



Securities Act (Brunswick Corporation) Exemption Notice 2004

Pursuant to the Securities Act 1978, the Securities Commission gives the following notice (to which is appended a statement of the reasons of the Securities Commission).

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Notice

1 Title

This notice is the Securities Act (Brunswick Corporation) Exemption Notice 2004.

2 Commencement

This notice comes into force on the day after the date of its notification in the *Gazette*.

3 Expiry

This notice expires on the close of 1 June 2006.

4 Interpretation

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

Act means the Securities Act 1978

Brunswick means Brunswick Corporation, a company incorporated in the United States of America

offer means the offer of specified securities by Talon to the shareholders

published financial statements means financial statements that are published, issued, or prepared in accordance with the laws of the United States of America

Regulations means the Securities Regulations 1983

shareholders means the shareholders in Talon at the time of the offer

specified securities means fully paid ordinary shares in Brunswick that are quoted, or approved for quotation, on the New York Stock Exchange

Talon means Talon Management Limited.

- (2) Any term or expression that is defined in the Act or the Regulations and used, but not defined, in this notice has the same meaning as in the Act or the Regulations.

5 Exemption from sections 37, 37A, 38A, and 51 to 54B of the Act and the Regulations (except regulation 8)

Brunswick, Talon, and every person acting on behalf of either or both of them are exempted from sections 37, 37A, 38A, and 51 to 54B of the Act and the Regulations (except regulation 8) in respect of any specified securities offered to the shareholders under the offer.

6 Conditions of exemption

The exemption in clause 5 is subject to the conditions that—

- (a) the specified securities are allotted only to the shareholders; and
- (b) the shareholders receive, before subscribing for the specified securities,—
 - (i) the following information (which may be in 1 or more documents):
 - (A) Brunswick's most recent annual report; and
 - (B) Brunswick's most recent published financial statements; and
 - (C) the terms of the offer in New Zealand; or
 - (ii) a notice stating:

- (A) that the information described in paragraph (b)(i) is available on an Internet or intranet site operated by or on behalf of Brunswick; and
 - (B) the address of that Internet or intranet site; and
 - (C) that the information will be sent, without fee and on request, to the shareholders, and how and to whom that request may be made; and
- (c) the information described in paragraph (b)(i) is received by the Registrar of Companies before the date of allotment; and
- (d) the offer is made in compliance with—
- (i) the laws of the United States of America, and the requirements of the New York Stock Exchange; and
 - (ii) any code, rules, or other requirements relating to the offer applying in the United States of America.

Dated at Wellington this 24th day of May 2004.

The Common Seal of the Securities Commission was affixed in the presence of:

[L.S.]

C. A. N. Beyer,
Member.

Statement of reasons

This notice comes into force on the day after the date of its notification in the *Gazette* and expires on 1 June 2006.

The notice exempts Brunswick Corporation (**Brunswick**) and Talon Management Limited (**Talon**) and their agents, subject to conditions, from sections 37, 37A, 38A, and 51 to 54B of the Securities Act 1978 and from the Securities Regulations 1983 (except regulation 8) in connection with the offer of shares in Brunswick to Talon shareholders.

The Securities Commission considers that it is appropriate to grant the exemption because—

- the present situation is similar to that covered by the Securities Act (Overseas Employee Share Purchase Schemes) Exemption Notice 2002 (the **OESPS Exemption Notice**). That exemption recognises that issuers incorporated under the laws of certain jurisdictions, and whose shares are listed on an exchange in certain jurisdictions, are already subject to an appropriate level of regulation in respect of offers of shares to employees. In addition, the cost of producing a prospectus and investment statement to comply with New Zealand law may preclude offers being made to New Zealand employees by overseas issuers; and
- Brunswick and Talon are unable to comply with the OESPS Exemption Notice as the offer does not involve a scheme with prescribed rules, as required by that notice, and because the offer may be made to trustees of trusts for employees, rather than only to employees directly. However, the Commission is satisfied that the policy of the OESPS Exemption Notice should apply in this case; and
- the conditions of exemption are consistent with those in the OESPS Exemption Notice. The conditions require that the Talon shareholders receive, before subscribing for the specified securities, certain relevant information about Brunswick as the issuer and the terms of the offer.

Issued under the authority of the Acts and Regulations Publication Act 1989.

Date of notification in *Gazette*: 27 May 2004.

This notice is administered by the Securities Commission.
