

6 August 2014

The Directors  
Lyttelton Port Company Limited  
41 Chapmans Road  
Hillsborough  
Christchurch 8022

## TAKEOVER NOTICE

Christchurch City Holdings Limited (*CCHL*) hereby gives notice pursuant to Rule 41 of the Takeovers Code of its intention to make a full takeover offer under the Takeovers Code to acquire all of the ordinary shares of Lyttelton Port Company Limited not already held by CCHL.

**Attached** to this notice are the terms of the proposed offer, including:

- the information specified in Schedule 1 to the Takeovers Code which is required to be contained in, or accompany, this notice (stated as at the date of this notice); and
- the signed certificate required under clause 19 of Schedule 1 to the Takeovers Code.

We look forward to receipt of the class notice in accordance with Rule 42A of the Takeovers Code.

For and on behalf of  
Christchurch City Holdings Limited



Robert Alfred Lineham  
Chief Executive Officer

cc: The Takeovers Panel  
Level 3, Solnet House  
70 The Terrace  
Wellington 6011  
By email: [takeovers.panel@takeovers.govt.nz](mailto:takeovers.panel@takeovers.govt.nz)

cc: NZX Limited  
Level 2, NZX Centre  
11 Cable Street  
Wellington 6011  
By email: [announce@nzx.com](mailto:announce@nzx.com)

# **FULL TAKEOVER OFFER**

**BY**

**CHRISTCHURCH CITY HOLDINGS LIMITED**

**TO PURCHASE ALL THE ORDINARY SHARES IN**

**LYTTELTON PORT COMPANY LIMITED**

**AT THREE DOLLARS AND NINETY FIVE CENTS (\$3.95)**

**MADE PURSUANT TO THE TAKEOVERS CODE**

**Offer opens:** [ ] 2014

**Offer closes:** [ ] 2014

## **IMPORTANT**

If you are in any doubt as to any aspect of this offer, you should consult your financial or legal adviser.

If you have sold all your shares in Lyttelton Port Company Limited to which this offer applies, you should immediately hand this offer document and the accompanying acceptance form to the purchaser or to the agent (e.g. the broker) through whom the sale was made, to be passed to the purchaser.

Lyttelton Port Company Limited's target company statement, together with an independent adviser's report on the merits of this offer, accompanies this offer and should be read in conjunction with this offer.

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION**

Dated [ ] 2014

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## **SUMMARY OF THE OFFER**

Christchurch City Holdings Limited (*CCHL*) is offering to acquire all the ordinary shares (the *Shares*) in Lyttelton Port Company Limited (*LPC*) that it does not already own.

The key terms of this Offer are:

### **Offer Price for Shares**

The consideration offered for each Share is NZ\$3.95 in cash. The Shares will be acquired excluding all rights to the dividend described in the following paragraph.

### **Dividend of 20 cents per Share**

This Offer is subject to a condition that LPC declares and pays to all shareholders, prior to the Offer closing, a dividend of 20 cents per Share with imputation credits attached (to the extent imputation credits are available). If this dividend is not declared and paid, CCHL will not proceed with the Offer. If LPC pays the dividend, it will announce the record date for the dividend to NZX prior to payment.

### **Full Offer**

The Offer is for 100% of the Shares that CCHL does not already own, being [ ] Shares as at the date of this Offer.

### **Offer Period**

The Offer is dated [ ] 2014 (the *Offer Date*) and closes at 11:59pm on [***date that is 30 days after Offer Date***] 2014 (the *Closing Date*).

### **Conditions**

This Offer is conditional on the conditions set out in paragraphs 4 and 5.1 of the terms and conditions of the Offer. The key conditions are that:

- (a) LPC declares and pays a dividend of 20 cents per Share to all shareholders prior to the Offer closing as set out above; and
- (b) CCHL receives irrevocable acceptances in respect of the Shares which, on registration of the transfer of those Shares (when taken together with any other Shares already held or controlled by CCHL) will result in CCHL holding or controlling 90% or more of the voting rights in LPC. This condition will be satisfied if Port Otago fully complies with the terms of its lock-up agreement with CCHL (see paragraph 6 of Schedule A).

### **Lock-up Agreement**

CCHL has entered into a lock-up agreement with Port Otago Limited (*Port Otago*), whereby Port Otago has agreed to accept the Offer with respect to the Shares held by it, which constitute 15.48% of the total number of Shares on issue. Details of the lock-up agreement are set out in paragraph 6 of Schedule A. The condition relating to the payment of the dividend by LPC cannot be waived by CCHL without the consent of Port Otago.

### **Payment Date**

If you accept the Offer you will be paid the consideration for your Shares no later than seven (7) calendar days after the later of:

- the date on which your acceptance form is received by CCHL; and

- the date on which this Offer becomes unconditional.

**Brokerage Costs**

You will not pay any brokerage costs if you accept the Offer.

**THE ABOVE IS A SUMMARY OF THE OFFER ONLY.**

**THE DETAILED TERMS AND CONDITIONS OF THE OFFER ARE SET OUT ON PAGES 4 TO 12. YOU SHOULD READ THOSE TERMS AND CONDITIONS CAREFULLY.**

## HOW TO ACCEPT THE OFFER

### Closing Date

This Offer closes at 11:59pm on [***date that is 30 days after Offer Date***] 2014.

If you wish to **ACCEPT** the Offer, you must ensure that your acceptance is sent **AS SOON AS POSSIBLE**, but in any event so that it is received by CCHL on or before 11:59pm on the Closing Date.

### How to Accept

Complete the enclosed Acceptance and Transfer form (*Acceptance Form*) in accordance with the instructions set out on that form.

Deliver, mail, fax or email the form to:

#### Delivery:

Christchurch City Holdings Limited  
C/- Link Market Services Limited  
Level 7, Zurich House  
21 Queen Street  
Auckland  
New Zealand

#### Mail:

Christchurch City Holdings Limited  
C/- Link Market Services Limited  
PO Box 91976  
Auckland 1142  
New Zealand

**Facsimile:** +64 9 375 5990

**Email:** [operations@linkmarketsservices.co.nz](mailto:operations@linkmarketsservices.co.nz) (Please put "CCHL Acceptance" in the subject line for easy reference)

A reply-paid envelope is enclosed.

### If you have sold all your Shares

Please hand this Offer document and the accompanying Acceptance Form to:

- the purchaser(s) of your Shares; or
- to the agent (e.g., the broker) through whom the sale was made requesting that this Offer document and the accompanying Acceptance Form be passed to the purchaser(s).

### If you have sold some of your Shares

Please alter the total holding on the Acceptance Form to the number of Shares which you have retained, initial the change and deliver, mail, fax or email the amended Acceptance Form to CCHL as per the instructions above.

On receipt of the amended Acceptance Form, CCHL will recalculate the amount of cash to be paid to you to reflect the number of Shares sold by you.

Please also advise the purchaser(s) of your Shares, or request the agent (e.g., the broker) through whom you made the sale to advise the purchaser(s) of your Shares, of this Offer.

Please also advise them that a copy of this Offer is available from Link Market Services Limited. You should also advise Link Market Services Limited of the number of Shares sold and the agent (e.g., the broker) involved.

### **If you have lost your Acceptance Form**

Please contact Link Market Services Limited on +64 9 375 5998 or email [operations@linkmarketservices.co.nz](mailto:operations@linkmarketservices.co.nz) and they will provide you with a new form.

## **TERMS AND CONDITIONS OF THE OFFER**

CCHL offers to purchase all of LPC's ordinary shares (the *Shares*) that it does not already own for NZ\$3.95 in cash per Share, on the terms and conditions contained in this offer document (the *Offer*).

### **1 THIS OFFER**

- 1.1 CCHL offers to acquire the Shares, including all rights, benefits, and entitlements attached thereto on, after, or by reference to, the date on which CCHL gave LPC notice of its intention to make this Offer being [ ] 2014 (the *Notice Date*), but excluding all rights to the dividend contemplated by paragraph 4.3.
- 1.2 This Offer will remain open for acceptance until 11.59pm on [***date that is 30 days after the Offer Date***] 2014 (the *Closing Date*).
- 1.3 This Offer is dated [ ] 2014.

### **2 CONSIDERATION**

- 2.1 The consideration offered by CCHL for each Share is NZ\$3.95 cents in cash (and subject to any further adjustment in accordance with paragraph 6). The amount of consideration payable to each holder of Shares who accepts this Offer (each an *Acceptor*) will be paid by cheque sent by ordinary mail or paid in cleared funds by electronic transfer at the election of the Acceptor no later than seven (7) calendar days after the later of:
  - (a) the date on which that Acceptor's acceptance is received by CCHL; and
  - (b) the date on which this Offer becomes unconditional.
- 2.2 Without prejudice to other rights than an Acceptor may have, if the consideration payable to an Acceptor is not sent to that Acceptor within the period specified in paragraph 2.1, that Acceptor may withdraw their acceptance of this Offer by notice in writing to CCHL, but only:
  - (a) after the expiration of seven (7) calendar days' written notice to CCHL of that Acceptor's intention to do so; and
  - (b) if that Acceptor does not receive the consideration to which they are entitled during the seven (7) calendar day period referred to in paragraph 2.2(a).

### **3 TERMS OF THE OFFER**

- 3.1 Unless the Offer is withdrawn in its entirety with the consent of the Takeovers Panel in accordance with the Takeovers Code or unless this Offer lapses in accordance with



its terms, this Offer remains open for acceptance until and including the Closing Date.

- 3.2 The latest date on which CCHL can declare this Offer unconditional (*Condition Date*) is the Closing Date. CCHL will not extend the Closing Date or the Condition Date.
- 3.3 If this Offer is not declared unconditional, or the outstanding conditions to it are not waived by CCHL (to the extent waivable), by the Condition Date, then this Offer will lapse and CCHL and every Acceptor will be released from their obligations under this Offer (and any contract arising from their acceptance of it).
- 3.4 This Offer is open for acceptance by any person who holds Shares, whether acquired before, on or after the date of this Offer, upon production of satisfactory evidence of such person's entitlement to those Shares. A holder of Shares may accept this Offer in respect of all or any of their Shares. Each acceptance must be free of all conditions of acceptance of any nature whatsoever.
- 3.5 Each Acceptor represents and warrants that:
  - (a) it is the sole legal and beneficial owner of the Shares in respect of which it accepts this Offer, or it is the legal owner and has the necessary capacity and authority to accept the offer in respect of those Shares; and
  - (b) legal and beneficial title to all those Shares in respect of which it accepts this Offer will pass to CCHL free of all liens, charges, mortgages, encumbrances and other adverse interests or claims of any nature whatsoever, but together with all rights, benefits and entitlements attaching to them, including the right to all dividends, bonuses and other payments and distributions of any nature attaching to such Shares arising on, after, or by reference to, the Notice Date (but excluding all rights to the dividend contemplated by paragraph 4.3), on payment of the purchase price pursuant to paragraph 2.
- 3.6 Acceptance of this Offer constitutes a representation and warranty by the Acceptor to CCHL that title to the Shares to which the applicable acceptance relates will pass to CCHL on the basis described in paragraph 3.5 and that the Acceptor has full power, capacity and authority to sell and transfer all Shares in respect of which they accept the Offer. This paragraph is subject to paragraph 4.4.

#### **4 KEY CONDITIONS**

- 4.1 This Offer is conditional on the conditions set out in this paragraph 4 and in paragraph 5.1 of the terms and conditions of the Offer.
- 4.2 This Offer and any contract arising from acceptance of it is subject to the condition that CCHL receives irrevocable acceptances in respect of the Shares which, on registration of the transfer of those Shares (when taken together with any other Shares already held or controlled by CCHL) will result in CCHL holding or controlling 90% or more of the voting rights in LPC. This condition will be satisfied if Port Otago fully complies with the terms of its lock-up agreement with CCHL (see paragraph 6 of Schedule A). This condition cannot be waived by CCHL.

- 4.3 This Offer and any contract arising from acceptance of it is subject to the condition that LPC declares and pays a dividend of 20 cents per Share prior to the Closing Date which to the extent available has full imputation credits attached to it. This condition cannot be waived by CCHL.
- 4.4 If for any reason CCHL receives all or any part of the dividend contemplated by paragraph 4.3 in respect of Shares held (or which were held prior to transfer of those Shares to CCHL in accordance with this Offer) by a shareholder or shareholders who accept the Offer, CCHL must hold that amount on trust for the relevant shareholder(s) and promptly pay that amount and pass on any attached imputation credits to the relevant shareholder(s) without deduction, set-off or withholding.

## 5 FURTHER CONDITIONS OF THIS OFFER

- 5.1 This Offer, and any contract arising from acceptance of it, are subject to the conditions that, during the period from the Notice Date until the Condition Date:
- (a) no dividends, bonuses or other payments or distributions (within the meaning of the Companies Act 1993) of any nature whatsoever (including, for the avoidance of doubt, by way of share buyback, redemption or cancellation or any other form of capital reduction) are authorised, declared, paid or made upon or in respect of any of the Shares, other than the dividend referred to in clause 4.3;
  - (b) no shares, convertible securities or other equity securities of any nature (including options, rights or interests in any ordinary shares) of LPC or any of its subsidiaries or joint venture entities (together the *LPC Group*), are issued, agreed to be issued or made the subject of any option or right to subscribe except pursuant to a transaction between LPC and wholly owned subsidiaries of LPC, or between wholly owned subsidiaries of LPC (the *Intra-Group Transaction*);
  - (c) the businesses of each member of the LPC Group are carried on, in all respects which are material to the LPC Group taken as a whole, in the normal and ordinary course;
  - (d) no liquidator, receiver, receiver and manager, statutory manager or similar official is appointed in respect of any member of the LPC Group or any of their respective assets;
  - (e) no board resolution or shareholders' resolution of any member of the LPC Group is passed to do or authorise the doing of any act or matter referred to in any of subparagraphs (a) to (d) (inclusive);
  - (f) no other event occurs that has, or could reasonably be expected to have, a material adverse effect on the financial position, trading operations or assets or liabilities of the LPC Group as a whole.

- 5.2 The following actions by any member of the LPC Group shall be deemed to be material to the LPC Group taken as a whole and not to be normal or in the ordinary course for the purposes of paragraph 5.1:
- (a) the making of (or agreeing to make) unusual or abnormal payments, or the incurring of (or agreeing to incur) unusual or abnormal commitments or liabilities (including contingent liabilities), in each case with a value exceeding \$10,000,000 and except pursuant to an Intra-Group Transaction;
  - (b) the making of any unusual payment of income tax, including taxation in advance, of an amount exceeding \$10,000,000;
  - (c) the committing to any capital expenditure or divestment (other than in the ordinary course of business (and other than pursuant to an Intra-Group Transaction)) of an amount exceeding \$10,000,000 (in aggregate);
  - (d) the entry into, or material variation of, onerous, long-term or material contracts, commitments or arrangements (except in the normal and ordinary course of business); or
  - (e) the making of an announcement by any member of the LPC Group that it is legally bound to do any of the actions set out in paragraphs 5.2(a) to 5.2(d) above.
- 5.3 To the extent required by the Takeovers Code, where any condition requires a determination as to whether a matter is or could reasonably be expected to be material or not, is adverse or not, is normal or not, is onerous or not, is in the ordinary course of business or not, or is of a formal or technical (and not substantive) nature or not, before the condition may be invoked, such determination must be made by a suitably qualified expert nominated by CCHL who is independent of, and not an associate of, CCHL or Port Otago.
- 5.4 The conditions in paragraphs 4 and 5.1 are for the sole benefit of CCHL and, accordingly, each such condition may be waived, in whole or in part, by CCHL, and on such terms as it decides, in its sole discretion, other than the conditions in paragraphs 4.2 and 4.3 which cannot be waived (in whole or in part). Any waiver or consent given by CCHL in respect of any matter or thing shall apply only in accordance with its terms and shall not constitute a consent or waiver in respect of any similar matter or thing.
- 5.5 Each condition set out in paragraphs 4 and 5.1 is a separate condition subsequent, and acceptance of the Offer by each Acceptor shall constitute a contract between that Acceptor and CCHL subject to those conditions. The Offer will only proceed if all conditions in paragraphs 4 and 5.1 are satisfied or, to the extent permissible, waived.
- 5.6 CCHL may not invoke a condition in paragraph 5.1 or otherwise cancel or withdraw this Offer to the extent that any event, matter, circumstance, condition or information was publicly announced by LPC, or otherwise was generally in the public arena, including being available on the following public registers: New Zealand

Companies Office, New Zealand Personal Property Register, Land Information New Zealand and the New Zealand High Court, prior to the Notice Date.

5.7 Immediately following all the conditions in paragraph 4 being satisfied in accordance with the terms of this Offer, then CCHL will, subject to the conditions in paragraph 5.1 not having been invoked by CCHL by that time:

- (a) declare the Offer unconditional in all respects; and
- (b) provide written notice that the Offer is unconditional to LPC and the Takeovers Panel,

such declaration to be made, and notice given, no later than 10:00am on the day following the day on which all the conditions in paragraph 4 are satisfied in accordance with the terms of this Offer.

5.8 CCHL may not allow the Offer to lapse:

- (a) in unreasonable reliance on a condition of the Offer; or
- (b) in reliance on a condition of the Offer that restricts LPC's activities in the ordinary course of LPC's business during the period beginning on the Notice Date and ending on the Condition Date.

## 6 CHANGE IN CIRCUMSTANCES

6.1 If, on or after the Notice Date, LPC authorises, declares, makes, or pays any dividend or any distribution (within the meaning of the Companies Act 1993) of any nature whatsoever (including, for the avoidance of doubt, by way of share buyback, redemption or cancellation or any other form of capital reduction), other than the dividend referred to in clause 4.3, and:

- (a) the condition in paragraph 5.1(a) is waived by CCHL;
- (b) this Offer is unconditional; or
- (c) this Offer becomes unconditional,

then, at the election of CCHL (and subject to the terms of any waiver referred to in paragraph (a) above), each Acceptor will be bound to pay to CCHL on demand the Distribution Amount, or the consideration which would otherwise have been paid to each Acceptor for their Shares shall be reduced by the Distribution Amount. For the purposes of this paragraph 6.1, *Distribution Amount* means the amount of any dividend or the value of any other distribution on shares transferred to CCHL pursuant to this Offer (for the avoidance of doubt grossed up to include the amount of any withholding taxes deducted, if applicable) that is received by, or properly payable to, the Acceptor.

6.2 If, on or after the Notice Date, LPC authorises, declares, or makes any issue of shares, convertible securities or other securities of any nature (including options, rights or interests in its ordinary shares), by way of bonus issue and:

- (a) the condition in paragraph 5.1(b) is waived by CCHL;
- (b) this Offer is unconditional; or
- (c) this Offer becomes unconditional,

then each Acceptor will, subject to the terms of any waiver referred to in paragraph (a) above, be bound to transfer any such shares, convertible securities, other securities or options, rights and interests issued in respect of those Shares for which they have accepted this Offer to CCHL, without any additional consideration.

6.3 If, on or after the Notice Date, LPC makes any issue of ordinary shares to any person other than by way of bonus issue and:

- (a) the condition in paragraph 5.1(b) is waived by CCHL;
- (b) this Offer is unconditional; or
- (c) this Offer becomes unconditional,

then this Offer will be deemed to be extended to and include such ordinary shares and the consideration payable for them will be as provided in paragraph 2.1.

6.4 If, on or after the Notice Date, all or any of the Shares are subdivided or consolidated by LPC, or the number of Shares is reduced other than by way of subdivision or consolidation by LPC, then:

- (a) this Offer will be interpreted to take into account that subdivision, consolidation or reduction and will be deemed to be for the Shares resulting from that subdivision, consolidation or reduction;
- (b) to the extent it has not already been adjusted under paragraph 6.1, the consideration per Share offered under this Offer will be increased or reduced, as the case may require, in proportion to that subdivision, consolidation or reduction; and
- (c) each Acceptor will be bound to transfer those Shares, as subdivided, consolidated or reduced, to CCHL on the basis of the consideration so increased or reduced.

## **7 HOW TO ACCEPT THIS OFFER**

7.1 To accept this Offer, you need only:

- (a) complete the relevant Acceptance Form in respect of Shares enclosed with this Offer in accordance with the instructions on the Acceptance Form; and

- (b) return the completed Acceptance Form by hand delivery, mail (in the reply-paid envelope provided), fax or email **AS SOON AS POSSIBLE** after receipt of this Offer, but in any event so that it is received by CCHL no later than 11.59pm on the Closing Date, to:

**Delivery:**

Christchurch City Holdings Limited  
C/- Link Market Services Limited  
Level 7, Zurich House  
21 Queen Street  
Auckland  
New Zealand

**Mail:**

Christchurch City Holdings Limited  
C/- Link Market Services Limited  
PO Box 91976  
Auckland 1142  
New Zealand

**Facsimile:** +64 9 375 5990

**Email:** [operations@linkmarketservices.co.nz](mailto:operations@linkmarketservices.co.nz) (Please put "CCHL Acceptance" in the subject line for easy identification)

- (c) No acknowledgement of receipt of acceptances of this Offer will be issued. Any acceptance received by New Zealand Post, correctly stamped and addressed shall be deemed to be received by CCHL.

7.2 CCHL may, in its discretion, treat any Acceptance Form as valid notwithstanding that it is not accompanied by any relevant CSN/Holder Number, or that it does not otherwise comply with paragraph 7.1, or any instructions on the Acceptance Form, and may, in its discretion, rectify any errors in, or omissions from, any Acceptance Form to enable that form to constitute a valid acceptance of the Offer and to facilitate registration of the transfer of the relevant Shares. CCHL may, in its discretion, allow for acceptance in any other manner it wishes.

7.3 Acceptance of this Offer by each Acceptor constitutes a contract between that Acceptor and CCHL on the terms and subject to the conditions of this Offer and the Takeovers Code. Other than in the circumstances set out in paragraph 2.2, an Acceptor may not withdraw their acceptance, whether or not there has been any variation of this Offer. CCHL and every Acceptor shall be released from their obligations under this Offer, and arising from acceptance of this Offer, if this Offer:

- (a) is withdrawn with the consent of the Takeovers Panel; or
- (b) lapses as a result of any condition in paragraph 4 not being satisfied or waived by the Condition Date, or if the Closing Date has been extended then the Condition Date in respect of the extended Closing Date.

## 8 **METHOD OF SETTLEMENT**

If:

- (a) this Offer is declared unconditional; and
- (b) an Acceptor's Acceptance Form is in order and is accompanied by the relevant CSN (or any error or omission from the Acceptance Form is rectified by CCHL or the Offer is otherwise accepted by CCHL under paragraph 7.2),

then either a cheque will be sent (by ordinary mail) or an electronic transfer of cleared funds will be made (at the election of the Acceptor) by CCHL for the aggregate amount payable (calculated based on the consideration offered per Share as set out in paragraph 2.1) to the Acceptor, by the date specified in paragraph 2.1. If an Acceptor does not select a method of payment, or the details that it provides are not sufficient to effect an electronic transfer, then that Acceptor will be paid by cheque or by direct credit to the Acceptor's existing nominated account already held with Link Market Services Limited.

## 9 **NOTICES**

9.1 Notices given to LPC and the Takeovers Panel:

- (a) declaring this Offer unconditional; or
- (b) advising that this Offer is withdrawn in accordance with the Takeovers Code; or
- (c) advising that a term or condition of this offer has been waived; or
- (d) advising that this Offer has lapsed in accordance with its terms or the Takeovers Code,

will, in each case, be deemed to be notice to all LPC's shareholders when so given.

9.2 Notice of any variation of this Offer will be sent to LPC and the Takeovers Panel and except where not required in accordance with the Takeovers Code, to each LPC shareholder under this Offer.

## 10 **FURTHER INFORMATION AND MISCELLANEOUS**

10.1 Further information relating to this Offer, as required by Schedule 1 to the Takeovers Code, is set out in Schedule A to this Offer and forms part of this Offer document.

10.2 In this Offer document:

- (a) any reference to the Takeovers Code means the New Zealand Takeovers Code in force at the relevant time;

- (b) except if expressly defined in this Offer document, or where the context requires otherwise, terms defined in the Takeovers Code have the same meaning in this Offer document;
- (c) references to dollars and \$ are references to New Zealand dollars and all amounts payable under this agreement are payable in New Zealand dollars;
- (d) headings are for ease of reference only and will not affect the interpretation of this Offer document or any Acceptance Form;
- (e) references to any statutory provision are to statutory provisions in force in New Zealand and include any statutory provision which amends or replaces it, and any by-law, regulation, order, statutory instrument, determination or subordinate legislation made under it;
- (f) the singular includes the plural and vice versa; and
- (g) unless otherwise specified, material and materiality will have their respective ordinary and customary meanings.

10.3 Subject to the provisions of paragraph 3.2, this Offer may be varied by CCHL in accordance with Rule 27 of the Takeovers Code.

10.4 This Offer and any contract arising from it shall be governed by and construed in accordance with the laws of New Zealand, and the parties to any such contract submit to the non-exclusive jurisdiction of the Courts of New Zealand.

10.5 The provisions set out in the Acceptance Form are part of the terms of this Offer.

10.6 If there is an inconsistency between the terms and conditions of this Offer and the provisions of the Takeovers Act 1993 or the Takeovers Code, the provisions of the Takeovers Act 1993 or the Takeovers Code (as the case may be) will prevail.



## **SCHEDULE A: TAKEOVERS CODE INFORMATION**

The information required by Schedule 1 to the Takeovers Code, and not stated elsewhere in this Offer, is set out below. Where any information required by Schedule 1 is not applicable, no statement is made regarding that information. All of the following matters are stated as at the Notice Date.

### **1 DATE**

This Offer is dated [                      ] 2014.

### **2 CCHL AND ITS DIRECTORS**

#### **2.1 The name and address of CCHL is:**

Christchurch City Holdings Limited  
53 Hereford Street  
Christchurch 8140

#### **2.2 The directors of CCHL are:**

- (a) Vicki Susan Buck;
- (b) William John Dwyer;
- (c) James Tracy Gough;
- (d) Bruce Robertson Irvine;
- (e) Yani Johanson;
- (f) Raf Alfred Manji;
- (g) Andrew John Pearce;
- (h) Sarah Louise Smith.

### **3 TARGET COMPANY**

The target company is Lyttelton Port Company Limited, company number 408061.

### **4 OWNERSHIP OF EQUITY SECURITIES OF LPC**

#### **4.1 The table below sets out the number, designation and percentage of shares held or controlled by:**

- (a) CCHL as the Offeror; and
- (b) any related company of CCHL; and

- (c) any person acting jointly or in concert with CCHL; and
- (d) any director of any of the persons described in paragraphs (a) to (c); and
- (e) any other person holding or controlling more than 5% of the class, if within the knowledge of CCHL.

<b>Name</b>	<b>Description</b>	<b>Number of Shares held or controlled</b>	<b>Percentage of Shares</b>
CCHL	Legal holder and beneficial owner	81,499,857	79.70%
Port Otago	As a person acting jointly or in concert with CCHL	15,825,477	15.48%

**Notes:**

- (i) CCHL and Port Otago are parties to the lock-up agreement referred to in paragraph 6.1.
- (ii) Apart from the persons named in the table above, none of the other persons referred to in paragraph 4.1(a) to (d) hold or control equity securities in LPC.

**5 TRADING IN LPC'S EQUITY SECURITIES**

During the 6 month period before the Notice Date CCHL acquired 128,342 ordinary shares in LPC, by way of the following transactions:

<b>Date</b>	<b>Number of Shares</b>	<b>Consideration per Share</b>
8 May 2014	900	\$3.10
15 May 2014	300	\$3.10
19 May 2014	68,401	\$3.20
21 May 2014	1,000	\$3.10
23 May 2014	9,700	\$3.10
27 May 2014	10,000	\$3.15
28 May 2014	38,041	\$3.10

## 6 AGREEMENTS TO ACCEPT OFFER

- 6.1 The following shareholder has entered into an agreement with CCHL under which the shareholder has agreed to accept the Offer in respect of its holding of Shares.

Name	Number of Shares, as of the date of the Agreement	Date of Agreement
Port Otago Limited	15,825,477 (representing 15.48% of the Shares on issue)	1 August 2014

- 6.2 The material terms of the agreements referred to above are:

- (a) CCHL has agreed, subject to the satisfaction of certain conditions, to make the Offer;
- (b) Port Otago Limited (the *Lock-up Party*) has agreed to accept the Offer in respect of its entire holding of Shares on or before the later of the date that is two business days after the date of despatch of the Offer and the date that the condition in clause 4.3 is satisfied (payment of dividend by LPC);
- (c) the Lock-up Party may not sell or otherwise dispose of their shares, except so as to accept the Offer, unless the Offer terminates or lapses; and
- (d) the Lock-up Party retains the right to exercise and/or control the exercise of all voting rights attached to their Shares until payment for the Shares has been recovered.

- 6.3 Except as set out above, there are no persons who have agreed conditionally or unconditionally to accept the Offer.

## 7 ARRANGEMENTS TO PAY CONSIDERATION

- 7.1 CCHL confirms that resources will be available to it sufficient to meet the consideration to be provided on full acceptance of this Offer and to pay any debts incurred in connection with the Offer (including the debts arising under Rule 49 of the Takeovers Code).
- 7.2 A statement setting out the rights of each Offeree under Rule 34 of the Takeovers Code, to withdraw acceptance for non-payment by CCHL of the consideration, is set out in paragraph 2.2 of the terms and conditions of the Offer.

## 8 ARRANGEMENTS BETWEEN CCHL AND LPC

There is no agreement or arrangement (whether legally enforceable or not) made, or proposed to be made, between CCHL or any associates of CCHL, and LPC or any related company of LPC, in connection with, in anticipation of, or in response to, this Offer.

**9 ARRANGEMENTS BETWEEN CCHL AND DIRECTORS AND OFFICERS OF LPC**

There is no agreement or arrangement (whether legally enforceable or not) made, or proposed to be made, between CCHL or any associates of CCHL, and any of the directors or senior officers of LPC or of any related company of LPC in connection with, in anticipation of, or in response to, this Offer.

**10 FINANCIAL ASSISTANCE**

No agreement or arrangement has been made, or proposed to be made, under which LPC or any related company of LPC will give (directly or indirectly) financial assistance for the purpose of, or in connection with, this Offer. It is, however, a condition of the Offer that LPC declares and pays a dividend in accordance with clause 4.2 of the Offer.

**11 LIKELIHOOD OF CHANGES IN LPC**

If CCHL becomes entitled to invoke the compulsory acquisition provisions of the Takeovers Code, it intends to compulsorily acquire any outstanding shares. CCHL will become so entitled provided Port Otago fully complies with the terms of its lock-up agreement with CCHL (see paragraph 6 of Schedule A).

**12 PRE-EMPTION CLAUSES IN LPC'S CONSTITUTION**

As at the Notice Date, there are no restrictions on the right to transfer equity securities to which the Offer relates that:

- (a) are contained in the constitution of LPC; and
- (b) have the effect of requiring any shareholder to offer the securities for purchase to other LPC shareholders or to any other person before transferring the securities.

**13 ESCALATION CLAUSES**

As at the Notice Date, there are no agreements or arrangements (whether legally enforceable or not) under which:

- (a) any existing holder of equity securities in LPC will or may receive in relation to, or as a consequence of, this Offer any additional consideration or other benefit over and above the consideration set out in this Offer; or
- (b) any prior holder of equity securities in LPC will or may receive any consideration or other benefit as a consequence of this Offer.

**14 CLASSES OF SECURITIES**

No report is required under Rule 22 of the Takeovers Code (which, if the offer is for more than one class of securities, requires a report by an independent adviser on

the fairness and reasonableness of the consideration and terms of the offer as between different classes of securities).

15 **CERTIFICATE**

To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying this Offer document is, in all material respects, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by the offeror under the Takeovers Code.

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Bob Lineham  
Chief Executive Officer  
Christchurch City Holdings Limited

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Richard Simmonds  
Chief Financial Officer  
Christchurch City Holdings Limited

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**[insert]**  
Director  
Christchurch City Holdings Limited

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**[insert]**  
Director  
Christchurch City Holdings Limited