

NZX Market Supervision Decision
Scott Technology Limited (“SCT”)
Application for Waiver from NZSX Listing Rule 7.1.10

Background

1. Scott Technology Limited (“SCT”) intends to undertake an offer of SCT ordinary shares (“Shares”) to certain eligible employees of SCT (“Offer”).
2. Eligible employees who accept the Offer will be provided an interest free loan for the total value of Shares subscribed for, which shall be repaid in equal installments over a period of not less than three years, during which time the Shares shall be held on trust (“Employee Share Scheme”).
3. The Offer of Shares under the Employee Share Scheme is being made to eligible employees in an Investment Statement and a Prospectus pursuant to the Securities Act 1978 and the Securities Act (Employee Share Purchase Schemes-Listed Companies) Exemption Notice 2011 (“Offering Documents”).
4. NZSX Listing Rule (“Rule”) 7.1.10 requires that every Offering Document, after stating that applications may be made to the Issuer, to state that applications may be lodged with any Primary Market Participant, the Organising Participant or any other channel approved by NZX (in that order) in time to enable forwarding to the appropriate place, prior to the application closing date.

Application

5. As the Offer will only be made to employees of SCT, SCT has approached NZX Market Supervision (“NZXMS”) for a waiver from Rule 7.1.10 in so far as it requires the Offering Documents to state that applications may be “lodged with any Primary Market Participant, the Organising Participant or any other channel approved by NZX in time to enable forwarding to the appropriate place prior to the application closing date”.
6. In support of its application, SCT submits that:
 - a) The Shares proposed to be offered pursuant to the Employee Share Scheme are only to be offered to eligible employees of the SCT group of companies and are not intended to be offered to the general investing public. Consequently, it is the intention of SCT to simplify the process of subscribing for Shares by allowing eligible employees to simply return subscription applications directly to SCT; and
 - b) The inclusion of the statement required by Rule 7.1.10 in the Offering Documents may cause confusion among eligible employees as to where the applications should be lodged and may possibly result in some eligible employees, who wish to participate, failing to lodge their applications appropriately by the closing date.

Rule

7. Rule 7.1.10 provides:

“ Every Offering Document, after stating that applications may be made to the Issuer, shall state that they may be lodged with any Primary Market Participant, the Organising Participant or any other channel approved by NZX (in that order) in time to enable forwarding to the appropriate place prior to the application closing date.”

Decision

8. On the basis that the information provided to NZXMS is full and accurate in all material aspects, NZXMS grants SCT a waiver from Rule 7.1.10 in so far as it requires the Offering Documents to state that applications may be “lodged with any Primary Market Participant, the Organising Participant or any other channel approved by NZX in time to enable forwarding to the appropriate place prior to the application closing date”.

Reasons

9. In coming to the decision to grant the waiver in respect of Rule 7.1.10, NZXMS has considered that:
- (a) the ability for notification of the ability to lodge applications with Primary Market Participants, Organising Participants and other equivalent channels in respect of the Offer, is not necessary as the Offer is only being made to eligible employees who will more readily be able to lodge applications with the Issuer than members of the public would be able to in respect of a general offer of securities;
 - (b) as employees of SCT, any individual who is in doubt as to how to deal with an application will be able to seek advice from SCT. Additionally, the requirement of the Securities Act 1978 that the Investment Statement include a statement that an individual seek investment advice before committing oneself will ensure that offerees will be aware that there are avenues available for further independent advice as to the investment decision; and
 - (c) there is precedent for this decision in NZXMS decisions provided in respect of FPH dated 19 August 2011 and the earlier decision provided in respect of SCT dated 8 May 2009.

Confidentiality

10. SCT has requested that this application and the decision resulting from it be kept confidential pending the formal notification to the market of the Employee Share Plan. NZXMS grants SCT's request in accordance with Rules 1.11.2 and the footnotes to that Rule.

ENDS.