



Takeovers Code (Wrightson Limited) Exemption Notice 2004

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 (Wrightson Limited) Exemption Notice 2004.

2 Application

This notice applies to acts or omissions occurring on or after 28 June 2004.

3 Interpretation

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

Act means the Takeovers Act 1993

Code means the Takeovers Code approved by the Takeovers Code Approval Order 2000 (SR 2000/210)

voting control means the percentage of voting rights in Wrightson that a person holds or controls or is deemed to hold or control

Wrightson means Wrightson Limited.

(2) 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.

4 Exemption from rule 6(1) of Code

Alan Evan McConnon and Sandra Anne Key are each exempted from rule 6(1) of the Code in respect of an increase in their respective voting control resulting from,—

- (a) in the case of Alan Evan McConnon, his acquisition on 28 June 2004 of 5 000 shares in Wrightson from John Baird McConnon; and
- (b) in the case of Sandra Anne Key, her acquisition on 28 June 2004 of 5 000 shares in Wrightson from Michael Craig Norgate.

Dated at Wellington this 2nd day of July 2004.

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

[L.S.]

D. O. Jones,
Deputy Chairperson.

Statement of reasons

This notice applies to acts or omissions occurring on or after 28 June 2004. The Takeovers Panel has exempted Alan Evan McConnon and Sandra Anne Key from compliance with rule 6(1) of the Takeovers Code (the **Code**) in respect of an increase in the percentage of voting rights in Wrightson Limited (**Wrightson**) held or controlled by them, or deemed to be held or controlled by them, resulting from the acquisition by each of them of 5 000 shares in Wrightson from parties associated with Rural Portfolio Investments Limited (**RPI**). RPI is the holder and controller of 50.01% of the issued shares in Wrightson. It wishes to nominate Mr McConnon and Ms Key for appointment to the Wrightson board. Under the terms of the Wrightson constitution, in order for a person to be nominated as a director he or she must own beneficially at least 5 000 equity securities in Wrightson. As neither Mr McConnon nor Ms Key held any equity securities in Wrightson it was proposed that they each acquire a parcel of 5 000 shares from Michael Craig Norgate and John Baird McConnon, who are directors of RPI.

As Mr McConnon and Ms Keay are likely to be associates of RPI, Mr Norgate, and Mr Baird McConnon for the purposes of the Code, the acquisition of any Wrightson shares by them is subject to the deeming provisions in rule 6(2)(b) of the Code. Rule 6(2)(b) provides that, for the purposes of rule 6(1), if a person or persons together hold or control voting rights and another person joins that person or all or any of those persons in the holding or controlling of those voting rights as associates, the other person is deemed to have become the holder or controller of those voting rights. Accordingly, in the absence of an exemption Mr McConnon and Ms Keay would be unable to acquire the relevant parcels of shares from Mr Norgate and Mr Baird McConnon unless they were able to utilise one of the exceptions contained in rule 7 of the Code.

The Panel considers that it is appropriate to grant the exemption from rule 6(1) of the Code in respect of the acquisition of a parcel of 5 000 Wrightson shares each by Mr McConnon and Ms Keay from Mr Baird McConnon and Mr Norgate respectively because, although the acquisition of securities in Wrightson by Mr McConnon and Ms Keay results in those persons being deemed to become the holders or controllers of more than 20% of the voting rights in Wrightson under rule 6(2)(b), there is no effective change in the control of voting rights in Wrightson as a result of the acquisition.

The Panel considers that the exemption is consistent with the objectives of the Code because—

- the acquisition will not result in an effective change of voting control in Wrightson and will not disadvantage shareholders of that company; and
- the exemption maintains a proper relation between the cost of compliance with the Code and the benefits resulting from it.

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

Date of notification in *Gazette*: 8 July 2004.

This notice is administered by the Takeovers Panel.
