



Securities Act (CMP Canterbury Limited) Exemption Notice 2010

Pursuant to the Securities Act 1978, the Securities Commission gives the following notice (to which is appended a statement of reasons of the Securities Commission).

Contents

		Page
1	Title	1
2	Commencement	1
3	Expiry	1
4	Interpretation	2
5	Exemptions from sections 33(2), 37, 37A, 38A, and 51 to 54B of Act and Regulations (except regulation 23)	2
6	Conditions of exemptions in clause 5	2
7	Exemption for trustee from Securities Act (Contributory Mortgage) Regulations 1988	3

Notice

- 1 Title**
This notice is the Securities Act (CMP Canterbury Limited) Exemption Notice 2010.
- 2 Commencement**
This notice comes into force on the day after the date of its notification in the *Gazette*.
- 3 Expiry**
This notice expires on the close of 31 July 2015.

4 Interpretation

- (1) In this notice, unless the context otherwise requires,—
- Act** means the Securities Act 1978
- CMP** means CMP Canterbury Limited
- company** means CMP or any company that is a related company of CMP
- mortgage** means a mortgage of land given by a company pursuant to the trust deed and that secures the repayment of amounts owing by any company to suppliers of livestock
- registered valuer** means a person who is a registered valuer within the meaning of the Valuers Act 1948
- Regulations** means the Securities Regulations 2009
- related company** has the same meaning as in section 2(3) of the Companies Act 1993
- specified debt security** means an interest in a mortgage
- trust deed** means the trust deed entered into by CMP with the trustee and dated 2 February 1995, and includes any amendments to the trust deed
- trustee** means CMP Farmer Nominees Limited.
- (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 33(2), 37, 37A, 38A, and 51 to 54B of Act and Regulations (except regulation 23)

CMP, each related company of CMP, and every person acting on behalf of any or all of them are exempted from sections 33(2), 37, 37A, 38A, and 51 to 54B of the Act and the Regulations (except regulation 23) in respect of any specified debt securities.

6 Conditions of exemptions in clause 5

- (1) The exemptions in clause 5 are subject to the condition that CMP has given a written undertaking to the trustee to the following effect:
- (a) that, not later than the date by which the financial statements of CMP are required to be completed in each year

in accordance with section 10 of the Financial Reporting Act 1993, CMP will send, or cause to be sent, a certificate that complies with subclause (2) to—

- (i) the trustee; and
 - (ii) all persons who are, or have at any time in the preceding 12 months been, holders of specified debt securities:
- (b) that, before any company purchases livestock from any person, that company will give the seller of the livestock notice in writing stating whether the amount payable by that company is to be secured by a mortgage:
 - (c) that, if at any time the aggregate of all amounts of specified debt securities that are unpaid exceeds the aggregate of the values in the most recent certificate referred to in paragraph (a), CMP will promptly give notice of that fact to the trustee and of the amount of the excess.
- (2) The certificate referred to in subclause (1)(a) must be a certificate from a registered valuer addressed to the trustee that states the value of each property that is subject to a mortgage as at a date that is not earlier than the most recent balance date of CMP.
 - (3) The exemptions in clause 5 are subject to the further condition that the trust deed must authorise the trustee to notify all holders of specified debt securities of the terms of any notice given to the trustee under subclause (1)(c) if, in the opinion of the trustee, the interests of the holders of those securities may be materially prejudiced.

7 Exemption for trustee from Securities Act (Contributory Mortgage) Regulations 1988

The trustee and every person acting on its behalf are exempted from the Securities Act (Contributory Mortgage) Regulations 1988 in respect of any specified debt securities.

Dated at Wellington this 27th day of July 2010.

The Common Seal of the Securities Commission was affixed in the presence of:

[Seal]

David Mayhew,
Member.

Statement of reasons

This notice comes into force on the day after the date of its notification in the *Gazette* and expires on 31 July 2015. It replaces, with minor amendments, the Securities Act (CMP Canterbury Limited) Exemption Notice 2005.

The notice exempts, subject to conditions, CMP Canterbury Limited (**CMP**), its related companies, and every person acting on behalf of any or all of them from sections 33(2), 37, 37A, 38A, and 51 to 54B of the Securities Act 1978 and from the Securities Regulations 2009 (except regulation 23) in respect of certain debt securities. It also exempts CMP Farmer Nominees Limited and every person acting on its behalf from compliance with the Securities Act (Contributory Mortgage) Regulations 1988 in respect of those debt securities.

The Securities Commission considers that it is appropriate to grant the exemptions because—

- CMP is a meat processing company that offers its suppliers security for certain trading obligations in the form of mortgages over properties owned by CMP and its related companies. These arrangements are not intended for traditional purposes of investment, but rather for the protection of farmers who supply CMP and its related companies with livestock. The arrangements are debt securities in terms of the Securities Act 1978. The trustee may also be a contributory mortgage broker by reason of managing the mortgages. In the circumstances, compliance with the disclosure and regulatory requirements of the Securities Act 1978 and the Securities Act

(Contributory Mortgage) Regulations 1988 would impose disproportionate costs on CMP, its related companies, and the trustee, compared to any benefit to be gained by suppliers:

- the conditions of exemption require CMP and its related companies to keep suppliers and the trustee informed about the level of security available under the mortgages.

Issued under the authority of the Acts and Regulations Publication Act 1989.

Date of notification in *Gazette*: 29 July 2010.

This notice is administered by the Securities Commission.
