

## Takeovers Code (SeaDragon Limited) Exemption Notice 2016

Pursuant to section 45 of the Takeovers Act 1993, the Takeovers Panel, being satisfied of the matters set out in section 45(6) of that Act, gives the following notice.

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### Notice

#### 1 Title

This notice is the Takeovers Code (SeaDragon Limited) Exemption Notice 2016.

#### 2 Application

This notice applies to acts or omissions occurring on or after 17 November 2015.

#### 3 Revocation

This notice is revoked on the close of 31 October 2016.

#### 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

**distribution** includes transfer

**first in specie distribution** means the in specie distribution by Mersea, on or about 17 November 2015, in connection with its liquidation, of -

(a) 435,388,743 shares to SDMO; and

(b) 358,594,591 shares to Merinova

**in specie distributions** means the first in specie distribution and the second in specie distribution

**Merinova** means Merinova Limited

**Merinova shareholders** means Longview Te Pirita Limited, Gillespie Nominees Limited (as trustee of the AJJD Trust), Darrell James Crozier, Kenneth Richard Deans, Sandra Deans and WMC Trustee Limited (as trustees of the Alba Trust), Darrell James Crozier and Deborah Gay Foran (as trustees of the Bailfor Trust), David and Karen Ward, Wakanui Investments Limited, Cheryl Ruth Weedon, Michael Pahl, Michael Paul Baird and Joanne Helen Singer, being the shareholders of Merinova

**MerSea** means MerSea Holdings Limited (in liquidation)

**SDMO** means SDMO Trustee Limited

**SeaDragon** means SeaDragon Limited

**shares** means shares in SeaDragon

**second in specie distribution** means the in specie distribution of 358,594,591 shares held by Merinova to the Merinova shareholders on or after 23 December 2015

- (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 voting rights in SeaDragon.
- (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**

SDMO, Merinova and each of the Merinova shareholders are exempted from rule 6(1) of the Code in respect of any increase in their voting control as a result of the in specie distributions.

Dated at Hamilton this 25<sup>th</sup> day of January 2016

[signed]

R A Coupe,  
Deputy Chairperson

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## Statement of reasons

This notice applies to acts or omissions occurring on or after 17 November 2015.

The Takeovers Panel has granted an exemption from rule 6(1) of the Takeovers Code (the **Code**) to each of SDMO Trustee Limited (**SDMO**), Merinova Limited (**Merinova**) and the shareholders of Merinova (**Merinova shareholders**).

MerSea Holdings Limited (in liquidation) (**MerSea**) held approximately 25.71% of the voting rights in SeaDragon Limited (**SeaDragon**), a code company. SDMO held 54.84% of the voting rights in MerSea and Merinova held the remaining 45.16%.

MerSea was placed in voluntary liquidation on 28 October 2015 by special resolution of its shareholders. The shares in SeaDragon held by MerSea were distributed in specie to SDMO and Merinova in proportion to their shareholding in MerSea. Merinova wishes to make, on or after 23 December 2015, a pro rata in specie distribution of all of the SeaDragon shares held by it to the Merinova shareholders. These in specie distributions may result in SDMO, Merinova and/or the Merinova shareholders breaching rule 6(1) of the Code.

The Panel considers that it is appropriate and consistent with the objectives of the Code to grant the exemptions from the Code because—

- although the in specie distributions may result in a change in the form of control of SeaDragon, there will be no change in the effective control of voting rights in SeaDragon; and
- other shareholders of SeaDragon will not be disadvantaged by not having the opportunity to vote on the in specie distributions, as these distributions will have no real effect on those shareholders.