



## Securities Act (M&C Saatchi plc) Exemption Notice 2004

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

### Contents

1	Title	5	Exemption from sections 37, 37A, 38A, and 51 to 54B of Act and Regulations (except regulation 8)
2	Commencement	6	Conditions of exemption in clause 5
3	Expiry		
4	Interpretation		

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### Notice

**1 Title**

This notice is the Securities Act (M&C Saatchi plc) Exemption Notice 2004.

**2 Commencement**

This notice comes into force on its notification in the *Gazette*.

**3 Expiry**

This notice expires on the close of 31 December 2004.

**4 Interpretation**

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

**Act** means the Securities Act 1978

**admission** means the admission of the specified equity securities to trading on LSE's Alternative Investment Market

**admission document** means the document required by LSE for the admission of securities to trading on LSE's Alternative Investment Market

**employee** means a director or an employee of Saatchi or of any company in the Saatchi Group

**LSE** means London Stock Exchange plc

**offer** means the offer of specified equity securities by Saatchi to employees

**pathfinder admission document** means the draft admission document to be distributed to certain persons before admission

**Regulations** means the Securities Regulations 1983

**reorganisation** means the reorganisation described in the admission document

**Saatchi** means M&C Saatchi plc, a company incorporated in the United Kingdom

**Saatchi Group** means,—

- (a) before reorganisation, M&C Saatchi Worldwide Limited and its subsidiaries;
- (b) after reorganisation, Saatchi and its subsidiaries

**specified equity securities** means fully paid ordinary shares in Saatchi to be admitted to trading on LSE's Alternative Investment Market.

- (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 Act and Regulations (except regulation 8)**

Saatchi and every person acting on its behalf 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 equity securities offered to employees under the offer.

## 6 **Conditions of exemption in clause 5**

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

- (a) the specified equity securities are allotted only to employees; and
- (b) employees receive, before subscribing for the specified equity securities,—
  - (i) the following information (which may be in 1 or more documents):

- (A) a copy of the pathfinder admission document; and
- (B) the terms of the offer in New Zealand; or
- (ii) a notice stating—
  - (A) that the information described in subparagraph (i) is available on an Internet or intranet site operated by or on behalf of Saatchi; and
  - (B) the address of that Internet or intranet site; and
  - (C) that the information will be sent, without fee and on request, to employees, and how and to whom that request may be made; and
- (c) employees who have subscribed for the specified equity securities receive, before allotment of the specified equity securities, a copy of the admission document filed with LSE; and
- (d) the information described in paragraph (b)(i) is received by the Registrar of Companies before allotment of the specified equity securities; and
- (e) the offer is made in compliance with—
  - (i) the laws of the United Kingdom and the requirements of LSE; and
  - (ii) any code, rules, or other requirements relating to the offer applying in the United Kingdom.

Dated at Wellington this 22nd day of June 2004.

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

[L.S.]

J. Diplock,  
Chairperson.

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### Statement of reasons

This notice, which comes into force on its notification in the *Gazette* and expires on 31 December 2004, exempts M&C Saatchi plc (**Saatchi**), 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 respect of the offer of shares to its employees and its subsidiaries' employees.

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 an investment statement to comply with New Zealand law may preclude offers being made to New Zealand employees by overseas issuers; and
- Saatchi is 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 it is a new company and, as such, does not have past annual reports or financial information. However, the Commission is satisfied that the policy of the OESPS Exemption Notice should apply in this case; and
- the conditions of the exemption are consistent with those in the OESPS Exemption Notice. The conditions require that the employees to whom the offer of the specified equity securities is made receive, before subscribing, certain relevant information about Saatchi as the issuer, the M&C Saatchi Group, and the terms of the offer.

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

Date of notification in *Gazette*: 1 July 2004.

This notice is administered by the Securities Commission.

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