



## Takeovers Code (The Todd Corporation 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 (The Todd Corporation Limited) Exemption Notice 2007.

#### 2 Application

This notice applies to acts or omissions occurring on or after 12 July 2007.

#### 3 Expiry

This notice expires on the close of 12 July 2011.

#### 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

**constitution** means the constitution of The Todd Corporation as in force on 26 June 2007

**The Todd Corporation** means The Todd Corporation Limited.

- (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 The Todd Corporation.
- (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

Every person is exempted from rule 6(1) of the Code in respect of any increase in that person's voting control as a result of a transfer of shares in The Todd Corporation effected under clause 14.1 of the constitution.

## 6 Conditions of exemption

The exemption is subject to the conditions that—

- (a) the maximum number of voting securities that may be transferred under clause 14.1 of the constitution and the provisions of this exemption in any 12-month period is the number of voting securities that carry in the aggregate not more than 20% of the total voting rights in The Todd Corporation at the commencement of the 12-month period; and
- (b) any transfer of voting securities in The Todd Corporation that is effected under clause 14.1 of the constitution and the provisions of any other exemption granted in respect of The Todd Corporation by the Takeovers Panel is not taken into account for the purposes of the aggregate 20% limitation in paragraph (a).

Dated at Auckland this 12th day of July 2007.

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

[Seal]

D O Jones,  
Chairperson.

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### Statement of reasons

This notice, which applies to acts or omissions occurring on or after 12 July 2007, expires on 12 July 2011.

This notice exempts any person, subject to conditions, from rule 6(1) of the Takeovers Code (the **Code**) in respect of that person becoming the holder or controller of an increased percentage of voting rights in The Todd Corporation Limited (**The Todd Corporation**) as a result of a transfer of shares effected under clause 14.1 of the constitution of The Todd Corporation (as that constitution was in force on 26 June 2007).

All the recipients of transfers under clause 14.1 of the constitution of The Todd Corporation are members of a single extended family or represent interests associated with that single extended family (**inter-family transfers**). Owing to the family relationship, it is arguable that all shareholders of The Todd Corporation are associates as that term is used in the Code. Without this exemption, inter-family transfers would be impracticable.

Inter-family transfers are not intended to involve transfers that impact on control, but allow the transfer of shares between family interests.

The Takeovers Panel (the **Panel**) has put in place restrictions on the transfer of shares that may take place in any 12-month period to limit the possibility of a change of control occurring without using one of the mechanisms of the Code. However, the Panel has excluded from that limit any transactions separately exempted by the Panel. This includes transactions covered by the Takeovers Code (The Todd Corporation Limited) Exemption Notice (No 2) 2007.

This notice effectively replaces the Takeovers Code (The Todd Corporation Limited) Exemption Notice (No 2) 2004, which had

effectively replaced the Takeovers Code (The Todd Corporation Limited) Exemption Notice 2002.

The Panel considers that it is appropriate to grant the exemption from clause 6(1) of the Code because—

- all the recipients of transfers under clause 14.1 of The Todd Corporation’s constitution are members of a single extended family, or represent interests associated with that single extended family, and therefore are all probably associates for the purposes of the Code. As such, the mechanisms provided in the Code for approval of increased shareholdings through transfers of shares are unworkable; and
- the transactions covered by the exemption are confined to those that take place under clause 14.1 of The Todd Corporation’s constitution, the principle purpose of which is to facilitate transfers of shares between family interests; and
- there are restrictions on the transfer of shares that may take place in any 12-month period to limit the possibility of a change of control occurring without using one of the mechanisms of the Code.

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

- it retains all the requirements of the Code except in relation to inter-family transactions in limited circumstances; and
- it avoids unnecessary compliance costs that would be incurred if the exemption were not granted.

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

Date of notification in *Gazette*: 19 July 2007.

This notice is administered by the Takeovers Panel.

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