

## **Takeovers Code (Michael Hill International Limited) Exemption Notice 2014**

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

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### **Notice**

#### **1 Title**

This notice is the Takeovers Code (Michael Hill International Limited) Exemption Notice 2014.

#### **2 Application**

This notice applies to acts or omissions occurring on or after 19 September 2013.

#### **3 Revocation**

This notice is revoked on the close of 31 January 2014.

#### **4 Interpretation**

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

**Act** means the Takeovers Act 1993

**BTL** means Blackcurrant Trustees Limited

**Code** means the Takeovers Code under the Act

**Heffalump** means Heffalump Holdings Limited

**MHI** means Michael Hill International Limited

**share transfers** means the off-market transfers on 19 September 2013 of 1,524,750 ordinary shares in MHI from Emma Jane Hill to the trustees, in their capacity as trustees of the trust, and the subsequent contemporaneous transfer of those shares to Heffalump

**trust** means the Blackcurrant Trust established by deed of trust dated 21 February 2012

**trustees** means the trustees of the trust, being Emma Jane Hill and BTL

- (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 MHI
- (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 **Exemption from rule 6(1) of Code**

- (1) BTL is exempted from rule 6(1) of the Code in respect of any increase in its voting control as a result of the share transfers.
- (2) Heffalump is exempted from rule 6(1) of the Code in respect of any increase in its voting control as a result of the share transfers.

Dated at Auckland this 29<sup>th</sup> day of January 2014

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

[Signed under seal]

David Oliver Jones  
Chairman

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#### **Statement of Reasons**

This notice applies to acts or omissions occurring on or after 19 September 2013 and expires on 31 January 2014.

Michael Hill International Limited (**MHI**) is a Code company within the meaning of the Takeovers Code (the **Code**) because it is a party to a listing agreement with NZX Limited and has its voting securities listed on the NZX Main Board.

Emma Jane Hill was the holder of 1,524,750 ordinary shares in MHI (representing 0.4% of the voting rights in MHI) (**shares**). As part of a restructuring of Emma Jane Hill's affairs, on or about 19 September 2013, the shares were transferred (together, the **share transfers**) to Emma Jane Hill and Blackcurrant Trustees Limited (**BTL**) (**trustees**), as trustees of the Blackcurrant Trust (**trust**), and then immediately on-transferred from the trustees to Heffalump Holdings Limited (**Heffalump**). The trustees hold all of the shares in Heffalump. The trust was established by Emma Jane Hill for the benefit of herself and her immediate family.

Durante Holdings Pty Limited (**Durante**) holds or controls 52.9% of the voting rights in MHI. Durante is ultimately owned or controlled for the benefit of the wider Hill family.

Emma Jane Hill is a director of Durante, and the sole director of Heffalump. Emma Jane Hill and Heffalump may be associates with Durante for the purposes of the Code. As a result, the share transfers may have breached rule 6(1) of the Code as BTL and Heffalump may each have obtained the shares in circumstances where, following the relevant stage of the transfers each party and their associates held or controlled in total more than 20% of the voting rights in MHI.

The Takeovers Panel (the **Panel**) has granted exemptions to –

- BTL from rule 6(1) of the Code in respect of any increase in its voting control in MHI in respect of the share transfers; and
- Heffalump from rule 6(1) of the Code in respect of any increase in its voting control in MHI in respect of the share transfers.

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

- the exemptions apply only in respect of the share transfers from Emma Jane Hill to a family trust in which Emma Jane Hill is the settlor, a trustee and a beneficiary, and in respect of a subsequent transfer to an entity controlled by that trust, and the Code was not intended to regulate such transactions that have no real effect on the shareholders of MHI; and
- the shareholders of MHI would not have been disadvantaged in not having the opportunity to vote on the share transfers as the share transfers would have no real effect on them;
- the share transfers were a one-off transaction involving a small percentage of voting rights in MHI; and
- any breach of the Code that occurred as a result of the share transfers appears to have been inadvertent.