

## Annual Reports Guidance Checklist – January 2020

This checklist has been issued to provide guidance to Issuers and their advisors on NZX's interpretation of the NZX Listing Rules (**Rules**) that prescribe certain information to be contained in an Annual Report. This checklist sets out NZX's general approach to the subject, but is not to be regarded as a definitive statement of the application of the relevant Rules and does not limit NZX's discretion under the Rules.<sup>1</sup>

This form is available on MAP and NZX may replace this checklist from time to time. Issuers should ensure that they have the most recent version of the checklist.

The requirements in this checklist apply to all issuers of Quoted Equity Securities and Quoted Debt Securities listed on the NZX Main Board and Debt Market, subject to certain exceptions noted below. Issuers of Quoted Equity Securities and Quoted Debt Securities should also be familiar with the Results Announcement requirements set out in Rule 3.5.

The exceptions for issuers of Quoted Equity Securities and Quoted Debt Securities are for:

- **Registered Banks:** Rule 3.9 exempts Registered Banks from some reporting requirements.
- **Mining Issuers:** Rule 3.10 requires Mining Issuers to comply with the requirements set out in Appendix 4 of the Rules.

This checklist does not apply to issuers of Fund Securities. Those issuers of Fund Securities that are managed funds must prepare a Fund Update in accordance with the requirements of the Financial Markets Conduct Act 2013 (FMC Act), and release that Fund Update to the market through MAP. Reporting obligations for issuers of Fund Securities are discussed in Rules 1.5, 3.11, and 3.12.

| <b>Rule 3.7 – Contents of Annual Report – Applicable to Issuers of Quoted Equity Securities and Quoted Debt Securities</b>  | <b>Check</b> |
|---|--------------|
| <p>The report must contain:</p> <ul style="list-style-type: none"> <li>• Information required to be published by subpart 5 of Part 5 of the FMC Act, which relates to interests of substantial product holders.</li> <li>• Audited financial statements and the associated audit report in accordance with the requirements of Part 7 of the FMC Act (unless the Issuer is exempt from Part 7 of that Act) or other applicable law.</li> <li>• Separate tables disclosing the names and holdings of registered holders having the 20 largest holdings of each of the issuer's Quoted Financial Products (for example for equity, and each quoted tranche of debt). Issuers should only include the New Zealand Central Securities Depository Limited as a registered holder where the Issuer is unable to identify the underlying holders.</li> </ul> <p><i>Refer to Rule 3.7.1(b) and (c), and Parts 5 and 7 of the FMC Act.</i></p> |              |
| <p>In the case of a Company registered under the Companies Act 1993, the report must contain:</p> <ul style="list-style-type: none"> <li>• the information required by section 211 of the Companies Act 1993.</li> </ul> <p><i>Refer to Rule 3.7.1(a) and section 211 of the Companies Act 1993</i></p>   |              |

<sup>1</sup> This checklist does not constitute legal advice and is only a guide to NZX's policies and practices. NZX recommends that Issuers take advice from qualified professionals and notes that this checklist should be used alongside the Listing Rules as well as the applicable law. Issuers can also contact NZX Regulation Issuer Compliance with any questions – [regulation@nzx.com](mailto:regulation@nzx.com)

|   |                     |
|---|---------------------|
| <p>The report must contain:</p> <ul style="list-style-type: none"> <li>• details of the Quoted Financial Product, and Financial Products that may Convert to Quoted Financial Products, in which each Director has a Relevant Interest at the balance date of the financial year in respect of which the annual report is prepared.</li> </ul> <p><i>Refer to Rule 3.7.1(d)</i></p>   |                     |
| <p>The report must contain:</p> <ul style="list-style-type: none"> <li>• details of the spread of Quoted Financial Product holders as at a date not earlier than two months before the date of the publication of the annual report.</li> </ul> <p><i>Refer to Rule 3.7.1(e)</i></p>  |                     |
| <p>In the case of Issuers with credit ratings, the report must state:</p> <ul style="list-style-type: none"> <li>• the current credit rating status (if any) for the Issuer.</li> </ul> <p><i>Refer to Rule 3.7.1(f)</i></p>  |                     |
| <p>The report must contain (if applicable):</p> <ul style="list-style-type: none"> <li>• A summary of all waivers: <ul style="list-style-type: none"> <li>(i) granted and published by NZX following an application by the Issuer, or</li> <li>(ii) relied upon by the Issuer (regardless of when such waiver was granted or published),</li> </ul> </li> <li>• in the 12-month period preceding the Issuer's balance date (or include a reference to where this information can be found on the Issuer's website, where it must remain available until publication of the next annual report).</li> </ul> <p><i>Refer to Rule 3.7.1(g)</i></p>   |                     |
| <p>The report must contain:</p> <ul style="list-style-type: none"> <li>• details of any public exercise of NZX's powers set out in Rule 9.9.3.</li> </ul> <p><i>Refer to Rule 3.7.1(h); Rule 9.9.3</i></p>  |                     |
| <p><b>Diversity and Corporate Governance Best Practice Code disclosure - Only Applicable to Issuers of Quoted Equity Securities</b></p>   | <p><b>Check</b></p> |
| <p>The report must contain:</p> <ul style="list-style-type: none"> <li>• a statement on, or URL link to a statement on, the extent to which the Issuer has followed the recommendations in the NZX Corporate Governance Code during the relevant financial year, and the date at which the corporate governance statement is current (which must be the Issuer's balance date or a later date specified by the entity); and</li> <li>• if the Issuer has not followed a recommendation in the NZX Corporate Governance Code for any part of the relevant financial year, the Issuer must separately state: <ol style="list-style-type: none"> <li>i. which recommendation, or recommendations, were not followed,</li> <li>ii. the period over which this occurred,</li> <li>iii. the Issuer's reasons for not following the recommendation,</li> <li>iv. what, if any, alternative governance practice was adopted in lieu of the recommendation during that period, and</li> <li>v. that the alternative governance practice has been approved by the Board,</li> </ol> </li> </ul> |                     |

|   |  |
|---|--|
| <p>however, an Issuer need not separately state those matters for any part of a period prior to first Quotation of a Class of its Equity Securities.</p> <p><i>Refer to Rule 3.8.1(a); Rule 3.8.1(b)</i></p>  |  |
| <p>The report must contain:</p> <ul style="list-style-type: none"> <li>• a quantitative breakdown as to the gender composition of the Issuer's Directors and Officers as at the Issuer's balance date, including comparative figures for the prior year which, at a minimum, must include: <ul style="list-style-type: none"> <li>○ the number of male and female Directors, and</li> <li>○ the number of male and female Officers,</li> </ul> at the relevant balance date and with comparative figures for the prior balance date (if any).</li> </ul> <p><i>Refer to Rule 3.8.1(c)</i></p> |  |
| <p>The report must contain:</p> <ul style="list-style-type: none"> <li>• an evaluation from the Board on the Issuer's performance with respect to its diversity policy (if applicable).</li> </ul> <p><i>Refer to Rule 3.8.1(d)</i></p>   |  |
| <p>The report must contain a statement:</p> <ul style="list-style-type: none"> <li>• as to which of its Directors are Independent Directors as at the balance date of the financial year in respect of which the annual report is prepared, and the factors relevant to that determination.</li> </ul> <p><i>Refer to Rule 3.8.1(e)</i></p>   |  |
| <p>The report must contain:</p> <ul style="list-style-type: none"> <li>• details of any Director who has been appointed under the provisions of the Governing Document complying with Rule 2.4 and the Financial Product Holder which appointed that Director.</li> </ul> <p><i>Refer to Rule 3.8.1(f)</i></p>  |  |