



Takeovers Code (Training Solutions Plus 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).

Contents

	Page
1 Title	1
2 Application	1
3 Expiry	1
4 Interpretation	1
5 Exemption from rule 7(d) of Code	3
6 Exemption from rule 16(b) of Code	3
7 Conditions of exemptions	3

Notice

- 1 **Title**
This notice is the Takeovers Code (Training Solutions Plus Limited) Exemption Notice 2006.
- 2 **Application**
This notice applies to acts or omissions occurring on or after 6 October 2006.
- 3 **Expiry**
This notice expires on the close of 31 December 2006.
- 4 **Interpretation**
 - (1) In this notice, unless the context otherwise requires,—

Abel Tasman means Abel Tasman Corporation Limited

Act means the Takeovers Act 1993

Beconwood means Beconwood Securities Pty Limited, a company incorporated in Australia

Cathay means Cathay Financial Services Limited, a company incorporated in Hong Kong

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

issue means the proposed issue by Training Solutions of voting securities to be offered by Training Solutions to its existing shareholders under pro rata non-renounceable rights to subscribe for 14 voting securities for every 1 existing voting security

meeting means the meeting of Training Solutions' shareholders that is to be held on or about 26 October 2006 to consider whether or not to approve, for the purposes of rule 7(d) of the Code, the allotment of voting securities to Beconwood, Abel Tasman, and Cathay under the underwriting agreements

notice of meeting means the notice of the meeting that has been sent to Training Solutions' shareholders

Training Solutions means Training Solutions Plus Limited

underwriting agreements means—

- (a) the underwriting agreement between Training Solutions and Beconwood dated 6 October 2006; and
- (b) the sub-underwriting agreement between Beconwood and Abel Tasman dated 6 October 2006; and
- (c) the sub-underwriting agreement between Beconwood and Cathay dated 6 October 2006

voting security means an ordinary share in Training Solutions.

- (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 Training Solutions.

- (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 7(d) of Code

Beconwood, Abel Tasman, and Cathay are exempted from rule 7(d) of the Code in respect of any increase in their voting control resulting from the allotment of voting securities to them under the issue and the underwriting agreements to the extent that the notice of the meeting does not comply with rule 16(b) of the Code.

6 Exemption from rule 16(b) of Code

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

7 Conditions of exemptions

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:
- (i) the maximum number of voting securities in Training Solutions that could be allotted to each of Beconwood, Abel Tasman, and Cathay under the issue and the underwriting agreements; and
 - (ii) the maximum percentage of all voting securities in Training Solutions that could be held or controlled by each of Beconwood, Abel Tasman, Cathay, and their associates after completion of the allotment of voting securities under the issue and the underwriting agreements:
- (b) Beconwood, Abel Tasman, and Cathay do not become the holders or controllers of any voting rights in Training Solutions except—
- (i) to the extent permitted under their individual pro rata entitlements under the issue; and

- (ii) as required as the underwriter and sub-underwriters respectively of the issue:
- (c) the notice of meeting contains a summary of the terms and conditions of the exemptions granted:
- (d) the form of the notice of meeting is approved by the Takeovers Panel.

Dated at Wellington this 13th day of October 2006.

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

[Seal]

J C King,
Chairperson.

Statement of reasons

This notice applies to acts or omissions occurring on or after 6 October 2006 and expires on 31 December 2006.

The Takeovers Panel (the **Panel**) has granted exemptions to—

- Beconwood Securities Pty Limited (**Beconwood**), Abel Tasman Corporation Limited (**Abel Tasman**), and Cathay Financial Services Limited (**Cathay**) from rule 7(d) of the Takeovers Code (the **Code**) in respect of the requirements for the notice of meeting under rule 16(b) of the code; and
- Training Solutions Plus Limited (**Training Solutions**) from rule 16(b) of the Code.

Training Solutions intends to make a non-renounceable rights issue to its existing shareholders (the **rights issue**). It is proposed that the rights issue will be underwritten by Beconwood and sub-underwritten by Abel Tasman and Cathay (the **underwriting arrangements**). Beconwood and its associates currently hold or control in total more than 20% of the voting rights in Training Solutions. Abel Tasman currently holds 9.21% of the voting rights in Training Solutions.

Cathay currently holds 2.44% of the voting rights in Training Solutions.

It is likely that the percentage of voting rights in Training Solutions held by each of Beconwood, Abel Tasman, and Cathay will increase as a result of the underwriting arrangements. If each of Beconwood, Abel Tasman, and Cathay were required to take up the maximum number of voting securities that they could be required to subscribe for under the rights issue and the underwriting arrangements, then they would become, or would be deemed to become, the holder or controller of more than 20% of the voting rights in Training Solutions.

Training Solutions intends to obtain shareholder approval, in accordance with rule 7(d) of the Code, of the potential allotment of voting securities to Beconwood, Abel Tasman, and Cathay under the rights issue and the underwriting arrangements. However, Training Solutions cannot comply with rule 16(b) of the Code before completion of the issue because it cannot state in the notice of meeting—

- the number of voting securities being allotted to each person that requires rule 7(d) approval; and
- the percentage of the aggregate of all existing voting securities and all voting securities being allotted that that number represents; and
- the percentage of all voting securities that will be held or controlled by the person to whom the voting securities are being allotted after completion of the allotment.

The Panel considers that the exemptions are appropriate and consistent with the Code because—

- it is impossible for the actual number of voting securities to be allotted and the relevant percentages required by rule 16(b) to be stated in the notice of meeting, as these numbers and percentages are dependent upon the level of participation in the rights issue by Training Solutions shareholders;
- all non-associated shareholders will have an opportunity to vote on the potential allotment of voting securities to Beconwood, Abel Tasman, and Cathay under the rights issue and the underwriting arrangements;
- if the non-associated shareholders approve the potential maximum allotment of voting securities to Beconwood, Abel Tasman, and Cathay, then, by implication, the shareholders also approve any lesser percentage of voting rights that may be

acquired as a result of the allotment of voting securities under the rights issue:

- shareholder underwriting agreements are an accepted means of raising equity capital in New Zealand and the Panel should facilitate these arrangements by granting appropriate exemptions where necessary.
-

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

Date of notification in *Gazette*: 19 October 2006.

This notice is administered by the Takeovers Panel.
