

Media Release

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For immediate release

New Image Group to pay \$1.5 million penalty for breaching the Takeovers Code

The High Court has today made a declaration that New Image Group Limited (**New Image**) and New Image Holdings Limited (**New Holdings**) breached the Takeovers Code in relation to the 2013 acquisition of New Holdings.

New Image has been ordered to pay a pecuniary penalty of \$1.5 million in respect of the breaches of the Code.

The Court decided that New Image breached the Code by making a selective offer to certain shareholders on different terms to other shareholders. In addition, New Image's pre-offer shareholding was obscured when New Image and New Holdings failed to make all of the required Code disclosures.

Carl Blanchard, Acting Chair of the Panel, commented that:

“This is an important decision, being the first pecuniary penalty imposed in respect of breaches of the Code. Today the Court agreed with the Panel that the non-compliance was serious and that a pecuniary penalty was appropriate.

The Panel takes Code compliance seriously and will take enforcement action where parties have failed to meet their obligations. The Panel encourages market participants to engage with the Panel in order to best understand how to comply with the Code.”

The Panel began its investigation in 2019 after allegations relating to the matter came to its attention. A Panel determination in relation to this matter was made in 2021, a copy of which is available [here](#). The Court judgment is available [here](#).

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Notes to editors

The Takeovers Panel is an independent Crown entity established under the Takeovers Act 1993. The Panel's mandate is to strengthen investor confidence in New Zealand's capital markets by enforcing the Takeovers Code. The Code ensures that all shareholders have a fair opportunity to participate in control-change transactions (such as mergers, acquisitions, takeovers and allotments) in Code companies.

For further information on the Panel, please visit www.takeovers.govt.nz