



THE SECURITIES ACT (RIGHTS, OPTIONS, AND CONVERTIBLE SECURITIES) EXEMPTION NOTICE 1989

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

NOTICE

1. Title and commencement—(1) This notice may be cited as the Securities Act (Rights, Options, and Convertible Securities) Exemption Notice 1989.

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

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

“The Act” means the Securities Act 1978:

“The Regulations” means the Securities Regulations 1983:

“Share warrant” means a share warrant within the meaning of section 93 of the Companies Act 1955.

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

3. Offers and allotments made pursuant to options, share warrants, convertible notes and preference shares exempt from certain provisions of Securities Act 1978—(1) Subject to subclause (2) of this clause, every person is exempted from compliance with the provisions of sections 33 (1), 37, and 37A of the Act in respect of any offer of equity securities which are, or are to be, allotted pursuant to the terms of, or the exercise by any person of a right conferred by, any option, share warrant, convertible note or preference share which has previously been allotted.

(2) The exemption granted by subclause (1) of this clause is subject to the conditions that—

(a) The option, share warrant, convertible note or preference share has been offered and allotted under, and in accordance with, the terms of a registered prospectus complying with the Act and the Regulations and that contains particulars of all material matters relating to the offer of equity securities not otherwise required to be set out in the registered prospectus:

(b) The registered holder of the option, share warrant, convertible note or preference share has been given, before allotment of the

equity securities and before the exercise of any right conferred by the option, share warrant, convertible note or preference share, either—

(i) A copy of an audited consolidated balance sheet as at the end of, and an audited consolidated profit and loss account for, the most recently completed accounting period of the issuing group, which give a true and fair view of the state of affairs and results thereof, in the case of any company, in accordance with the provisions relating to group accounts contained in the Companies Act 1955 and, in the case of any other body corporate, in accordance with the provisions of any enactment to which that body corporate is subject; or

(ii) A copy of—

(A) An interim consolidated balance sheet as at the end of, and an interim consolidated profit and loss account for a period commencing after the accounting period referred to in subparagraph (i) of this paragraph and ending on a date that is not more than 9 months after that accounting period, which give a true and fair view of the state of affairs and results of the issuing group, in the case of a company, in accordance with the provisions relating to group accounts contained in the Companies Act 1955 and, in the case of any other body corporate, in accordance with the provisions of any enactment to which that body corporate is subject, (except in each case that they need not be audited); and

(B) A statement containing a description of the issuing group; and

(c) The date of allotment of securities made pursuant to the terms of, or the exercise of any right conferred by, the option, share warrant, convertible note or preference share, is not more than 9 months after the date of the balance sheet or interim balance sheet, as the case may be, referred to in paragraph (b) of this subclause.

4. Offers and allotments made pursuant to rights issue exempt from certain provisions of Securities Act 1978—Every person is exempted from compliance with the provisions of section 37A (1) (a) to (d) of the Act in respect of any allotment of securities to any subscriber for those securities in whose favour an offer of those securities (being an offer of securities to which regulation 4 (1) (a) of the Regulations applies) has been renounced.

5. Revocation—The Securities Act (Rights, Options, and Convertible Securities) Exemption Notice 1987* is hereby revoked.

Dated at Wellington this 16th day of June 1989.

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

[L.S.]

C. I. PATTERSON,
Chairman.

EXPLANATORY NOTE

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

This notice replaces the Securities Act (Rights, Options, and Convertible Securities) Exemption Notice 1987. It differs from that notice in 2 respects. First, it is a condition of that notice that the option, share warrant, convertible note or preference share has been offered and allotted in accordance with a registered prospectus that complies with the Securities Act 1978 and the Securities Regulations 1983. That prospectus must now contain particulars of all material matters relating to the offer of equity securities not otherwise required to be set out in it.

Second, it is a condition of that notice that the date of allotment is not more than 9 months after the date of an audited consolidated balance sheet for the most recent accounting period of the issuing group sent, together with an audited consolidated profit and loss account, to the holder of the option, share warrant, convertible note or preference share. This notice allows for allotments to be made within 9 months of the date of interim unaudited accounts covering a period of up to 9 months after the accounting period to which the audited accounts relate.

Issued under the authority of the Regulations Act 1936.
Date of notification in *Gazette*: 22 June 1989.
This notice is administered in the Securities Commission.