



Takeovers Code (Sealegs Corporation Limited) Exemption Amendment Notice 2007

Pursuant to section 45 of the Takeovers Act 1993, the Takeovers Panel gives the following notice (to which is appended a statement of reasons of the Takeovers Panel).

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Notice

- 1 Title**
This notice is the Takeovers Code (Sealegs Corporation Limited) Exemption Amendment Notice 2007.
- 2 Application**
This notice applies to acts or omissions occurring on or after 9 August 2007.
- 3 Principal notice amended**
This notice amends the Takeovers Code (Sealegs Corporation Limited) Exemption Notice 2007.

4 Interpretation

Clause 4(1) is amended by inserting the following definitions in their appropriate alphabetical order:

“**pro rata increase** means an allotment of voting securities by Sealegs under the pro rata rights issue

“**pro rata rights issue** means the offer of voting securities, announced at the annual general meeting of Sealegs on 31 July 2007, that is to be made pro rata to all holders of a class of voting securities”.

5 New clauses 4A and 4B inserted

The following clauses are inserted after clause 4:

“4A Exemption from rule 6(1) of Code

An option holder who increases his voting control as a result of a pro rata increase is exempted from rule 6(1) of the Code in respect of that increase.

“4B Conditions of exemption in clause 4A

The exemption in clause 4A is subject to the following conditions:

“(a) that each option holder acquires, as a result of the pro rata rights issue, no more than the option holder’s pro rata share of the voting securities offered:

“(b) that the increase in voting control of each option holder resulting from the pro rata increase is decreased within 6 months after that increase to, or below, the control percentage that the option holder held immediately before the increase in his voting control:

“(c) that the increased control acquired as a result of the pro rata increase is not exercised by either option holder before it is decreased to, or below, the control percentage that the option holder held immediately before the increase in his voting control.”

6 Additional condition relating to annual reports

Clause 9(c) is amended by inserting the following subparagraph after subparagraph (i):

“(ia) the number of voting securities allotted to each of the option holders under the pro rata rights issue,

and the total percentage of voting rights on issue that this number represents; and”.

7 Application of exemption in clause 5

Clause 10 is amended by revoking paragraph (a) and substituting the following paragraph:

“(a) to an option holder if that option holder increases his voting control (except as a result of the exercise of the options as approved by Sealegs’ shareholders at the meeting or as a result of the pro rata rights issue) before the earlier of—

“(i) the exercise of the last of the options held by that option holder; or

“(ii) the final option exercise date; or”.

Dated at Auckland this 14th day of August 2007.

The Common Seal of the Takeovers Panel was affixed in the presence of:

[Seal]

D O Jones,
Chairperson.

Statement of reasons

This notice applies to acts or omissions occurring on or after 9 August 2007.

This notice amends the Takeovers Code (Sealegs Corporation Limited) Exemption Notice 2007 (the **principal notice**).

In the principal notice, the Takeovers Panel (the **Panel**) granted exemptions, subject to conditions, to—

- David McKee Wright and Maurice Bryham from rule 7(d) of the Takeovers Code (the **Code**) to the extent that rule 7(d) requires the notice of meeting to be in accordance with rule

16(b) and (d) of the Code in respect of any increase in the percentage of voting rights held in Sealegs Corporation Limited (**Sealegs**) on the exercise of the options held by them; and

- Sealegs from rule 16(b) and (d) of the Code in respect of the notice of meeting.

Since the granting of the principal notice, Sealegs has stated that it proposes a pro rata, underwritten, renounceable rights issue to raise further capital. Due to the conditions of the principal notice, David McKee Wright and Maurice Bryham are not able to participate in this pro rata rights issue.

This notice amends clauses 9(c) and 10(a) of the principal notice and grants a further exemption to David McKee Wright and Maurice Bryham from rule 6(1) of the Code so that they can participate in the pro rata rights issue.

The Panel considers that it is appropriate to grant the exemption and that the exemption is consistent with the objectives of the Code, for the following reasons:

- the option holders are currently unable to participate in the pro rata rights issue due to clause 10 of the principal notice and rule 6(1) of the Code:
- the amendment to clause 10 and the exemption from rule 6(1) of the Code are consistent with the objectives of the Code because the attached conditions require that any increase in the voting control of the option holders is eliminated within 6 months and that the additional voting control is not exercised before it is eliminated:
- the amendments sought and the exemption from rule 6(1) of the Code are consistent with the exemption contained in clause 8 of the Takeovers Code (Class Exemptions) Notice (No 2) 2001, except that the conditions have been tailored to suit the present circumstances.

Issued under the authority of the Acts and Regulations Publication Act 1989.
Date of notification in *Gazette*: 16 August 2007.
This notice is administered by the Takeovers Panel.

