



Takeovers Code (AFFCO Holdings 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 (AFFCO Holdings Limited) Exemption Notice 2006.

2 Application

This notice applies to acts or omissions occurring on or after 7 April 2006.

3 Interpretation

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

Act means the Takeovers Act 1993

AFFCO means AFFCO Holdings Limited

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

specified transactions means the sale on 1 December 2005 of the following voting securities of Talleys:

- (a) 300 000 class A shares by Peter Ivan Talley to the trustees of Ancich Trust;
- (b) 300 000 class C shares by Michael Anthony Talley to the trustees of the Milan Trust;
- (c) 2 050 000 class D shares from the trustees of the Majac Trust to the trustees of the Milan Trust

Talleys means Talleys Fisheries Limited

target company statement means the statement referred to in rule 46 of the Code that AFFCO is required to send to the offeror in relation to the partial takeover offer dated 29 March 2006 that was made by Talleys

trustees of the Ancich Trust means Andrew Ivan Talley, Peter Ivan Talley, and John Malcolm Fitchett

trustees of the Majac Trust means Michael Anthony Talley, James Rory Ryder, Guy Alexander Mannering, and Graeme Peter Malone

trustees of the Milan Trust means Milan Daniel Talley, Michael Anthony Talley, James Rory Ryder, and Graeme Peter Malone.

- (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 clause 9(1)(b) of Schedule 2 of Code

AFFCO is exempted from clause 9(1)(b) of Schedule 2 of the Code to the extent that it requires the target company statement to contain or be accompanied by a statement of the consideration for the specified transactions.

5 Conditions of exemption

The exemption in clause 4 is subject to the conditions that—

- (a) the target company statement states that the consideration for the specified transactions has not been disclosed; and
- (b) the target company statement states the general reasons why the consideration for the specified transactions has not been disclosed; and

- (c) the committee of independent directors of AFFCO certify in the target company statement that, in the opinion of the committee, the consideration for the specified transactions would not be material to the making of a decision by AFFCO shareholders to accept or reject the offer.

Dated at Wellington this 13th day of April 2006.

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

[L.S.]

D. J. Quigg,
Member.

Statement of reasons

This notice applies to acts or omissions occurring on or after 7 April 2006.

The Takeovers Panel has granted an exemption to AFFCO Holdings Limited (**AFFCO**), subject to conditions, from clause 9(1)(b) of Schedule 2 of the Takeovers Code (the **Code**). The exemption applies insofar as that clause requires AFFCO's target company statement in response to the partial takeover offer from Talleys Fisheries Limited (**Talleys**) dated 29 March 2006 to contain, or be accompanied by, a statement of the consideration for certain specified transactions of the kind referred to in clause 9(1)(a) of Schedule 2 of the Code.

Clause 9(1)(b) requires the disclosure in the target company statement of the consideration for, and the date of, every transaction involving the acquisition or disposition of any equity securities of the offeror (in this case, Talleys) by the target company (in this case, AFFCO) and each director and senior officer of the target company and their associates, during the 6-month period before the latest practicable date before the date of the target company statement.

Talleys is a substantial shareholder in AFFCO. Messrs Andrew and Michael Talley are directors, and Mr Peter Talley is alternate director, of AFFCO.

In December 2005 Messrs Michael and Peter Talley, and, as the trustees of the Majac Trust, Michael Talley, James Rory Ryder, Guy Alexander Mannering, and Graeme Peter Malone, transferred equity securities of Talleys to trustees of family trusts who are associates of Messrs Andrew, Michael, or Peter Talley. In the absence of an exemption, clause 9(1)(b) of Schedule 2 of the Code would have required AFFCO's target company statement to disclose the consideration for each of those transactions.

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

- compliance with clause 9(1)(b) of Schedule 2 of the Code would require AFFCO to disclose information in the target company statement relating to transactions involving a restructuring of shareholdings within the Talley family, which is not otherwise public information; and
- AFFCO shareholders will not be disadvantaged as a result of the non-disclosure of the consideration for every transaction of the kind referred to in clause 9(1)(a) of Schedule 2 of the Code, as this information does not affect the ability of AFFCO shareholders to assess the merits of the offer.

Issued under the authority of the Acts and Regulations Publication Act 1989.
Date of notification in *Gazette*: 20 April 2006.
This notice is administered by the Takeovers Panel.
