

Annual and Half-Yearly Reports On Request Only

Changes to the Companies Act 1993 (**Companies Act**), which came into force on 18 June 2007, allow companies to send annual reports to shareholders on request only. The Listed Companies Association (**LCA**) played a key role in seeking these changes and working with the Ministry of Economic Development (**MED**) on the design of the legislative amendments.

In essence, the new provisions allow companies to send a notice to shareholders informing them of the availability of the annual report on request and online, instead of a full hard copy annual report. As the content of the notice is mostly prescribed in the amended section 209 of the Companies Act, the notice is usually called a **209 Notice**.

The NZSX and NZDX Listing Rules and the NZAX Listing Rules (**Listing Rules**) have also been amended:

- to align them with the new provisions of the Companies Act; and
- to apply the Companies Act provisions to half-yearly reports prepared under the Listing Rules.

Accordingly, listed issuers are able to send a 209 Notice to holders of quoted securities within three months (or within four months for NZAX listed issuers) after the end of each financial year or half-year, rather than sending a full hard copy annual report or half-yearly report respectively.

In addition, the Listing Rules give listed issuers the option of combining the 209 Notices for the annual and half-yearly report, so one notice can cover the annual report and the next following half-yearly report.

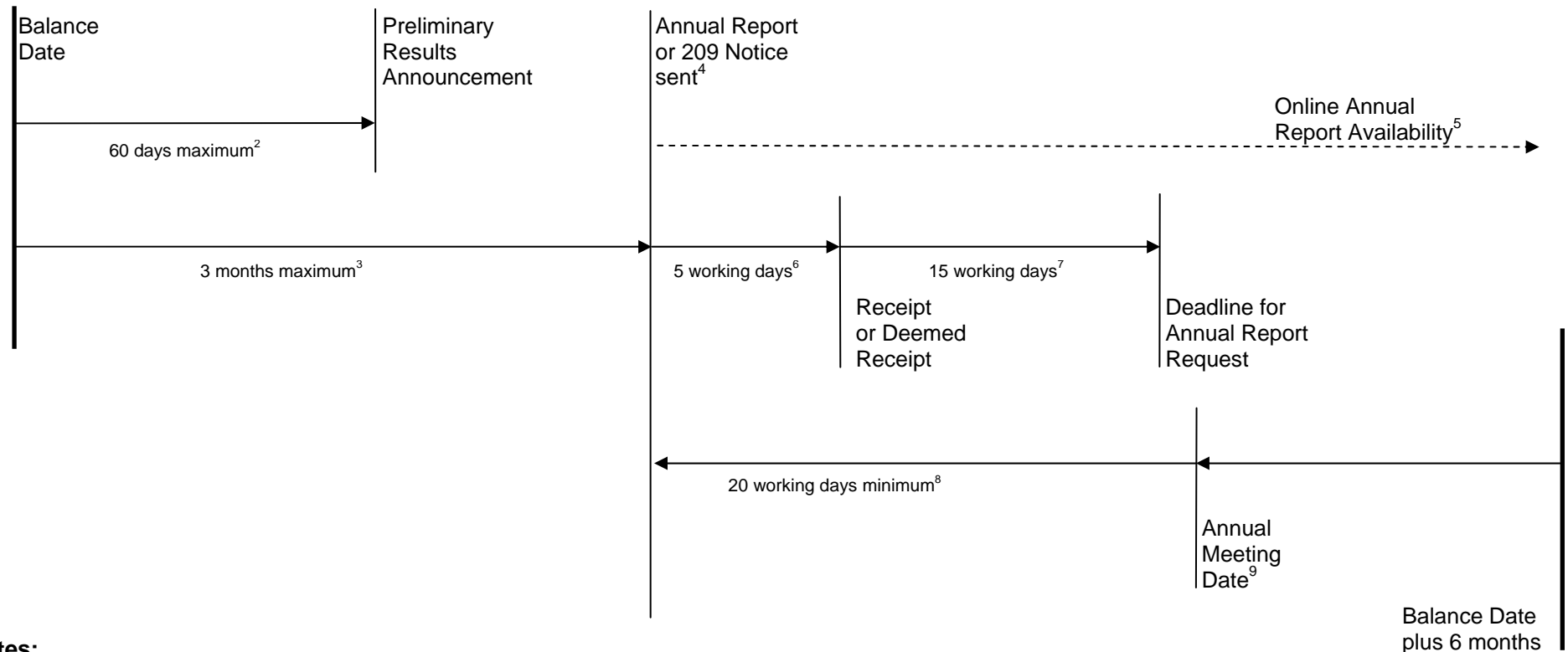
LCA, with the assistance of Simpson Grierson, has developed a **flowchart** (see attached) to guide NZSX listed issuers in developing a year-end timetable around the new provisions.

In addition, LCA has developed a **checklist** and **generic template** for a 209 Notice, to assist companies in complying with the new regime¹. These are linked on the same page of the LCA website as this document.

LCA encourages all listed issuers to take advantage of the new provisions.

¹ These documents are intended to provide general guidance only. They do not constitute legal advice, and should not be relied upon as such. No liability is accepted for use of or reliance upon these documents.

YEAR END REPORTING TIMELINE FOR NZSX LISTED ISSUERS¹



Notes:

1. This flowchart is intended to provide general guidance to companies which have a primary listing with New Zealand Exchange Limited (**NZX**) and have equity securities quoted (i.e. not debt-only issuers) on the NZSX market. It does not constitute legal advice, and should not be relied upon as such. No liability is accepted for use of or reliance upon any information in this flowchart.
2. NZSX Listing Rule 10.4.1.
3. NZSX Listing Rule 10.5.1.
4. NZX has amended the Listing Rules so as to allow a notice (**209 Notice**) complying with section 209 of the Companies Act 1993 (**Companies Act**) to be sent to shareholders instead of a full annual report (NZSX Listing Rule 10.5.2B). The Listing Rule changes also allow the 209 Notice to extend to the following half yearly report, such that a shareholder's election for the annual report extends to the next following half yearly report, so long as the 209 Notice explicitly states that it also applies to that half yearly report.
5. Under section 209B(1)(a) of the Companies Act, if a 209 Notice is sent instead of an annual report, the online annual report must be available "at all reasonable times" until the company sends an annual report or 209 Notice to shareholders in relation to the next full year accounting period.
6. Under section 392 of the Companies Act, for shareholders with an address in New Zealand, receipt is generally deemed to occur 5 working days after posting. This period may be longer for other classes of shareholder.
7. Section 209(3)(a) of the Companies Act.
8. Section 209(1) of the Companies Act.
9. Section 120 of the Companies Act requires the annual meeting to be held no later than 6 months after the balance date and no later than 15 months after the previous annual meeting.