

Takeovers Code (Wellington Drive Technologies Limited) Exemption Notice 2017

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

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Notice

1. **Title**

This notice is the Takeovers Code (Wellington Drive Technologies Limited) Exemption Notice 2017.

2. **Application**

This notice applies to acts or omissions occurring on or after 1 May 2017.

3. **Expiry**

This notice expires on the close of 31 August 2017.

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

conversion means the conversion of the preference shares to ordinary shares in WDT on or about 19 May 2017

NZX means NZX Limited

preference shares means 18,540,682 non-voting mandatory convertible preference shares that were issued by WDT to SuperLife Limited and SuperLife Trustee Nominees Limited on 19 May 2014 and 20 June 2014

WDT means Wellington Drive Technologies 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 WDT.
- (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 for NZX in respect of conversion**

NZX is exempted from rule 6(1) of the Code in respect of any increase in NZX's voting control resulting from the conversion.

Dated at Auckland this 30th day of March 2017.

[signed]

C G Blanchard,
Deputy Chairperson.

Statement of reasons

This notice applies to acts or omissions occurring on or after 1 May 2017 and expires on 31 August 2017.

The Takeovers Panel (the **Panel**) has granted an exemption for NZX Limited (**NZX**) from rule 6(1) of the Takeovers Code (**Code**) in respect of any increase in its voting control of Wellington Drive Technologies Limited (**WDT**) resulting from the conversion of non-voting mandatory convertible preference shares (**preference shares**) to ordinary shares in WDT on 19 May 2017 (the **conversion**).

The preference shares were issued to the nominees of SuperLife Superannuation Scheme (**Scheme**) on 19 May 2014 and 20 June 2014. SuperLife Limited (**SuperLife**) was the manager of the Scheme at the time when the preference shares were issued. Shareholder approval under the Code was obtained at a shareholder meeting of WDT in June 2014 for the conversion because it would result in SuperLife becoming the controller of 20% or more of the voting rights in WDT.

NZX acquired 100% of the shares in SuperLife in January 2015 (the **acquisition**).

On 3 November 2016, the Scheme's assets were transferred to SuperLife Invest (a managed investment scheme under the Financial Markets Conduct Act 2013). As part of this transaction, SuperLife was amalgamated with Smartshares Limited (**Smartshares**), another wholly-owned subsidiary of NZX.

SuperLife Invest's nominee holds 27.8% of the ordinary shares in WDT, which means that NZX (through Smartshares) currently controls 27.8% of the voting rights in WDT. When the conversion occurs, NZX will become the holder or controller of an increased percentage of the voting rights in WDT.

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

- increasing NZX's voting control of WDT would not reasonably be regarded as a significant purpose of the acquisition; and
- the exemption is analogous to exemptions granted under the Panel's policy for exemptions in respect of upstream acquisitions.

Date of notification in *Gazette*: 6 April 2017
