

Takeovers Code (Evolve Education Group Limited) Exemption Notice 2014

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 (Evolve Education Group Limited) Exemption Notice 2014.

2 Application

This notice applies to acts or omissions occurring on or after 13 November 2014.

3 Revocation

This notice is revoked on the close of 31 March 2015.

4 Interpretation

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

Act means the Takeovers Act 1993

agreement means the amended and restated agreement for the sale and purchase of all the shares in Lollipops Educare Holdings Limited, dated on or about 14 November 2014, by the exempted persons to Evolve, the

consideration for which is to be the allotment of voting securities, and the payment of cash, to the exempted persons

Code means the Takeovers Code under the Act

Evolve means Evolve Education Group Limited

exempted persons means each of the following:

- (a) Mark Finlay and Geoffrey Hosking, as trustees of the Mark Finlay Investment No.2 Trust:
- (b) Russell Thompson and Geoffrey Hosking, as trustees of the 111 Investment Trust:
- (c) ScottFin ECE Limited:
- (d) Mark Finlay and Mark Dobson Trustee Company Limited, as trustees of the HR Finlay Family Trust

offer means the offer of voting securities to the public by Evolve

prospectus means the prospectus relating to the offer, to be registered under section 42 of the Securities Act 1978 on or about 14 November 2014

relevant allotments means the allotments to the exempted persons of voting securities in accordance with the agreement

voting security means a voting security in Evolve.

- (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 Evolve.
- (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

Each of the exempted persons is exempted from rule 6(1) of the Code in respect of any increase in that person's voting control that results from the relevant allotments.

6 Conditions of exemption

The exemption in clause 5 is subject to the following conditions:

- (a) the relevant allotments are made –
 - (i) immediately after the allotments to the public under the offer:
 - (ii) in accordance with the agreement:
- (b) the offer, the allotments to the public under the offer, and the relevant allotments are made in accordance with the Securities Act 1978 and the Securities Regulations 2009:

- (c) the prospectus clearly states –
- (i) the maximum number of voting securities that will be issued under the relevant allotments to each of the exempted persons and to all the exempted persons in aggregate:
 - (ii) the maximum percentage of voting rights in Evolve that each of the exempted persons, and all exempted persons in aggregate, could hold or control immediately after the allotments of voting securities to the public under the offer and to the exempted persons under the relevant allotments:
- (d) Evolve is not a code company immediately before the allotments of voting securities to the public under the offer.

Dated at Auckland this 6th day of November 2014

[signed]

D O Jones,
Chairperson.

Statement of reasons

This notice applies to acts or omissions occurring on or after 13 November 2014 and expires on 31 March 2015.

Evolve Education Group Limited (**Evolve**) proposes to undertake an initial public offering (**IPO**) of voting securities in Evolve (**voting securities**).

Evolve has also entered into an amended and restated sale and purchase agreement dated on or about 14 November 2014 (**agreement**) with the shareholders of Lollipops Educare Holdings Limited (**Lollipops**) (the **shareholders**) under which Evolve will purchase all of the shares in Lollipops at a purchase price made up of voting securities and cash.

The shareholders are –

- Mark Finlay and Geoffrey Hosking, as trustees of the Mark Finlay Investment No.2 Trust; and
- Russell Thompson and Geoffrey Hosking, as trustees of the 111 Investment Trust; and
- ScottFin ECE Limited; and

- Mark Finlay and Mark Dobson Trustee Company Limited, as trustees of the HR Finlay Family Trust.

The allotments of voting securities to the public under the IPO will occur prior to the allotments of voting securities to the shareholders under the agreement. At the time of the allotments of voting securities to the shareholders under the agreement, Evolve will be a code company. The shareholders, who are likely to be associates for the purposes of the Takeovers Code (**Code**), will potentially hold or control over 20% of the voting securities in Evolve after the allotments under the agreement.

The Takeovers Panel (the **Panel**) has granted an exemption for each of the shareholders from rule 6(1) of the Code.

The exemption relates to the shareholders becoming the holders or controllers of an increased percentage of voting securities as a result of the allotments under the agreement.

The exemption is subject to conditions that ensure that anyone who decides to invest in Evolve through the IPO will be able to take into account the maximum percentage of voting rights in Evolve that the shareholders will hold or control as a result of the agreement.

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

- (a) any person choosing to subscribe for shares in Evolve under the IPO may take into account the increase in the shareholding of the shareholders resulting from the agreement, as it will be advised in the prospectus; and
- (b) if an offeree subscribes for Evolve shares offered under the IPO, they can be taken to have subscribed on the basis of the information in the prospectus disclosing the maximum percentage of voting rights in Evolve that the shareholders will hold or control as a result of the agreement; and
- (c) the exemption facilitates an IPO by a company that will become a code company only as a consequence of the IPO. The conditions attached to the exemption ensure that the exemption applies only to an offer that is effectively a preliminary step to Evolve becoming a code company.

Date of Notification in the *Gazette*:
