

Takeovers Code (Tegel Group Holdings Limited) Exemption Notice 2016

Pursuant to section 45 of the Takeovers Act 1993, the Takeovers Panel, being satisfied of the matters set out in section 45(6) of that Act, gives the following notice.

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Notice

1 Title

This notice is the Takeovers Code (Tegel Group Holdings Limited) Exemption Notice 2016.

2 Application

This notice applies to acts or omissions occurring on or after 30 March 2016.

3 Revocation

This notice is revoked on the close of 31 October 2016.

4 Interpretation

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

Act means the Takeovers Act 1993

Code means the Takeovers Code under the Act

IPO means the initial public offering of voting securities being made in New Zealand, Australia, and certain other jurisdictions in accordance with the product disclosure statement prepared in connection with the IPO, to be dated

on or about 30 March 2016 (and any variations or amendments to that statement)

pre-IPO agreement means the agreement for sale and purchase of voting securities to be dated on or about 29 March 2016 between Tegel, TGHLNZ and certain other holders of voting securities relating to an acquisition of voting securities by TGHLNZ in contemplation of the IPO (and any variations or amendments to that agreement)

Tegel means Tegel Group Holdings Limited

TGHLNZ means TGHLNZ Limited

voting security means a voting security in Tegel.

- (2) In this notice, a reference to a person increasing voting control is a reference to the person becoming the holder or controller of an increased percentage of voting rights in Tegel.
- (3) Any term or expression that is defined in the Act or the Code and used, but not defined, in this notice has the same meaning as in the Act or the Code.

5 Exemptions from rule 6(1) of Code

TGHLNZ is exempted from rule 6(1) of the Code in respect of any increase in its voting control as a result of acquiring voting securities under the pre-IPO agreement.

6 Conditions of exemption

The exemption in clause 5 is subject to the following conditions:

- (a) the IPO complies with all applicable Acts and regulations:
- (b) TGHLNZ does not exercise any voting rights in respect of the voting securities that it holds or controls:
- (c) settlement of the IPO occurs within four working days of Tegel quoting and commencing trading of the voting securities on the NZX Main Board:
- (d) TGHLNZ disposes of all voting securities that it holds or controls by the end of the fifth working day after the settlement of the IPO:

Dated at Auckland this 30th day of March 2016.

[signed]

DO Jones,
Chairperson.

Statement of Reasons

This notice applies to acts or omissions occurring on or after 30 March 2016 and expires on 31 October 2016.

The Takeovers Panel (the **Panel**) has granted an exemption from rule 6(1) of the Takeovers Code (the **Code**) to TGHLNZ Limited (**TGHLNZ**).

Tegel Group Holdings Limited (**Tegel**) is making an initial public offering of new shares in New Zealand, Australia and certain other jurisdictions (the **IPO**). Under the IPO, certain Tegel shareholders (the **selling shareholders**) will also offer to sell some of their shares in Tegel. Those selling shareholders will be making their offer through a special purpose vehicle (TGHLNZ), a company newly incorporated for the purposes of the IPO.

Under the IPO, the shares in Tegel will initially be quoted and traded on the NZX Main Board on a conditional settlement basis until settlement of the IPO. Tegel will become a code company on the quotation of its shares. Following quotation and immediately prior to settlement under the IPO, TGHLNZ will acquire shares in Tegel from the selling shareholders under an agreement with Tegel and the selling shareholders (the **pre-IPO agreement**). Those shares acquired by TGHLNZ under the pre-IPO agreement will be transferred to offerees who have accepted the offer under the IPO.

On the acquisition of shares under the pre-IPO agreement, TGHLNZ is likely to become the holder or controller of more than 20% of the voting rights in Tegel. TGHLNZ will hold the shares for a short period of time before the shares are on-sold through the IPO.

The Panel has granted an exemption from rule 6(1) of the Takeovers Code (the **Code**) in respect of any increase in the holding or controlling of voting rights in Tegel by TGHLNZ as a result of the pre-IPO agreement.

The exemption is subject to conditions that require that –

- the IPO complies with all applicable New Zealand legislation; and
- TGHLNZ does not exercise any voting rights attaching to the shares it holds or controls; and
- settlement of the IPO occurs within four working days of the shares in Tegel being quoted on the NZX Main Board; and
- TGHLNZ dispose of any shares it holds or controls in Tegel within a short time after settlement of the IPO.

The Panel considers that it is appropriate and consistent with the objectives of the Code to grant the exemption because-

- TGHLNZ may hold more than 20% of the voting rights in Tegel for only a short time and the shares in Tegel must be disposed of upon the settlement of the IPO, or shortly after that settlement; and

- the exemption will facilitate an IPO that allows existing shareholders in Tegel to participate; and
- the exemption will facilitate an offer of shares to the public by a company that will become a code company only as a consequence of the IPO; and
- the exemption avoids unnecessary compliance costs that would be incurred if it was not granted.

Date of notification in the *Gazette*: 7 April 2016
