

Securities Act (Property For Industry Limited) Exemption Notice 2013

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

1 Title

This notice is the Securities Act (Property For Industry Limited) Exemption Notice 2013.

2 Commencement

This notice comes into force on the day after the date of its notification in the Gazette.

3 Revocation

This notice is revoked on the close of 31 December 2013.

4 Interpretation

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

Act means the Securities Act 1978

approval meeting means the meeting of the shareholders of DPF held to consider and approve the scheme of arrangement

DPF means Direct Property Fund Limited

PFI means Property For Industry Limited

Regulations means the Securities Regulations 2009

scheme of arrangement means the scheme of arrangement to be approved by the High Court for the amalgamation of DPF and PFI

SDP means the simplified disclosure prospectus relating to the offer of shares under the scheme of arrangement and every

instrument that amends that prospectus that is registered under section 43 of the Act before the time of allotment

shares means the ordinary shares in PFI to be offered to shareholders in DPF pursuant to the scheme of arrangement

- (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 Exemption from section 37A(1)(ab)(i) of the Act

PFI and every person acting on its behalf are exempted from section 37A(1)(ab)(i) of the Act in respect of shares.

6 Conditions of exemption

The exemption in clause 5 is subject to the conditions that—

- (a) a copy of the SDP is sent to each DPF shareholder, at the mailing or other address recorded in DPF's share register, whose name is recorded in DPF's share register at the record date for receiving a notice of meeting for the approval meeting:
- (b) PFI sends, without charge, a copy of the SDP to any person whose name is recorded in DPF's share register after the record date for receiving a notice of meeting for the approval meeting but before the approval meeting:
- (c) PFI sends, without charge, a copy of the SDP to any DPF shareholder who requests it before the approval meeting:
- (d) any advertisement published by PFI or DPF in relation to the scheme of arrangement or the shares includes a statement that a copy of the SDP will be provided to any DPF shareholder on request and without charge.

Dated at Wellington this 17th day of May 2013



Sue Brown
Head of Primary Regulatory Operations
Financial Markets Authority

Statement of reasons

This notice comes into force on the day after its notification in the Gazette, and expires on 31 December 2013.

This notice exempts Property For Industry Limited (**PFI**) and every person acting on its behalf from section 37A(1)(ab)(i) of the Securities Act 1978 (**Act**) in respect of an offer of ordinary shares in PFI to shareholders of Direct Property Fund Limited (**DPF**) as part of a Court approved scheme of arrangement to give effect to the amalgamation of PFI and DPF (the **scheme of 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 exemption because—

- the exemption recognises that PFI has no way of verifying that a simplified disclosure prospectus (**SDP**) has been received by every DPF shareholder to whom PFI shares are allotted under the scheme of arrangement. This is because there is no application form that needs to be returned to approve the scheme of arrangement. Instead, DPF shareholders are entitled to attend and vote at the meeting to approve the scheme of arrangement. Further, because DPF shares are transferrable, the shareholders in DPF may change after provision of the SDP but before the meeting to approve the scheme of arrangement:
- recognising these practical issues, the conditions of exemption require the SDP be sent to all persons registered as holders of DPF shares at the record date for receiving the notice of meeting, that the SDP be sent to all persons who become DPF shareholders after the notice of meeting is sent out but before the meeting is held, and that the SDP be sent to any DPF shareholder on request:
- given these steps that must be taken to minimise the number of subscribers who do not receive the SDP, FMA considers the exemption will not cause significant detriment to subscribers, and is not broader than reasonably necessary to address the matters that give rise to it.

