



**THE SECURITIES ACT (EMPLOYEE SHARE PURCHASE  
SCHEMES) EXEMPTION NOTICE 1991**

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

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NOTICE

**1. Title and commencement**—(1) This notice may be cited as the Securities Act (Employee Share Purchase Schemes) Exemption Notice 1991.

(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:

“Listed company” means a company the equity securities of which are listed, or have been accepted for listing subject to completion of allotment procedures, on the official lists of the New Zealand Stock Exchange and in respect of which a right of quotation exists:

“The Regulations” means the Securities Regulations 1983.

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

**3. Listed companies exempt from certain provisions of the Securities Act 1978 and the Securities Regulations 1983**—(1) Subject to subclause (2) of this clause, every listed company, and every person acting on its behalf, is exempted from compliance with the provisions of—

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

(b) Regulation 3 (1) of the Regulations in so far as that subclause requires a registered prospectus to contain the information, statements, certificates, and other matters specified in clauses 4 to 20, 22 to 38, and 40 to 42 of the First Schedule to the Regulations—

in respect of any offer or allotment of equity securities of which the listed company is the issuer.

(2) The exemption granted by subclause (1) of this clause is subject to the following terms and conditions:

- (a) That the securities are both offered and allotted to a person who—
  - (i) Is an employee of the listed company or of any subsidiary of the listed company; or
  - (ii) Provides personal services (otherwise than as an employee) principally to the listed company or any subsidiary of the listed company; and
- (b) That a copy of an audited consolidated balance sheet as at the end of, and an audited consolidated profit and loss account and statement of cash flows 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,—
  - (i) Has, before allotment of the security, been given or sent to the person to whom the offer is made; or
  - (ii) Is attached to, or contained in, the registered prospectus given or sent to every person to whom the offer is made; and
- (c) That the registered prospectus states the place or places where copies of the items referred to in paragraph (b) of this subclause can be obtained, free of charge, by any person to whom the offer is made.

**4. Revocation**—The Securities Act (New Zealand and Australia Employee Share Purchase Schemes) Exemption Notice 1986\* is hereby revoked.

Dated at Wellington this 17th day of December 1991.

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

[L.S.]

P. D. McKENZIE,  
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 (New Zealand and Australia Employee Share Purchase Schemes) Exemption Notice 1986. The principal difference between this notice and the Securities Act (New Zealand and Australia Employee Share Purchase Schemes) Exemption Notice 1986 is that this notice does not apply to Australian listed companies.

Australian listed companies may be exempt from the requirements contained in the Securities Act 1978 to make offers by means only of a registered prospectus or an authorised advertisement by virtue of the Securities Act (Australian Issuers) Exemption Notice 1991.

The effect of this notice is to exempt, subject to conditions, companies whose equity securities are listed on the New Zealand Stock Exchange from certain provisions of the Securities Act 1978 and the Securities Regulations 1983 in respect of offers of equity securities made to employees of, and persons who provide personal services to, those companies and their subsidiaries. The notice differs in one further respect from the Securities Act (New Zealand and Australia Employee Share Purchase Schemes) Exemption Notice 1986 in that the notice makes it clear that the securities must be both offered and allotted to those employees or persons.

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Issued under the authority of the Acts and Regulations Publication Act 1989.  
Date of notification in *Gazette*: 19 December 1991.  
This notice is administered in the Securities Commission.