



Takeovers Code (Delegat's Group Limited) Exemption Notice 2006

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 (Delegat's Group Limited) Exemption Notice 2006.

2 Application

This notice applies to acts or omissions occurring on or after 1 March 2006.

3 Expiry

This notice expires on the close of 30 April 2006.

4 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)

DGL means Delegat's Group Limited

Rose Trust means a trust known as the Rose Delegat Business Trust established by deed of trust dated 30 May 2002

trust distribution means the distribution of DGL shares by the trustees of the Rose Trust to Robert Lawrence Wilton before a proposed initial public offering of DGL shares that is to open on or about 24 March 2006

trustees of the Rose Trust means Rosemari Suzan Delegat and Robert Lawrence Wilton.

- (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 the voting rights in DGL.
- (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

Robert Lawrence Wilton is exempted from rule 6(1) of the Code in respect of any increase in his voting control as a result of the trust distribution.

Dated at Auckland this 10th day of March 2006.

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

[L.S.]

J. C. King,
Chairperson.

Statement of reasons

This notice applies to acts or omissions occurring on or after 1 March 2006 and expires on the close of 30 April 2006.

The Takeovers Panel has granted an exemption from rule 6(1) of the Takeovers Code to Robert Lawrence Wilton in respect of a proposed distribution of shares in Delegat's Group Limited (**DGL**) by the

trustees of the Rose Delegat Business Trust (the **Rose Trust**) to Mr Wilton before a proposed initial public offering of DGL shares that is to open on or about 24 March 2006.

DGL is a code company by virtue of its capital notes being listed on the NZDX (the debt security market operated by New Zealand Exchange Limited).

DGL currently has an issued share capital of 3 million ordinary shares. The shares are held by members of the Delegat family as follows:

- (a) Jakov Nikola Delegat holds 50% of the shares; and
- (b) Rosemari Suzan Delegat and Mr Wilton, as the trustees of the Rose Trust, hold the remaining 50%.

Mr Wilton is both a trustee and a discretionary beneficiary of the Rose Trust. As a trustee, he is the joint holder and controller of 50% of the voting rights in DGL.

It is proposed that a percentage of shares in DGL will be distributed to Mr Wilton as a discretionary beneficiary. The trust distribution may result in Mr Wilton breaching rule 6(1) of the Takeovers Code. The Takeovers Panel considers that it is appropriate and consistent with the objectives of the Takeovers Code to grant the exemption because—

- (a) DGL is a code company only by virtue of a listing agreement with New Zealand Exchange Limited in respect of debt securities. The holders of the debt securities have no voting rights in DGL; and
- (b) the voting securities of DGL are held by 2 associated shareholders. There is no mechanism by which the distribution to Mr Wilton could be approved by other shareholders; and
- (c) there will be no change in the effective control of voting rights in DGL as a result of the trust distribution.

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

Date of notification in *Gazette*: 23 March 2006.

This notice is administered by the Takeovers Panel.

