



Electronic Transfer System Rules

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1. Introduction

- 1.1 This document describes the rules of how we manage electronic transfer of financial products. The system for managing these electronic transfers is called the Catalist Electronic Transfer System or 'ETS'.
- 1.2 'Electronic transfer' means the transfer of legal ownership of financial products (such as shares or debt securities) from one investor to another without the need to complete separate paper documents. The Catalist Electronic Transfer System does not cater for the physical custody or settlement of transactions involving paper securities.
- 1.3 After the electronic transfer of securities, there can be additional obligations to notify others about the transfer. For example, New Zealand companies are required to notify the New Zealand Companies Office when their shareholders change. We provide services that can help with such administrative requirements and notifications, however these Rules solely relate to our electronic transfer system.
- 1.4 Investors and Issuers agree to these Rules when accessing or using Catalist Services. These rules constitute a valid, binding, and enforceable contract between Catalist and the Investor or Issuer.

1.5 Capitalised words used in these Rules are defined in rule 12 below.

2. Electronic Transfer System (ETS)

2.1 Catalist will maintain an Electronic Record of ownership of each Relevant Financial Product.

2.2 Only Catalist may upload a new Electronic Record into the ETS.

2.3 Only Catalist may initiate the legal transfer of Relevant Financial Products through the ETS.

2.4 These Rules set out the basis on which Catalist may initiate the legal transfer of Relevant Financial Products through the ETS.

3. Electronic Records

3.1 Where Catalist acts as registrar for the Relevant Financial Products, the Issuer is required to provide the following information, which will be recorded in the Electronic Record:

- (a) the names, in a format capable of being alphabetically arranged, of each person who is, or has within the last 10 years been the legal owner of the Relevant Financial Product;
- (b) the latest known address of each person referred to in rule 3.1(a);
- (c) the number of Relevant Financial Products of the class held by each person referred to in rule 3.1(a);
- (d) the date of any:
 - (i) issue of Relevant Financial Products; or
 - (ii) repurchase or redemption of Relevant Financial Products; or
 - (iii) transfer of Relevant Financial Products by or to each person referred to in rule 3.1(a), and
- (e) any other information required by law to be maintained in a register of such Relevant Financial Products.

3.2 Where Catalist does not act as registrar for the Relevant Financial Products, the Electronic Record must record:

- (a) sufficient information to identify the legal owner of each Relevant Financial Product that may be transferred pursuant to the ETS;
- (b) a record of all transfers effected by the ETS in relation to each Relevant Financial Product, which for each transfer must, at a minimum, include:
 - (i) the date of the transfer;
 - (ii) the class and number of Relevant Financial Products to which the transfer relates;

- (iii) the legal owner of the Relevant Financial Product that has transferred those Relevant Financial Products; and
 - (iv) the name and latest known address of each person that becomes a legal owner of Relevant Financial Products pursuant to the transfer.
- 3.3 The Electronic Records shall be conclusive evidence of any transfers of ownership they record.
- 3.4 Investors agree they will not be entitled to any paper certificate evidencing their ownership of Relevant Financial Products.
- 3.5 Investors may view, through their online Investor Account, details of all Settlement Transactions completed through the ETS and the Electronic Records relating to their ownership of Relevant Financial Products.
- 3.6 Catalist shall recognise only the Investor in whose name a Relevant Financial Product is recorded in the Electronic Records as the sole beneficial owner of that Relevant Financial Product.
- 3.7 Catalist shall not (whether or not it has notice of the interest or rights concerned), except as ordered by a court of competent jurisdiction or as otherwise expressly provided by these Rules, recognise any trust, equity or other interest affecting the ownership of or rights relating to any Relevant Financial Product, except the sole beneficial ownership rights of the Investor in whose name the Relevant Financial Product is recorded. Nothing in these Rules prevents Catalist from recording details of any trust, equity or other interest in the relevant Electronic Records.

4. Registrar

- 4.1 Where an Issuer or another registrar maintains the ownership register for the Relevant Financial Products, they must:
 - (a) have sound business processes and controls in place to guard against operational input and processing errors; and
 - (b) ensure any communication of registry data between that registrar and Catalist is protected, by such security safeguards as it is reasonable in the circumstances to take, against loss; unauthorised access, use, modification, or disclosure; and other misuse and meets at least any security requirements specified in the *Financial Markets Conduct (Approval of Electronic Transfer System—Catalist) Order 2021*.
- 4.2 Where Catalist acts as registrar for the Relevant Financial Products, the Electronic Records shall constitute the ownership register.

5. Electronic Submission of Auction Orders

- 5.1 Catalist will manage any Auction in accordance with the Auction Process.
- 5.2 Investors may only submit or authorise Orders for Relevant Financial Products through their online Investor Accounts if their identity has been verified by Dual Factor Authentication during that session. Sessions will close if there is no investor activity.

- 5.3 Any Orders submitted through an Investor Account are binding on the Investor unless withdrawal or amendment of the Order has been accepted by Catalist in accordance with the Auction Process. Investors hereby grant Catalist an irrevocable power of attorney to effect transfers of the relevant financial products and any payments necessary, on behalf of each Investor, to give effect to any Settlement Transaction.
- 5.4 An Authorised Representative may only submit Orders for Relevant Financial Products on behalf of an Investor if Catalist has been provided with documentation evidencing the Authorised Representative's authority to act on behalf of that Investor and the Authorised Representative has been approved in accordance with the Investor Terms and Conditions.
- 5.5 An Authorised Representative may only submit Orders for Relevant Financial Products through the Authorised Representative's online Investor Account if their identity has been verified by Dual Factor Authentication.
- 5.6 Any Orders submitted through the Authorised Representative's Investor Account are binding on the Investor unless withdrawal or amendment of the Order has been accepted by Catalist in accordance with the Auction Process.
- 5.7 Catalist will ensure Orders, including any withdrawals or amendments of Orders, transmitted through Investor Accounts are subject to encryption, shall be time stamped and are recorded in an auditable electronic format.
- 5.8 In accordance with the Investor Terms and Conditions, Investors and Authorised Representatives submitting Orders to sell Relevant Financial Products warrant that:
- (a) the Investor legally owns the Relevant Financial Products;
 - (b) the Investor has authority and is legally entitled to enter into a transaction to sell the Relevant Financial Products; and
 - (c) the Relevant Financial Products are unencumbered by any security interest or other interest.

6. Electronic Transfer Following Auctions

- 6.1 Following any Auction of Relevant Financial Products, Catalist will provisionally determine, in accordance with the Auction Process:
- (a) the price to be paid for the Relevant Financial Products traded pursuant to that Auction;
 - (b) the volume of Relevant Financial Products traded pursuant to that Auction; and
 - (c) which Orders by Investors shall result in successful transactions.
- 6.2 Catalist will notify Investors who submitted Orders in the Auction of the provisional determinations referred to in rule 6.1 and shall use best endeavours to collect any payments due from those Investors in accordance with the Auction Process.
- 6.3 Following collection of any payments due in accordance with the Auction Process, Catalist will notify Investors who submitted Orders in the Auction whether they have

successfully entered into a Settlement Transaction. Investors that have entered into a Settlement Transaction will be notified at a minimum:

- (a) whether they are a buyer or seller under that Settlement Transaction;
- (b) the price to be paid or received for the Relevant Financial Products under that Settlement Transaction;
- (c) the volume of Relevant Financial Products bought or sold under that Settlement Transaction;
- (d) any fees payable to Catalist in relation to that Settlement Transaction;
- (e) the Settlement Date.

6.4 Any notice of a Settlement Transaction sent by Catalist to an Investor will, in the absence of manifest error, be final and conclusive. Investors grant Catalist the irrevocable authority to complete all Settlement Transactions on their behalf in accordance with the Investor Terms and Conditions and the Auction Process. Issuers irrevocably confirm they will accept, and will cause any third party registrar to accept, the registration of all Settlement Transactions that Catalist notifies the Issuer have been completed in accordance with the Auction Process.

6.5 On the Settlement Date, the Catalist Electronic Settlement System will cause:

- (a) the Electronic Records to be updated to reflect the transfers completed pursuant to each Settlement Transaction; and
- (b) any payments due to an Investor in relation to each Settlement Transaction to be credited to the relevant Investors' account in accordance with the Investor Terms and Conditions,

which shall constitute final and irrevocable settlement of those Settlement Transactions.

6.6 Nothing in these Rules overrides the requirement for dual authorisations before any amounts can be transferred out of any Catalist trust account.

7. Errors

7.1 Investors will be responsible for checking the accuracy of any notice or report sent or delivered by Catalist to the Investor and promptly informing Catalist of any error, in any event no later than 5pm on the Business Day following the day on which the notice or report was received or deemed received.

7.2 If any error is identified by, or reported to, Catalist, Catalist will notify the relevant Investor of the steps that will be taken by Catalist (in its absolute discretion) or that must be taken by the Investor in relation to the error. If Catalist specifies steps that must be taken by the Investor, the Investor will be required to take those steps within the timeframe specified in the notice.

7.3 Without limiting the steps that Catalist may take in relation to an error, these may include:

- (a) requiring an Investor to return any payment, right, benefit, security or other matter which the Investor is not entitled to receive, or requiring an Investor to

take steps to return such payment, right, benefit, security or other matter to the person entitled to receive it;

- (b) transfer of a Settlement Transaction from one Investor to another Investor;
- (c) recalculation of any Settlement Transactions pursuant to an Auction in accordance with the Auction Process;
- (d) notification to Investors of additional Settlement Transactions in relation to the error;
- (e) update of the Electronic Records in accordance with any Settlement Transactions; and
- (f) such other steps as Catalist considers appropriate in the circumstances to ensure the proper conduct, stability or integrity of the Catalist Electronic Settlement System and settlement of the Settlement Transactions.

7.4 Nothing in this rule 7 shall derogate from the final and irrevocable settlement of Settlement Transactions that have been settled in accordance with these Rules.

7.5 If an Investor fails to make any payment due in relation to a Settlement Transaction that has been settled in accordance with these Rules, Catalist may require any Relevant Financial Products transferred to the Investor to be returned to Catalist or any other person specified.

7.6 If an Investor fails to deliver any Relevant Financial Products they are required to deliver in relation to a Settlement Transaction, Catalist may require any Relevant Financial Products to be transferred to Catalist or any other person specified in order to complete that Settlement Transaction.

7.7 Investors hereby grant Catalist an irrevocable power of attorney, exercisable in the event of the non-payment or non-delivery by the Investor, or failure to comply with a lawful notice given under these Rules, in the Investor's name and on their behalf to take such actions and sign such documents as are necessary to register a transfer of the Relevant Financial Products required under these Rules.

7.8 For the purposes of these Rules and the Investor Terms and Conditions, any recall of an electronic payment or dishonour or other non-clearance of any other payment tendered in settlement of a Settlement Transaction will be treated as non-payment by the Investor.

7.9 Investors hereby agree to indemnify and hold harmless Catalist, any Issuer or any person who suffers from the wrongful transfer of any Relevant Financial Product as a result of the Investor's breach of the Investor Terms and Conditions against all losses, damages, costs and expenses suffered or incurred.

8. Non-Auction Transfers

8.1 In accordance with the Issuer Rules, Relevant Financial Products may not be transferred without the consent of Catalist during each period from the start of each Auction until the Settlement Date. Catalist will have absolute discretion whether to consent to a transfer during this period and will not usually consent except in exceptional circumstances.

- 8.2 Whilst Catalist is acting as registrar or transfer agent for the Relevant Financial Products, Investors and Issuers must promptly notify Catalist of any Non-Auction Transfer and such notice must at a minimum include:
- (a) the nature and date of the transaction or circumstance that has caused legal ownership of the Relevant Financial Products to be transferred;
 - (b) the name and latest known address of each person that Relevant Financial Products are transferred to;
 - (c) the price paid for any Relevant Financial Products;
 - (d) the volume of Relevant Financial Products to be transferred to each person included in the notice;
 - (e) such documentation as Catalist may reasonably request to evidence the matters described in the notice.
- 8.3 Catalist will record any notice received under this Rule in the ETS, but until such time as Catalist has received satisfactory documentary evidence of the Non-Auction Transfer, it may continue to treat the Investor in whose name the Relevant Financial Products are recorded in the Electronic Records as the sole beneficial owner of those Relevant Financial Products in accordance with Rule 3.6.
- 8.4 Where Catalist has received satisfactory documentary evidence of a Non-Auction Transfer, it will cause the Electronic Records to be updated.

9. Maintenance and Testing

- 9.1 Catalist will manage the ETS in accordance with these Rules.
- 9.2 Catalist will ensure only authorised staff are able to access the ETS and Electronic Records. Any access shall be subject, at a minimum, to Dual Factor Authorisation.
- 9.3 The ETS will be subject to annual independent technical testing to confirm the system performs and continues to perform as intended.

10. Liability

- 10.1 Except in the case of gross negligence, wilful default or fraud on the part of Catalist or any of its employees, Catalist will not be liable to any Investor, Issuer or any other person in contract or tort or on any other basis for any loss, damage, cost or expense arising directly or indirectly from any act, omission, default, error or delay by Catalist or any of its employees or agents in the performance of any actions or obligations under these Rules.
- 10.2 Any liability Catalist may have to any Investor or Issuer will be limited to the direct losses suffered or incurred by them, excluding any consequential loss and any loss of income, business, profit or saving as a result of their or any other person's inability to complete another transaction or honour another obligation.
- 10.3 None of Catalist's employees, directors, officers, agents and contractors shall have any liability in respect of any failure to provide the Catalist Services or in any way in connection with these Rules.

11. Changes to these Rules

- 11.1 We reserve the right to amend these Rules from time to time provided such amendment will not materially affect your rights or obligations relating to periods prior to such amendment. We will notify you of amendments to these Rules through our website and your continued use of Catalist Services or submission of new Orders will constitute acceptance of those amended Rules.
- 11.2 Catalist may publish written procedures in relation to the ETS from time to time. The procedures may be updated at any time by notice on our website.
- 11.3 Catalist may change the name of the ETS by notice on our website.

12. Interpretation and definitions

- 12.1 These Rules are to be interpreted in light of their intended purpose.
- 12.2 Unless otherwise stated, any reference in these Rules to any terms and conditions, process, agreement or document shall be construed as a reference to such terms and conditions, process, agreement or document as amended, varied, novated or supplemented from time to time.
- 12.3 Any reference in these terms and conditions to a statute or statutory provision shall, unless the contrary is indicated, be construed as a reference to such statute or statutory provision as the same may have been, or may from time to time be, amended or re-enacted.
- 12.4 Clause and Schedule headings are for reference only and shall not affect the construction of these terms and conditions.
- 12.5 A reference to a party includes its permitted assignees, successors, executors and administrators as the context requires.
- 12.6 Any words importing the singular include the plural and vice versa.
- 12.7 In this Agreement the following terms have the meanings set out below:

“Act” means the Financial Markets Conduct Act 2013.

“Auction” means an auction of Relevant Financial Products facilitated by Catalist in accordance with the Auction Process

“Auction Process” means the description of the auction process, update from time to time, published by Catalist

“Authorised Representative” means a Registered Investor that has been given the right to view transactions and/or transact on behalf of another Person in accordance with the Investor Terms and Conditions.

“Catalist” means Catalist Markets Limited, a New Zealand company with registration number 7172056.

“Catalist Services” means services connected with the facilitation of any public or private market in Relevant Financial Products or transfer of Relevant Financial Products using the ETS.

“Debt Security” has the meaning in section 8 of the Act.

“Dual Factor Authentication” means an authentication method in which the identity of the Investor is verified only after a second independent piece of evidence is obtained in addition to the Investor’s password. This may include, for example, access using a one-time code or security token sent to the Investor through a method other than by display in the Investor Account.

“ETS” means the Catalist Electronic Transfer System.

“Electronic Record” means an electronic record of the ownership of Relevant Financial Products and any transactions relating to each Relevant Financial Product in accordance with rule 3.

“Equity Security” has the meaning in section 8 of the Act.

“Financial Product” means any Debt Security, Equity Security or Managed Investment Product.

“Investor” means an investor that has agreed to the Investor Terms and Conditions.

“Investor Account” the secure online account of an Investor accessible through the Catalist website.

“Investor Terms and Conditions” means the terms and conditions as amended from time to time applying to an investor’s use of the Catalist Services.

“Issuer” means an issuer of Relevant Financial Products.

“Managed Investment Product” has the meaning in section 8 of the Act.

“Non-Auction Transfer” means any transfer of Relevant Financial Products other than pursuant to the Auction Process agreement.

“Order” means any bid or offer to buy or sell Relevant Financial Products.

“Person” includes any entity.

“Relevant Financial Product” means a Financial Product for which Catalist acts as registrar or transfer agent.

“Rules” means these Electronic Transfer System Rules.

“Settlement Date” means the date on which legal ownership of a Relevant Financial Product is transferred by the Catalist Electronic Settlement System pursuant to a Settlement Transaction.

“Settlement Transaction” means each contract in respect of a transfer of Relevant Financial Products as entered into by an Investor in accordance with the Auction Process.

13. Jurisdiction.

These Rules shall be governed by New Zealand law. Catalist, Investors and Issuers agree that the courts of New Zealand shall have jurisdiction to hear and determine any matter or dispute arising in relation to these Rules.