



**SECURITIES ACT (DIVIDEND REINVESTMENT) EXEMPTION
NOTICE 1997**

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

NOTICE

1. Title, commencement, and expiry—(1) This notice may be cited as the Securities Act (Dividend Reinvestment) Exemption Notice 1997.

(2) This notice comes into force on 1 October 1997.

(3) This notice expires on the close of 30 September 2002.

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

“Act” means the Securities Act 1978:

“Convertible securities” means debt securities that will be converted, or are or will become convertible at the option of the security holder, into equity securities of the issuer of the debt securities:

“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. Application—This notice applies to any equity securities offered by the issuer of those securities only to a person who already holds equity securities or convertible securities of the issuer on terms which—

(a) Entitle that person to subscribe for those equity securities by applying all or any specified part of any dividends declared by the issuer and payable to that person; or

(b) Require the issuer to allot those equity securities to that person as fully paid shares in consideration for that person foregoing the right to receive all or any specified part of any dividends declared by the issuer and otherwise payable to that person.

4. Exemptions—(1) Every issuer, and every person acting on its behalf, are exempted from—

(a) Sections 37A (1) (c) and (d) and 37A (2) of the Act; and

(b) Clauses 1 (3), 2 to 18, 19 (2), 20, and 22 to 42 of the First Schedule of the Regulations—

in respect of any equity securities to which this notice applies.

(2) Every issuer, and every person acting on its behalf, are exempted from section 37A (1) (a) of the Act in respect of any equity securities to which this notice applies that are subscribed for before 1 April 1998.

5. Conditions on exemptions—The exemptions granted by clause 4 are subject to the following conditions:

- (a) That copies of the audited consolidated financial statements for the most recently completed accounting period of the issuer may be obtained free of charge by any person to whom the equity securities are offered; and
- (b) That the registered prospectus for the equity securities states the place or places where copies of such audited consolidated financial statements may be so obtained.

Dated at Wellington this 29th day of September 1997.

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

[L.S.]

M. R. H. WEBB,
Member.

EXPLANATORY NOTE

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

This notice, which comes into force on 1 October 1997 and expires on 30 September 2002, replaces the Securities Act (Dividend Reinvestment) Exemption Notice 1987. The notice is required as a result of the coming into force on 1 October 1997 of new disclosure and other requirements under the Securities Act 1978.

The notice applies to equity securities offered to existing holders of equity or convertible securities on terms which entitle the existing holders to subscribe for such securities by applying dividends declared and payable to that person or which require the issuer to allot such securities as fully paid up in consideration for that person foregoing the right to receive dividends declared by the issuer and payable to that person.

The notice exempts issuers, in the case of such equity securities, from sections 37A (1) (c) and (d) and 37A (2) of the Securities Act 1978 and clauses 1 (3), 2 to 18, 19 (2), 20, and 22 to 42 of the First Schedule of the Securities Regulations 1983.

The notice also exempts issuers from section 37 (1) (a) of the Securities Act 1978 in respect of such equity securities that are subscribed for before 1 April 1998.

The exemptions are granted on the condition that copies of the audited consolidated financial statements for the most recently completed accounting period of the issuer may be obtained free of charge by any person to whom the offer of equity securities is made.