



## Takeovers Code (New Zealand Local Government Insurance Corporation Limited) Exemption Notice 2010

Pursuant to section 45 of the Takeovers Act 1993, the Takeovers Panel gives the following notice (to which is appended a statement of reasons of the Takeovers Panel).

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### Notice

- 1 Title**  
 This notice is the Takeovers Code (New Zealand Local Government Insurance Corporation Limited) Exemption Notice 2010.
- 2 Application**  
 This notice applies to acts or omissions occurring on or after 1 November 2010.
- 3 Expiry**  
 This notice expires on the close of 1 May 2011.

#### **4 Interpretation**

- (1) In this notice, unless the context otherwise requires,—
- Act** means the Takeovers Act 1993
- Auckland Council** means the territorial authority established by section 6 of the Local Government (Auckland Council) Act 2009
- Code** means the Takeovers Code under the Act
- council-controlled organisation** has the same meaning as in section 6(1) of the Local Government Act 2002.
- (2) In this notice, a reference to a person increasing voting control is a reference to the person becoming the holder or controller of an increased percentage of the voting rights in New Zealand Local Government Insurance Corporation Limited.
- (3) Any term or expression that is defined in the Act or the Code and used, but not defined, in this notice has the same meaning as in the Act or the Code.

#### **5 Exemption from rule 6(1) of Code**

The Auckland Council and all council-controlled organisations that are wholly owned by the Auckland Council are exempted from rule 6(1) of the Code in respect of any increase in their voting control as a result of their acquisition of voting securities in New Zealand Local Government Insurance Corporation Limited on or before 1 May 2011.

Dated at Auckland this 13th day of August 2010.

The Common Seal of the Takeovers Panel was affixed in the presence of:

[Seal]

D O Jones,  
Chairperson.

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### Statement of reasons

This notice applies to acts or omissions occurring on or after 1 November 2010 and expires on 1 May 2011.

The Takeovers Panel has granted an exemption from rule 6(1) of the Takeovers Code (the **Code**) to the Auckland Council (established by section 6 of the Local Government (Auckland Council) Act 2009) and all council-controlled organisations that are wholly owned by the Auckland Council in respect of their acquisition of shares in New Zealand Local Government Insurance Corporation Limited (**NZLGIC**) on or before 1 May 2011.

NZLGIC is a specialist provider of insurance and related services to the local government sector. Its shareholders are local authorities. Eight of those local authorities, which collectively hold 21.2% of the shares in NZLGIC, will be disestablished on 1 November 2010 and replaced by a new Auckland Council. As part of that process, the 8 local authorities' shareholdings in NZLGIC will vest in the new Auckland Council or in 1 or more of its wholly owned council-controlled organisations. That acquisition will trigger rule 6(1) of the Code.

The Takeovers Panel considers that it is appropriate and consistent with the objectives of the Code to grant the exemptions because—

- the acquisition by the new Auckland Council (or its wholly owned council-controlled organisations) of control over voting rights in NZLGIC will be incidental to the reorganisation of local governance arrangements for the Auckland region; and

- the acquisition is not being undertaken for the purpose of gaining control over voting rights in NZLGIC.

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Issued under the authority of the Acts and Regulations Publication Act 1989.  
Date of notification in *Gazette*: 26 August 2010.  
This notice is administered by the Takeovers Panel.

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