

**Reprint  
as at 1 June 2011**



**Securities Act (Livestock  
Improvement Corporation  
Limited) Exemption Notice 2006**

(SR 2006/112)

Securities Act (Livestock Improvement Corporation Limited) Exemption  
Notice 2006: expired, on 1 June 2011, by clause 3.

Pursuant to the Securities Act 1978, the Securities Commission gives  
the following notice (to which is appended a statement of reasons of  
the Securities Commission).

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**Note**

Changes authorised by section 17C of the Acts and Regulations Publication Act 1989  
have been made in this reprint.

A general outline of these changes is set out in the notes at the end of this reprint, together  
with other explanatory material about this reprint.

**This notice is administered by the Securities Commission.**

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## Notice

- 1 Title**  
This notice is the Securities Act (Livestock Improvement Corporation Limited) Exemption Notice 2006.
- 2 Commencement**  
This notice comes into force on the day after the date of its notification in the *Gazette*.
- 3 Expiry**  
This notice expires on the close of 31 May 2011.
- 4 Interpretation**

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

**Act** means the Securities Act 1978

**approved holding entity** means an entity appointed by LIC to administer the dividend reinvestment plan

**broker** means any NZX Firm (as defined in Rule 1.1 of the NZX Participant Rules) appointed by the approved holding entity for the purposes of the dividend reinvestment plan

**dividend** has the same meaning as in section 53 of the Companies Act 1993

**dividend reinvestment plan** means a plan under which dividends to which participants are entitled are paid by LIC to the approved holding entity for the purpose of acquiring specified securities for transfer to those participants

**eligible person** means a person who, at 5 pm on the date specified by LIC for determining entitlement to the relevant dividend,—

(a) is the registered holder of specified securities; and

- (b) is not a director of LIC or an associated person (as defined in Rule A1.1.2 of the NZAX Listing Rules) of a director of LIC; and
- (c) is a resident of a country that has not been excluded by LIC from the application of the dividend reinvestment plan to avoid any risk of breaching the laws of that country

**LIC** means Livestock Improvement Corporation Limited

**material adverse information** means information that is not publicly available that would, or would be likely to, have a material adverse effect on the realisable price of specified securities if the information were publicly available

**NZAX Listing Rules** means NZX's Listing Rules that apply to NZAX issuers and the NZAX Market

**NZAX Market** means the securities market operated by NZX under that name

**NZX** means New Zealand Exchange Limited

**participant** means an eligible person—

- (a) who has elected to participate in the dividend reinvestment plan; and
- (b) whose participation in the dividend reinvestment plan has not been terminated in accordance with the terms of that plan

**Regulations** means the Securities Regulations 1983

**relevant acquisition** means, in relation to any dividend amount paid by LIC to the approved holding entity for the purposes of the dividend reinvestment plan on the declaration of a particular dividend, the acquisition of specified securities by the approved holding entity or broker using that dividend amount

**relevant specified security** means a specified security to which this notice applies

**specified security** means a share that is—

- (a) issued by LIC; and
- (b) designated as an investment share under LIC's constitution; and
- (c) listed by LIC on the NZAX Market.

- (2) Any term or expression that is defined in the Act or the Regulations and used, but not defined, in this notice has the same meaning as in the Act or the Regulations.

**5 Application of notice**

This notice applies to specified securities that—

- (a) have been previously allotted; and
- (b) are to be transferred by the approved holding entity or the broker under the dividend reinvestment plan to a participant.

**6 Exemptions from sections 37 and 37A of Act and from Regulations (except regulation 8)**

LIC, the approved holding entity, the broker, and every person acting on behalf of any of them are exempted from sections 37 and 37A of the Act and the Regulations (except regulation 8) in respect of the relevant specified securities.

**7 Condition of exemptions about what information must be provided**

The exemptions in clause 6 are subject to the condition that, before an eligible person elects to acquire relevant specified securities, that person receives a document that contains—

- (a) an offer of relevant specified securities under the dividend reinvestment plan; and
- (b) a description of the dividend reinvestment plan and its terms and conditions; and
- (c) a statement that there is available from LIC (or LIC's share registrar), on request and free of charge, a copy of the most recent annual report and financial statements (that comply with the Financial Reporting Act 1993) of LIC.

**8 Condition of exemptions about what dividend reinvestment plan must contain**

- (1) The exemptions in clause 6 are subject to the condition that the dividend reinvestment plan contains provisions requiring that,—

- (a) for the purposes of allocating shares to participants in respect of a relevant acquisition, the purchase price of the relevant specified securities acquired under the relevant acquisition is set by the approved holding entity as the volume weighted average price paid by the approved holding entity for those securities; and
- (b) where the effect of paragraph (a) would result in a participant being entitled to less than a whole security, part securities are rounded up or down in an equitable manner so as to enable all of the securities to be allocated; and
- (c) the approved holding entity and the broker have no material adverse information at the time the entity or broker acquires any relevant specified securities for the purposes of the dividend reinvestment plan; and
- (d) LIC has no material adverse information at the close of the last date on which any amount payable by LIC by way of dividend under a declaration of a dividend is paid by LIC to the approved holding entity for the purposes of the dividend reinvestment plan; and
- (e) every eligible person is given a reasonable opportunity to elect to participate in the dividend reinvestment plan; and
- (f) with respect to each relevant acquisition, the relevant specified securities transferred to a participant under the dividend reinvestment plan have attached to them the same rights, and are transferred for the same purchase price, as securities of the same class that are transferred to other participants who receive securities under that relevant acquisition; and
- (g) if, for any reason, any participant does not receive all or any of the relevant specified securities to which that participant is entitled under the dividend reinvestment plan, LIC pays or credits to the participant the difference between the portion of the dividend received by the participant in relevant specified securities (if any) and the dividend the participant would have received had the holder not elected to participate in the dividend reinvestment plan (except that if the amount of the differ-

- ence is less than \$2 for any participant, then that amount may be forfeited to LIC); and
- (h) LIC, within 28 days of receiving a written notice from a participant that requests the termination of the participant's participation in the dividend reinvestment plan, terminates the participant's participation in the dividend reinvestment plan with respect to dividends to be paid (whether to security holders or to the approved holding entity) more than 28 days after receipt by LIC of that written notice; and
  - (i) no brokerage or commission costs are payable by participants in relation to any relevant specified securities to which those participants are entitled under the dividend reinvestment plan (subject to the exception in paragraph (g)).
- (2) With respect to the broker, the requirement in subclause (1)(c) is satisfied if—
- (a) the broker ensures that, in accordance with Chinese wall arrangements put in place by the broker, no individual who takes part in a decision to buy any specified securities for the purposes of the dividend reinvestment plan receives or has access to material adverse information, or is influenced in relation to that decision by an individual who has material adverse information; and
  - (b) every individual who has material adverse information, and every individual who takes part in the decision to buy or sell any specified securities for the purposes of the dividend reinvestment plan, acts in accordance with those Chinese wall arrangements.

**9 Condition of exemptions about what information must be made available**

The exemptions in clause 6 are subject to the condition that it is a term of the offer of the relevant specified securities that LIC will ensure that—

- (a) LIC's Internet website, and LIC's annual report, contains a description of the dividend reinvestment plan and its terms and conditions; and

- (b) LIC's Internet website contains a statement that eligible persons may request from LIC (or LIC's share registrar) a copy of the most recent annual report and financial statements (that comply with the Financial Reporting Act 1993) of LIC; and
- (c) LIC (or LIC's share registrar) will, upon receiving such a request from an eligible person, send the document requested, free of charge, to the person.

Dated at Wellington this 1st day of May 2006.

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

[Seal]

J Diplock,  
Chairperson.

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### **Statement of reasons**

This notice, which comes into force on the day after its notification in the *Gazette* and expires on 31 May 2011, relates to a dividend reinvestment plan that Livestock Improvement Corporation Limited (**LIC**) intends to offer to its New Zealand resident shareholders.

The notice exempts LIC, the entity that it appoints to administer the dividend reinvestment plan, and any NZX Firm that it appoints to act as its broker, from sections 37 and 37A of the Securities Act 1978 and from all of the Securities Regulations 1983 other than regulation 8.

The exemption allows the offer of securities under the dividend reinvestment plan in a manner similar to that allowed under the terms of the Securities Act (Dividend Reinvestment) Exemption Notice 1998

(the **class notice**). The class notice applies to dividend reinvestment plans under which new securities are offered. The exemptions in this notice allow previously allotted securities to be offered. Both notices allow the securities to be offered without the need to prepare a registered prospectus and investment statement.

The Securities Commission considers that it is appropriate to grant the exemptions because,—

- for shareholders participating in a dividend reinvestment plan, there is no difference between a plan that offers new securities (to which the class notice would apply) and a plan that offers previously allotted securities:
- the exemptions allow LIC to offer its securities under a dividend reinvestment plan in a manner similar to that allowed in terms of the class notice:
- the conditions of the exemptions require disclosure to shareholders similar to that required under the class notice for dividend reinvestment schemes, and require additional disclosure about the pricing method of the securities:
- LIC's dividend reinvestment plan gives eligible shareholders the option of reinvesting their dividend entitlement in previously allotted securities of LIC without incurring brokerage or other charges.

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Issued under the authority of the Acts and Regulations Publication Act 1989.  
Date of notification in *Gazette*: 4 May 2006.

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## Notes

### **1** *General*

This is a reprint of the Securities Act (Livestock Improvement Corporation Limited) Exemption Notice 2006. The reprint incorporates all the amendments to the notice as at 1 June 2011, as specified in the list of amendments at the end of these notes.

Relevant provisions of any amending enactments that contain transitional, savings, or application provisions that cannot be compiled in the reprint are also included, after the principal enactment, in chronological order. For more information, see <http://www.pco.parliament.govt.nz/reprints/>.

### **2** *Status of reprints*

Under section 16D of the Acts and Regulations Publication Act 1989, reprints are presumed to correctly state, as at the date of the reprint, the law enacted by the principal enactment and by the amendments to that enactment. This presumption applies even though editorial changes authorised by section 17C of the Acts and Regulations Publication Act 1989 have been made in the reprint.

This presumption may be rebutted by producing the official volumes of statutes or statutory regulations in which the principal enactment and its amendments are contained.

### **3** *How reprints are prepared*

A number of editorial conventions are followed in the preparation of reprints. For example, the enacting words are not included in Acts, and provisions that are repealed or revoked

are omitted. For a detailed list of the editorial conventions, see <http://www.pco.parliament.govt.nz/editorial-conventions/> or Part 8 of the *Tables of New Zealand Acts and Ordinances and Statutory Regulations and Deemed Regulations in Force*.

#### **4 Changes made under section 17C of the Acts and Regulations Publication Act 1989**

Section 17C of the Acts and Regulations Publication Act 1989 authorises the making of editorial changes in a reprint as set out in sections 17D and 17E of that Act so that, to the extent permitted, the format and style of the reprinted enactment is consistent with current legislative drafting practice. Changes that would alter the effect of the legislation are not permitted. A new format of legislation was introduced on 1 January 2000. Changes to legislative drafting style have also been made since 1997, and are ongoing. To the extent permitted by section 17C of the Acts and Regulations Publication Act 1989, all legislation reprinted after 1 January 2000 is in the new format for legislation and reflects current drafting practice at the time of the reprint.

In outline, the editorial changes made in reprints under the authority of section 17C of the Acts and Regulations Publication Act 1989 are set out below, and they have been applied, where relevant, in the preparation of this reprint:

- omission of unnecessary referential words (such as “of this section” and “of this Act”)
- typeface and type size (Times Roman, generally in 11.5 point)
- layout of provisions, including:
  - indentation
  - position of section headings (eg, the number and heading now appear above the section)
- format of definitions (eg, the defined term now appears in bold type, without quotation marks)
- format of dates (eg, a date formerly expressed as “the 1st day of January 1999” is now expressed as “1 January 1999”)

- position of the date of assent (it now appears on the front page of each Act)
- punctuation (eg, colons are not used after definitions)
- Parts numbered with roman numerals are replaced with arabic numerals, and all cross-references are changed accordingly
- case and appearance of letters and words, including:
  - format of headings (eg, headings where each word formerly appeared with an initial capital letter followed by small capital letters are amended so that the heading appears in bold, with only the first word (and any proper nouns) appearing with an initial capital letter)
  - small capital letters in section and subsection references are now capital letters
- schedules are renumbered (eg, Schedule 1 replaces First Schedule), and all cross-references are changed accordingly
- running heads (the information that appears at the top of each page)
- format of two-column schedules of consequential amendments, and schedules of repeals (eg, they are rearranged into alphabetical order, rather than chronological).

**5 *List of amendments incorporated in this reprint  
(most recent first)***

Securities Act (Livestock Improvement Corporation Limited) Exemption Notice 2006 (SR 2006/112): clause 3

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