



**THE SECURITIES ACT (CHALLENGER ASSET MANAGEMENT LIMITED AND OTHERS) EXEMPTION NOTICE 1996**

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

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NOTICE

**1. Title, commencement, and expiry**—(1) This notice may be cited as the Securities Act (Challenger Asset Management Limited and Others) Exemption Notice 1996.

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

(3) This notice shall expire on the close of the 17th day of June 1997.

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

“The Act” means the Securities Act 1978:

“Company” means—

(a) Challenger Asset Management Limited:

(b) Challenger International Nominees Limited:

“CSFP” means Credit Suisse Financial Products:

“Equity warrants” means securities—

(a) That have been offered by Macquarie or CSFP to Challenger International Nominees Limited pursuant to offer circulars dated the 17th day of June 1996, which, subject to any waiver or exemption granted by the Australian Stock Exchange in respect of compliance with the Business Rules of the Australian Stock Exchange, have been prepared in accordance with those Business Rules; and

(b) That confer on the holder the right, subject to their terms and conditions, to acquire ordinary shares that are listed on the Australian Stock Exchange or the New Zealand Stock Exchange:

“Macquarie” means Macquarie Bank Limited:

“The Regulations” means the Securities Regulations 1983.

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

**3. Meaning of “Australian offer document”**—For the purposes of this notice, the term “Australian offer document” means a document dated the 17th day of June 1996—

- (a) That contains or accompanies an offer by a company of equity warrants that CSFP or Macquarie have offered to sell to the company; and
- (b) That—
  - (i) With the exception of the statements that are included in, or that accompany, the document pursuant to clause 4 (3) of this notice, is identical to a document that is lodged or registered under the law of a State or Territory of the Commonwealth of Australia and that is signed by or on behalf of such persons (if any) as are required by that law to sign that document; or
  - (ii) By virtue of an exemption or declaration by the Australian Securities Commission under section 1084 of the Corporations Law of the Commonwealth of Australia is not required to be lodged or registered under the law of a State or Territory of the Commonwealth of Australia; and
- (c) By means of which, it is lawful under the law of that State or Territory of the Commonwealth of Australia for the company to make an offer of the equity warrants to the public; and
- (d) That contains no statement referring to listing or intended listing on the New Zealand Stock Exchange other than a statement that has been approved by the New Zealand Stock Exchange; and
- (e) A copy of which has been deposited with the Registrar of Companies at Wellington together with a copy of—
  - (i) The certificate of incorporation of the company;
  - (ii) The memorandum and articles of association or other documents, statutes, or instruments constituting or defining the constitution of the company;
  - (iii) Every document to which clause 4 (3) (a) of this notice applies;
  - (iv) A certificate or other document evidencing any exemption or declaration by the Australian Securities Commission referred to in paragraph (b) (ii) of this clause;
  - (v) A document containing the statements required by clause 4 (3) (b) of this notice;
  - (vi) A certificate signed by the solicitor for the company that, as at the date of the certificate, clause 4 (3) (b) of this notice has been complied with.

**4. Challenger Asset Management Limited and others exempt from compliance with certain provisions of the Securities Act 1978 and the Securities Regulations 1985**—(1) Subject to subclauses (2) to (4) of this clause,—

- (a) Each company; and
- (b) CSFP; and
- (c) Macquarie; and
- (d) Every person acting on behalf of a person referred to in paragraph (a) or paragraph (b) or paragraph (c) of this subclause—

are exempted from compliance with the provisions of sections 33, 37, 37A, 38, and 38A of the Act and regulation 23 of the Regulations in respect of any offer by the company of equity warrants.

(2) The exemptions granted by subclause (1) of this clause are subject to the condition that—

(a) The offer is made in, or accompanied by, the Australian offer document; or

(b) The offer is made in an advertisement that—

(i) Refers to the Australian offer document; and

(ii) States that allotments of the equity warrants shall be made in the manner specified in the Australian offer document and in the manner prescribed under the law of a State or Territory of the Commonwealth of Australia; and

(iii) Specifies the place or places at which the Australian offer document may be obtained, or contains a coupon or coupons to be completed by any person who wishes to be sent the Australian offer document, or both; and

(iv) States that the offer contained in the advertisement is authorised or instigated by or on behalf of the company or prepared with the co-operation of, or by arrangement with, the company; and

(v) Contains no statement referring to listing or intended listing on the New Zealand Stock Exchange other than a statement approved by the New Zealand Stock Exchange; and

(vi) Complies with the provisions of the Act and the Regulations relating to advertisements (other than provisions compliance with which is exempted pursuant to subclause (1) or subclause (2) of this clause), and for the purposes of this subparagraph, references in those regulations to the expression “registered prospectus” shall be construed as references to the Australian offer document.

(3) The exemptions granted by subclause (1) of this clause are subject to the further conditions—

(a) That the Australian offer document contains, or is accompanied by a document that contains, a statement that the following documents may be inspected at the office of the Registrar of Companies at Wellington:

(i) A copy of any material contract referred to in the Australian offer document; or

(ii) If the contract is not in writing, a copy of any memorandum containing particulars of the contract; or

(iii) If an exemption or declaration has been granted by the Australian Securities Commission under section 1084 of the Corporations Law of the Commonwealth of Australia, a copy of any memorandum containing particulars of the material contract prepared pursuant to that exemption or declaration; and

(b) That the Australian offer document contains, or is accompanied by a document that contains, prominent statements—

(i) That the tax position in New Zealand applying in relation to the equity warrants may be different from the position applying in Australia and the investor should seek independent tax advice before subscribing for the equity warrants; and

(ii) That investing in equity warrants may carry with it a currency exchange risk; and

(iii) That the financial reporting requirements applying in New Zealand and those applying to the company may be different and the financial statements of the company may not be compatible in all respects with financial statements prepared in accordance with the Securities Act 1978 and the Financial Reporting Act 1993; and

(iv) That—

(A) Any offer and allotment of equity warrants will be governed by the Australian offer document and will be made in accordance with the laws of the State or Territory of the Commonwealth of Australia that apply to the offer and allotment; and

(B) The company may not be subject in all respects to New Zealand law; and

(v) That the obligations of the issuer of equity warrants may not be enforceable in New Zealand courts; and

(vi) That the Australian offer document has not been registered in New Zealand under and in accordance with New Zealand law and may not contain all the information that a New Zealand registered prospectus containing an offer of the equity warrants would be required to contain; and

(vii) Of the general nature and effect of any exemption, order, or declaration that may have been granted by the Australian Securities Commission in respect of any offer of equity warrants including any exemption granted under section 1084 (2) of the Corporations Law of the Commonwealth of Australia; and

(viii) That a copy of the company's most recent audited financial statements is, subject to payment of a reasonable charge, available on request to any holder of any equity warrants; and

(ix) That the company, CSFP, and Macquarie are not listed on the New Zealand Stock Exchange and New Zealand resident investors may not have access to information concerning the company, CSFP, or Macquarie in the same way as investors have in relation to an issuer listed on the New Zealand Stock Exchange; and

(x) That the ordinary shares to which the equity warrants apply may not be quoted on the New Zealand Stock Exchange and New Zealand resident investors may not have access to information concerning the shares in the same way as investors have in relation to securities that are quoted on the New Zealand Stock Exchange; and

(xi) Of—

(A) Any credit rating given in respect of the financial obligations of CSFP and Macquarie including any qualifications to the rating; and

(B) The name of the person by whom the rating was given; and

(C) Any changes made to any rating given in respect of the financial obligations of the company in the 2 years

preceding the date of the Australian offer document and the date of those changes.

(4) The exemptions granted by subclause (1) of this clause are subject to the further condition that at the same time as an offer of equity warrants is made or is open for acceptance in New Zealand, an offer of equity warrants is also made or is open for acceptance in Australia pursuant to the Australian offer document.

**5. Credit Suisse Financial Products and Macquarie Bank Limited exempt from compliance with sections 51 to 54 of the Securities Act 1978**—CSFP and Macquarie and every person acting on behalf of either of them are exempted from compliance with the provisions of sections 51 to 54 of the Act in respect of any equity securities allotted pursuant to the exercise of rights conferred by equity warrants to which an Australian offer document applies.

**6. Challenger Asset Management Limited and others exempt from compliance with certain provisions of the Securities Regulations 1983**—(1) Each company and every person acting on its behalf are exempted from compliance with the provisions of regulations 11 to 19, 21, and 22 of the Regulations in respect of any offer by the company of equity warrants.

(2) CSFP and Macquarie and every person acting on behalf of either of them are exempted from compliance with the provisions of regulations 11 to 19, 21, and 22 of the Regulations in respect of any offer of such equity warrants.

(3) Nothing in subclause (1) or subclause (2) of this clause applies in respect of an advertisement referred to in clause 4 (2) (b) of this notice.

Dated at Wellington this 18th day of September 1996.

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

[L.S.]

J. M. ROBSON,  
Member.

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## 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 17 June 1997.

The notice applies to offers by Challenger Asset Management Limited or Challenger International Nominees Limited of equity warrants that Credit Suisse Financial Products (CSFP) or Macquarie Bank Limited (Macquarie) have offered to sell to those companies. The equity warrants are securities that entitle the holder, subject to the terms and conditions of the warrants, to acquire ordinary shares that are listed on the Australian Stock Exchange or the New Zealand Stock Exchange.

The notice exempts Challenger Asset Management Limited, Challenger International Nominees Limited, CSFP, and Macquarie, subject to certain conditions, from compliance with sections 33, 37, 37A, 38, and 38A of the Securities Act 1978 and regulation 23 of the Securities Regulations 1983 in respect of offers of equity warrants. In essence, the notice exempts Challenger Asset Management Limited, Challenger International Nominees Limited, CSFP, and Macquarie from the requirement of the Securities Act 1978 that the offers be made by means of a registered prospectus or an authorised advertisement if the offers are made by means of an Australian offer document (as that term is defined) or an advertisement that refers to the document and meets certain other requirements.

CSFP and Macquarie are also exempted from compliance with sections 51 to 54 of the Securities Act 1978 in respect of any allotment of ordinary shares pursuant to the exercise of rights conferred by those equity warrants.

Section 51 requires issuers of securities to keep registers of securities that have been issued by them. Section 52 relates to the inspection of those registers. Section 53 requires the issuers of securities to keep accounting records and provides for the auditing of those records. Section 54 relates to certificates.

The notice also exempts Challenger Asset Management Limited, Challenger International Nominees Limited, CSFP, and Macquarie from compliance with regulations 11 to 19, 21, and 22 of the Securities Regulations 1983 in respect of offers of equity warrants.

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Issued under the authority of the Acts and Regulations Publication Act 1989.

Date of notification in *Gazette*: 19 September 1996.

This notice is administered in the Securities Commission.