securities referred to in paragraph (d) are held by the trustee for the benefit of holders of instalment receipts subject to a security interest securing payment by the holders of the receipts of the final instalments payable for the receipts; and

(f) The Exchange has approved any statements in the Australian prospectus or in any advertisement relating to the instalment

receipts or specified equity securities that refer to quoting the receipts on the Official List of the Exchange or to any rule of the Exchange.

4. Exemption from regulation 7A (1) in relation to specified equity securities—The company, the Commonwealth, and every person acting on behalf of either or both of them, are exempted from regulation 7A (1) of the Regulations in so far as that provision requires an investment statement relating to specified equity securities to contain information about the Commonwealth as the issuer of the securities.

5. Exemption from sections 20 and 21 of Securities Amendment Act 1988—The trustee and every person acting on its behalf are exempted from sections 20 and 21 of the Securities Amendment Act 1988 in respect of any relevant interest in the voting securities of the company the trustee may have as a result of acting as trustee under the trust deed.

Dated at Wellington this 27th day of August 1999.

The Common Seal of the Securities Commission was affixed in the presence of:

[L.S.]

E. H. ABERNETHY,
Chairman.

EXPLANATORY NOTE

This note is not part of the notice, but is intended to indicate its general effect.

This notice comes into force on the day after the date of its notification in the *Gazette* and expires on 31 December 2001.

The notice relates to offers by the Australian Government of ordinary shares in Telstra Corporation Limited ("Telstra"). The circumstances in which the offers are being made means that, as a result of section 6 of the Securities Act 1978, the Act applies to the offers even though the shares are previously allotted securities.

The offering is to proceed by way of instalment receipts. Subscribers will be required to pay the first instalment on application and the final instalment at a later date. They will receive instalment receipts for the initial payment. The shares will be held by a trustee pending payment of the final instalment and then transferred to subscribers.

Clause 3 of the notice exempts Telstra and the Australian Government from the prospectus, investment statement, and advertising requirements of the Act and the Securities Regulations 1983 (except regulation 8) and from certain other requirements of the Act in the case of the issue of the instalment receipts. The exemption is subject to a number of conditions.

Clause 4 exempts Telstra and the Australian Government from regulation 7A (1) of the Regulations in relation to offers of the shares in Telstra. The effect of the exemption is that the investment statement for the shares will be required to contain information only about Telstra, not the Australian Government.

Clause 5 exempts the trustee from sections 20 and 21 of the Securities Amendment Act 1988 in relation to any relevant interests in Telstra shares the trustee may have as a result of holding the shares as trustee for the holders of instalment receipts. Sections 20 and 21 require substantial security holders in public issuers to disclose relevant interests in those securities.

Issued under the authority of the Acts and Regulations Publication Act 1989.
Date of notification in *Gazette*: 27 August 1999.
This notice is administered in the Securities Commission.