

**Reprint
as at 1 April 2010**



**Securities Act (Wool Equities
Limited) Exemption Notice 2009**

(SR 2009/193)

Securities Act (Wool Equities Limited) Exemption Notice 2009: expired, on 1 April 2010, by clause 3.

Pursuant to the Securities Act 1978, the Securities Commission gives the following notice (to which is appended a statement of reasons of the Securities Commission).

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Notice

Note

Changes authorised by section 17C of the Acts and Regulations Publication Act 1989 have been made in this reprint.

A general outline of these changes is set out in the notes at the end of this reprint, together with other explanatory material about this reprint.

This notice is administered by the Securities Commission.

1 Title

This notice is the Securities Act (Wool Equities Limited) Exemption Notice 2009.

2 Commencement

This notice comes into force on the day after the date of its notification in the *Gazette*.

3 Expiry

This notice expires on the close of 31 March 2010.

4 Interpretation

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

Act means the Securities Act 1978

eligible grower means a person who was a non-merino grower at the time of the initial offer and who elected, under the terms of that offer, to apply his or her future redeemable preference share entitlements wholly or partly in subscribing for additional ordinary shares in the issuer

initial offer means the initial public offer of ordinary shares in the issuer to growers under the prospectus

issuer means Wool Equities Limited

new shares means the ordinary shares in the issuer to be issued to eligible growers

prospectus means the prospectus for the initial offer dated 26 September 2003

redeemable preference share entitlement means the amount payable to each eligible grower on redemption of the redeemable preference shares held on the grower's behalf by the trust

redeemable preference shares means redeemable preference shares in Wool Board Disestablishment Company Limited issued to the trustees of the trust on behalf of non-merino growers and to the trustees of the bare trust established for the benefit of merino growers

Regulations means the Securities Regulations 1983

subsequent distribution means the subsequent distribution by Wool Board Disestablishment Company Limited of the cash reserves of the New Zealand Wool Board to growers through the redemption of redeemable preference shares

trust means the non-merino bare trust established by a deed of trust dated 29 August 2003 that was established to hold the redeemable preference shares on behalf of non-merino growers.

- (2) In this notice, **grower**, **non-merino grower**, and **merino grower** have the same meanings as in the Wool Industry Restructuring Act 2003.
- (3) Any term or expression that is defined in the Act or the Regulations and used, but not defined, in this notice has the same meaning as in the Act or the Regulations.

5 Exemption from section 37A(1)(b) and (c) of Act

The issuer and every person acting on its behalf are exempted from section 37A(1)(b) and (c) of the Act in respect of the allotment of new shares to eligible growers as part of the subsequent distribution.

6 Conditions

- (1) The exemption in clause 5 is subject to the conditions that—
 - (a) the issuer sends to each eligible grower a notice of—
 - (i) the eligible grower's entitlement to new shares, the price at which the new shares will be issued under the subsequent distribution, the number of new shares to be issued to the eligible grower, and the date on which the new shares will be issued to the eligible grower; and
 - (ii) the eligible grower's right to cancel the new shares allotted to the eligible grower and receive the amount of the eligible grower's redeemable preference share entitlement in cash; and
 - (iii) the requirement for an eligible grower who wishes to cancel the new shares allotted to the eligible grower and receive the amount of their redeemable preference share entitlement in cash to notify the issuer of that fact by the date spe-

- cified in the notice (being a date that is not less than 3 weeks from the date on which the notice is sent); and
- (b) the notice under paragraph (a) has attached to it, or is accompanied by, a supplementary statement that complies with paragraphs (g) and (h) (the **supplementary statement**); and
 - (c) the supplementary statement is made available to the public on the issuer's Internet site at all reasonable times; and
 - (d) no new shares may be allotted if, at the time of allotment, the prospectus, taken together with the supplementary statement, is known by the issuer, or any director of the issuer, to be false or misleading in a material particular by reason of failing to refer, or give proper emphasis, to adverse circumstances, whenever those adverse circumstances occurred; and
 - (e) the issuer—
 - (i) allots the new shares to all the eligible growers in accordance with the elections of those eligible growers under the initial offer; and
 - (ii) immediately after acting under subparagraph (i), cancels the new shares allotted to each eligible grower who, by the date referred to in paragraph (a)(iii), notified it that the eligible grower wished to exercise the eligible grower's right to cancel the new shares allotted to the eligible grower and receive the amount of their redeemable preference share entitlement in cash; and
 - (f) immediately after the cancellation of the new shares under paragraph (e)(ii), the issuer pays to each eligible grower whose new shares have been cancelled, in cash, the amount of the eligible grower's redeemable preference share entitlement; and
 - (g) the supplementary statement includes the following, set out in a succinct manner:
 - (i) a statement to the effect that the purpose of the supplementary statement is to assist the eligible grower to decide whether to elect to cancel the

- new shares to be allotted to the eligible grower and receive the amount of the eligible grower's redeemable preference share entitlement in cash (rather than retaining the new shares allotted to the eligible grower):
- (ii) a description of any adverse circumstances (whenever they occurred) that make the prospectus false or misleading in a material particular by reason of failing to refer, or give proper emphasis, to those circumstances:
 - (iii) a description of the effect of any adverse circumstances, to the extent that the effect can be assessed, or, if the effect of the adverse circumstances cannot be assessed, a statement to that effect:
 - (iv) a list of any other documents that are, in the opinion of the issuer, relevant to the decision referred to in subparagraph (i), in which case either the supplementary statement must include, or be accompanied by, the documents or the supplementary statement must clearly indicate where those documents may be viewed and how they may be accessed:
 - (v) a statement by the issuer that the supplementary statement is not known by the issuer, or any director of the issuer, to be false or misleading in a material particular by reason of failing to refer, or give proper emphasis, to adverse circumstances:
 - (vi) a statement to the effect that a copy of the issuer's annual report, and a copy of the issuer's financial statements, for the year ended on 30 June 2008 are available on the issuer's Internet site and will be sent to an eligible grower, free of charge, on request; and
- (h) the supplementary statement is accompanied by a copy of the issuer's half-yearly report, and a copy of the issuer's unaudited financial statements, for the 6 months ended on 31 December 2008 together with copies of

all announcements made by the issuer to NZX Limited since 31 December 2008.

- (2) Subclause (1)(h) does not require a supplementary statement that is sent to an eligible grower to be accompanied by a copy of the issuer's half-yearly report, and a copy of the issuer's unaudited financial statements, referred to in that paragraph if the eligible grower was a shareholder of the issuer at the time that the half-yearly report was sent to the issuer's shareholders.

Dated at Wellington this 30th day of June 2009.

The Common Seal of the Securities Commission was affixed in the presence of:

[Seal]

N O Todd,
Member.

Statement of reasons

This notice, which comes into force on the day after the date of its notification in the *Gazette* and expires on 31 March 2010, exempts Wool Equities Limited, subject to conditions, from section 37A(1)(b) and (c) of the Securities Act 1978 (the **Act**) in respect of the allotment of new shares to certain growers of non-merino wool (the **growers**). The Securities Commission considers that it is appropriate to grant the exemption for the following reasons:

- the exemption will allow Wool Equities Limited to comply with its obligations under the Wool Industry Restructuring Act 2003 and associated plans without breaching the Act:

- granting the exemption, subject to the conditions, is consistent with section 37A of the Act in that it provides the growers with the opportunity to have the new shares cancelled and instead to receive the amount of their redeemable preference share entitlement in cash;
- granting the exemption will not prejudice the interests of the growers to any material extent given that—
 - they will receive the new shares that they are entitled to, and those growers who do not wish to retain the new shares allotted to them will be given the opportunity to have the new shares cancelled and instead to receive the amount of their redeemable preference share entitlement in cash; and
 - providing information about the changes that have taken place in relation to Wool Equities Limited since the registration of the prospectus for the initial offer of shares in that company, as well as the issuer's most recent financial information, will allow growers to make an informed decision as to whether to retain the new shares or receive their entitlement in cash.

Issued under the authority of the Acts and Regulations Publication Act 1989.
Date of notification in *Gazette*: 2 July 2009.

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Notes**1 General**

This is a reprint of the Securities Act (Wool Equities Limited) Exemption Notice 2009. The reprint incorporates all the amendments to the notice as at 1 April 2010, as specified in the list of amendments at the end of these notes.

Relevant provisions of any amending enactments that have yet to come into force or that contain relevant transitional or savings provisions are also included, after the principal enactment, in chronological order.

2 Status of reprints

Under section 16D of the Acts and Regulations Publication Act 1989, reprints are presumed to correctly state, as at the date of the reprint, the law enacted by the principal enactment and by the amendments to that enactment. This presumption applies even though editorial changes authorised by section 17C of the Acts and Regulations Publication Act 1989 have been made in the reprint.

This presumption may be rebutted by producing the official volumes of statutes or statutory regulations in which the principal enactment and its amendments are contained.

3 How reprints are prepared

A number of editorial conventions are followed in the preparation of reprints. For example, the enacting words are not included in Acts, and provisions that are repealed or revoked are omitted. For a detailed list of the editorial conventions,

see <http://www.pco.parliament.govt.nz/editorial-conventions/>
or Part 8 of the *Tables of New Zealand Acts and Ordinances
and Statutory Regulations and Deemed Regulations in Force*.

4 Changes made under section 17C of the Acts and Regulations Publication Act 1989

Section 17C of the Acts and Regulations Publication Act 1989 authorises the making of editorial changes in a reprint as set out in sections 17D and 17E of that Act so that, to the extent permitted, the format and style of the reprinted enactment is consistent with current legislative drafting practice. Changes that would alter the effect of the legislation are not permitted. A new format of legislation was introduced on 1 January 2000. Changes to legislative drafting style have also been made since 1997, and are ongoing. To the extent permitted by section 17C of the Acts and Regulations Publication Act 1989, all legislation reprinted after 1 January 2000 is in the new format for legislation and reflects current drafting practice at the time of the reprint.

In outline, the editorial changes made in reprints under the authority of section 17C of the Acts and Regulations Publication Act 1989 are set out below, and they have been applied, where relevant, in the preparation of this reprint:

- omission of unnecessary referential words (such as “of this section” and “of this Act”)
- typeface and type size (Times Roman, generally in 11.5 point)
- layout of provisions, including:
 - indentation
 - position of section headings (eg, the number and heading now appear above the section)
- format of definitions (eg, the defined term now appears in bold type, without quotation marks)
- format of dates (eg, a date formerly expressed as “the 1st day of January 1999” is now expressed as “1 January 1999”)
- position of the date of assent (it now appears on the front page of each Act)

- punctuation (eg, colons are not used after definitions)
- Parts numbered with roman numerals are replaced with arabic numerals, and all cross-references are changed accordingly
- case and appearance of letters and words, including:
 - format of headings (eg, headings where each word formerly appeared with an initial capital letter followed by small capital letters are amended so that the heading appears in bold, with only the first word (and any proper nouns) appearing with an initial capital letter)
 - small capital letters in section and subsection references are now capital letters
- schedules are renumbered (eg, Schedule 1 replaces First Schedule), and all cross-references are changed accordingly
- running heads (the information that appears at the top of each page)
- format of two-column schedules of consequential amendments, and schedules of repeals (eg, they are rearranged into alphabetical order, rather than chronological).

5 *List of amendments incorporated in this reprint
(most recent first)*

Securities Act (Wool Equities Limited) Exemption Notice 2009 (SR 2009/193):
clause 3
