



FINANCIAL MARKETS AUTHORITY
TE MANA TATAI HOKOHOKO - NEW ZEALAND

Securities Act (PA Consulting Group Limited Restructure) Exemption Notice 2012

Pursuant to section 70B of the Securities Act 1978, the Financial Markets Authority gives the following notice (to which is appended a statement of reasons of the Financial Markets Authority).

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Notice

- Title**
This notice is the Securities Act (PA Consulting Group Limited Restructure) Exemption Notice 2012.
- Commencement**
This notice comes into force on 4 December 2012.
- Expiry**
This notice expires on the close of 30 September 2017.
- Interpretation**
(1) In this notice, unless the context otherwise requires,—
Act means the Securities Act 1978
approval meeting means the meeting of PACG shareholders that is to be held to consider and vote on whether to approve the arrangement
arrangement means the scheme of arrangement relating to the proposal to be voted on at the approval meeting
Companies Act means the Companies Act 2006 (UK)
Court means the High Court of Justice of England and Wales

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effective date means the date that an order of the Court made under section 899 of the Companies Act takes effect, or is taken to have taken effect, or such earlier date as the Court determines and specifies in the order as the date on which that order has effect

PA means PACG2 Limited, a company incorporated under the laws of England and Wales with registered number 08249452

PACG means PA Consulting Group Limited, a company incorporated under the laws of England and Wales with registered number 06555894

PACG Group means, before the implementation of the arrangement, PACG and all of its subsidiaries, and after the implementation of the arrangement, PA and all of its subsidiaries

PACG securities means ordinary shares in PACG and options to acquire ordinary shares in PACG

PACG shareholders means all holders of PACG securities as at the effective date

PA securities means ordinary and redeemable shares in PA, and options for ordinary shares in PA, all issued by PA to PACG shareholders pursuant to the arrangement

proposal means the restructure of the PACG Group involving the allotment of PA securities to PACG shareholders in exchange for the PACG securities held by the PACG shareholders, in accordance with the arrangement

Regulations means the Securities Regulations 2009

scheme circular means the scheme circular prepared by PACG Group in accordance with the Companies Act and containing the information prescribed by subclauses 6(h) and (i).

(2) Any term or expression that is defined in the Act or the Regulations and used, but not defined, in this notice has the same meaning as in the Act or the Regulations.

5 Exemptions from sections 37, 37A and 51 to 54 of the Act

PA, and every person acting on behalf of PA, are exempted from sections 37, 37A, and 51 to 54 of the Act in respect of the PA securities.

6 Conditions of exemptions in clause 5

The exemptions in clause 5 are subject to the conditions that—

- (a) the proposal must proceed by way of the arrangement approved by the Court under section 899 of the Companies Act;
- (b) the offer and allotment of the PA securities must comply with the laws of the United Kingdom;



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- (c) it is a term of the offer that PA issues the PA securities to PACG shareholders, credited as fully paid, in exchange for their ordinary shares in PACG, and PA issues options to acquire ordinary shares in PA to PACG shareholders in exchange for their options to acquire ordinary shares in PACG, in accordance with the arrangement;
- (d) it is a term of the offer that, immediately after the implementation of the arrangement, PA is the parent company of the PACG Group;
- (e) it is a term of the offer that the assets and business of the PACG Group immediately following the implementation of the arrangement are the same as the assets and business of the PACG Group immediately prior to the implementation of the arrangement;
- (f) it is a term of the offer that PA has submitted to the non-exclusive jurisdiction of the courts of New Zealand and that PA has appointed an agent in New Zealand who is authorised to accept service in New Zealand of documents on its behalf;
- (g) the scheme circular is distributed to PACG shareholders together with the notice of meeting for the approval meeting;
- (h) the scheme circular includes particulars of all matters that are material to a PACG shareholder making a decision on whether to approve the proposal; and
- (i) without limiting (h) above, the scheme circular includes the following:
 - (i) the terms of the PA securities;
 - (ii) the purpose and effect of the proposal;
 - (iii) information prescribed by the Companies Act;
 - (iv) the steps necessary to bring the proposal into effect;
 - (v) a statement as to why the directors of PACG recommend that PACG shareholders vote in favour of the proposal;
 - (vi) a summary of the impact of the proposal;
 - (vii) a statement that PA has submitted to the non-exclusive jurisdiction of the courts of New Zealand;
 - (viii) in respect of each PA and PACG, the full name and address in New Zealand of 1 or more persons resident or incorporated in New Zealand who are authorised to accept service at that address of documents on its behalf;

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- (ix) a statement of the material differences (if any) between the Articles of Association of PA and the Articles of Association of PACG; and
- (x) the name and business address of every person who will be a director of PA immediately following the implementation of the proposal.

Dated at Wellington this 2nd day of December 2012.



Sue Brown
Head of Primary Regulatory Operations
Financial Markets Authority

Statement of reasons

This notice, which comes into force on 4 December 2012 and expires on 30 September 2017, exempts PACG2 Limited (**PA**), and every person acting on behalf of either or both of them, subject to conditions, from sections 37, 37A, and 51 to 54 of the Securities Act 1978 (**Act**), in relation to securities offered in PA under the arrangement.

The Financial Markets Authority (**FMA**), after satisfying itself as to the matters set out in section 70B(2) of the Act, considers it appropriate to grant the exemptions because—

- the offer is made in connection with a proposal to restructure the PACG Group. It asks shareholders to exchange their securities in PACG, the current parent company of the PACG Group, for securities in a new PA entity, the proposed new parent of the same group. This means that the offer is limited to shareholders of PACG and therefore to persons who may be expected to already be familiar with the assets and business of the PACG Group. Conditions of the exemption require that the offer can be made only if PA becomes the parent, and the underlying assets and business of the PA Group are the same after the implementation of the exchange proposal as before it. The Act and the Securities Regulations 2009 (**Regulations**) focus on providing information about the securities being offered including the assets and business of the issuer and so would only require information to be provided about the securities being offered in the proposed new parent. However, in these circumstances,

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investors require information about the exchange proposal including its effects, in order to decide whether to approve it. Therefore the nature of the information investors require to assess the offer is different from that prescribed by the Act and Regulations:

- the offer is made in accordance with the laws of the United Kingdom and particularly pursuant to a scheme of arrangement under the Companies Act (UK). In order to comply with the requirements of the Companies Act (UK), shareholders must be provided with a scheme circular containing information that is relevant to evaluating the exchange proposal. Conditions of the exemption also require that the offer and allotment proceed in accordance with the laws of the United Kingdom and the scheme of arrangement, and that the investors receive all material information in the scheme circular to enable them to make a decision on the exchange proposal:
- further the scheme circular and notice of meeting will be an advertisement under the Act and therefore prohibited from containing untrue or misleading information about a material particular. Additionally, conditions of the exemption require that it is a term of the offer that the proposed new parent submits to the non-exclusive jurisdiction of the courts of New Zealand. These factors provide further protections to New Zealand subscribers:
- the exemptions from the requirements relating to the register, accounting records, and securities certificates recognise the equivalence of requirements under United Kingdom law.

In summary, the conditions of the exemption require New Zealand subscribers to receive the same protections and information available to United Kingdom subscribers, including in particular ensuring that they receive all material information to enable them to make a decision on the exchange proposal, and preserving key protections usually available to New Zealand subscribers. The exemptions will not therefore cause significant detriment to subscribers for the securities who are members of the public in New Zealand. Further these exemptions are limited to the offer of securities made in the context of the exchange proposal, and their key impact is to provide relief from the requirement to provide information about the issuer which is not material to the subscribers' decision on whether to approve the exchange proposal. In these circumstances, the exemptions are not broader than reasonably necessary to address the matters that gave rise to the exemptions.

