



Takeovers Code (Te Kairanga Wines Limited) Exemption Notice 2007

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 (Te Kairanga Wines Limited) Exemption Notice 2007.

- 2 **Application**
This notice applies to acts or omissions occurring on or after 9 November 2007.

- 3 **Expiry**
This notice expires on the close of 31 March 2008.

4 Interpretation

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

Act means the Takeovers Act 1993

Code means the Takeovers Code under the Act

Hettinger means Hettinger Nominees Limited

issue means the proposed issue by TKW of up to 4 535 628 voting securities to be offered to its ordinary shareholders under pro rata renounceable rights to subscribe for 3 voting securities for every 2 existing voting securities

meeting means the meeting of the shareholders of TKW to be held on or about 9 December 2007 to consider whether to approve, for the purposes of rule 7(d) of the Code, the allotment of voting securities to Rangatira and Hettinger under the issue and the underwriting agreement

notice of meeting means the notice of the meeting that is sent to the shareholders of TKW in relation to the meeting

Rangatira means Rangatira Limited

TKW means Te Kairanga Wines Limited

underwriters means—

- (a) Hettinger; and
- (b) Rangatira

underwriting agreement means the underwriting agreement between TKW and the underwriters dated 6 November 2007

voting security means an equity security in TKW that confers a voting right.

- (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 TKW.
- (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 Exemptions from rule 7(d) of Code

Each of the underwriters is exempted from rule 7(d) of the Code in respect of any increase in that underwriter's voting control that results from the allotment of voting securities to

that underwriter under the issue and the underwriting agreement to the extent that the notice of meeting does not comply with rule 16(b) of the Code.

6 Exemption from rule 16(b) of Code

TKW is exempted from rule 16(b) of the Code in respect of the notice of meeting.

7 Conditions relating to particulars of voting securities to be contained in notice of meeting

The exemptions in clauses 5 and 6 are subject to the following conditions:

- (a) the notice of meeting contains, or is accompanied by, the following particulars of the voting securities that may be allotted to Rangatira under the issue and the underwriting agreement:
 - (i) the maximum number of voting securities that could be allotted to Rangatira as a result of the issue and the underwriting agreement:
 - (ii) the maximum number of voting securities that could be allotted to Rangatira as a result of the issue and the underwriting agreement expressed as a percentage of the total voting securities on issue after the allotment of the voting securities resulting from the issue and the underwriting agreement:
 - (iii) the maximum percentage of the total voting securities on issue that could be held or controlled by Rangatira after the allotment of the voting securities resulting from the issue and the underwriting agreement:
 - (iv) the maximum percentage of the total voting securities on issue that could be held or controlled by Rangatira and Rangatira's associates (excluding Hettinger) after the allotment of the voting securities resulting from the issue and the underwriting agreement:
- (b) the notice of meeting contains, or is accompanied by, the following particulars of the voting securities that may be allotted to Hettinger under the issue and the underwriting agreement:

- (i) the maximum number of voting securities that could be allotted to Hettinger as a result of the issue and the underwriting agreement:
 - (ii) the maximum number of voting securities that could be allotted to Hettinger as a result of the issue and the underwriting agreement expressed as a percentage of the total voting securities on issue after the allotment of the voting securities resulting from the issue and the underwriting agreement:
 - (iii) the maximum percentage of the total voting securities on issue that could be held or controlled by Hettinger after the allotment of the voting securities resulting from the issue and the underwriting agreement:
 - (iv) the maximum percentage of the total voting securities on issue that could be held or controlled by Hettinger and Hettinger's associates (excluding Rangatira) after the allotment of the voting securities resulting from the issue and the underwriting agreement:
- (c) the notice of meeting contains, or is accompanied by, the following particulars of the voting securities that may be allotted to Rangatira and Hettinger, in aggregate, as a result of the issue and the underwriting agreement:
- (i) the maximum aggregate number of voting securities that could be allotted to Rangatira and Hettinger as a result of the issue and the underwriting agreement:
 - (ii) the maximum aggregate number of voting securities that could be allotted to Rangatira and Hettinger as a result of the issue and the underwriting agreement expressed as a percentage of the total voting securities on issue after the allotment of the voting securities resulting from the issue and the underwriting agreement:
 - (iii) the maximum aggregate percentage of the total voting securities on issue that could be held or controlled by Rangatira and Hettinger after the

allotment of the voting securities resulting from the issue and the underwriting agreement:

- (iv) the maximum aggregate percentage of the total voting securities on issue that could be held or controlled by Rangatira and Hettinger and the associates of each of them after the allotment of the voting securities resulting from the issue and the underwriting agreement.

8 Additional conditions relating to contents of notice of meeting

The exemptions in clauses 5 and 6 are subject to the additional conditions that—

- (a) the notice of meeting also contains, or is accompanied by,—
 - (i) full particulars of the issue and a summary of the underwriting agreement; and
 - (ii) a summary of the terms and conditions of the exemptions granted to TKW, Rangatira, and Hettinger by this notice; and
- (b) the notice of meeting displays, in a prominent position, a disclaimer stating that by exempting Rangatira and Hettinger from rule 7(d), and TKW from rule 16(b), of the Code, the Takeovers Panel is—
 - (i) neither endorsing nor supporting the accuracy or reliability of the contents of the notice of meeting;
 - (ii) not implying it has a view on the merits of the issue or the underwriting agreement; and
- (c) the form of the notice of meeting is approved by the Takeovers Panel.

9 Application of exemption in clause 5

The exemption in clause 5 does not apply—

- (a) to any allotment of voting securities resulting from the issue or the fulfilment of the underwriting agreement if, immediately after the completion of the allotment, the total percentage of voting securities held or controlled by Rangatira or Hettinger is greater than the maximum percentage of voting securities that could be held or

controlled by that person as disclosed in the notice of meeting—

- (i) in respect of Rangatira, in accordance with clause 7(a)(iii):
 - (ii) in respect of Hettinger, in accordance with clause 7(b)(iii):
- (b) to Rangatira or Hettinger if Rangatira or Hettinger increases its voting control, except as a result of the issue and the underwriting agreement, but this paragraph ceases to apply after the completion of the issue and the fulfilment of the underwriting agreement.

Dated at Wellington this 26th day of November 2007.

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

[Seal]

David J Quigg,
Member.

Statement of reasons

This notice applies to acts or omissions occurring on or after 9 November 2007 and expires on 31 March 2008.

The Takeovers Panel has granted exemptions to—

- Rangatira Limited (**Rangatira**) from rule 7(d) of the Takeovers Code (the **Code**) in respect of the requirements for the notice of meeting under rule 16(b); and
- Hettinger Nominees Limited (**Hettinger**) from rule 7(d) of the Takeovers Code in respect of the requirements for the notice of meeting under rule 16(b); and
- Te Kairanga Wines Limited (**TKW**) from rule 16(b) of the Code.

TKW proposes to make a renounceable pro rata 3 for 2 rights issue of approximately 4.5 million ordinary shares to its existing shareholders for an issue price of \$1.00 per share, payable in full on application.

It is proposed that the issue of shares will be underwritten by Rangatira, which currently holds approximately 32.5% of the voting rights in TKW, and by Hettinger, which currently holds approximately 14.1% of the voting rights in TKW.

It is likely that the percentage of voting rights in TKW held by each of Rangatira and Hettinger will increase through underwriting the issue.

If Rangatira were required to take up the maximum number of shares that it could be required to subscribe for under the underwriting agreement, its percentage of voting rights would increase to 54.8%. If Hettinger were required to take up the maximum number of shares that it could be required to subscribe for under the underwriting agreement, its percentage of voting rights would increase to 23.8%.

TKW intends to obtain shareholder approval, in accordance with the Code, for the potential allotment of shares to Rangatira and Hettinger under the underwriting agreement. However, TKW cannot comply with rule 16(b) of the Code before completion of the issue, because it cannot state in the notice of meeting—

- the exact number of shares that would be allotted to each of Rangatira and Hettinger; and
- the exact percentage of voting rights in TKW that each of Rangatira and Hettinger would control after allotment.

These details would be known only after the issue had been completed and all allotments made.

The Panel considered that it was appropriate to grant the exemptions, and that the exemptions are consistent with the objectives of the Code, for the following reasons:

- it is impossible for the actual number of voting securities to be allotted and the relevant percentages required by rule 16(b) of the Code to be stated in the notice of meeting, as these numbers and percentages are dependent on the number of securities subscribed for under the issue:

- all non-associated shareholders will have an opportunity to vote on the potential allotment of voting securities to Rangatira and Hettinger as a result of the issue and the underwriting agreement:
 - if the non-associated shareholders approve the potential maximum allotment of voting securities to Rangatira and Hettinger, then, by implication, the shareholders also approve any lesser percentage of voting rights that may be allotted as a result of the issue and the underwriting agreement.
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Issued under the authority of the Acts and Regulations Publication Act 1989.

Date of notification in *Gazette*: 29 November 2007.

This notice is administered by the Takeovers Panel.
