



## Disclosure Document

### Sections 61(5) and 62 of the Companies Act 1993

#### Background

As outlined in the notice of meeting circulated with this document, Rangatira Limited (Rangatira) proposes to make one or more offers to shareholders of Rangatira to acquire their shares in Rangatira (Buyback).

This disclosure document sets out the information that the Companies Act 1993 requires to be provided to shareholders.

#### Nature and terms of the Offer

Rangatira proposes to make one or more offers (Offer) to shareholders of Rangatira to acquire up to an aggregate of:

- A 600,000 A shares in Rangatira (A Shares); and
- B 600,000 B shares in Rangatira (B Shares),

(the A Shares and the B Shares together being the Shares) on the following terms:

- A the consideration for each Share will be determined by the board from time to time, however will not exceed 80% of the assessed asset backing value of each Share as set out in the last public statement of that assessed asset backing value made by Rangatira prior to the Offer;
- B Rangatira will not make any Offers until the later of shareholder approval of the Buyback (as described more fully in the notice of meeting) and 10 working days after this disclosure document has been sent to each shareholder. Rangatira can make any Offers for 12 months after this disclosure document has been sent to shareholders. After that, if the maximum amount of the Buyback has not been achieved and Rangatira wants to continue the Buyback, each shareholder will be sent another disclosure document;
- C the Shares acquired by Rangatira will be held as treasury shares until the Shares acquired equal 5% of the number of shares of the same class previously on issue; and
- D Rangatira is not obliged to make Offers and may cease doing so at any time.

## Directors' interests

As at the date of this disclosure document, the directors of Rangatira have the following relevant interests in the shares the subject of the Offer:

Director	Number and class of shares	Interest
Douglas Keith Gibson	63,500 A shares	Douglas Keith Gibson holds 63,500 A shares in Rangatira.
	26,500 A shares	Douglas Keith Gibson holds 26,500 A shares in Rangatira jointly with Robyn May Gibson and William Duncan MacDonald as trustees of a trust.
	100,000 A shares	Douglas Keith Gibson holds 100,000 A shares in Rangatira jointly with Robyn May Gibson and Ian McKegg as trustees of a trust.
	502,481 A shares and 8,748,975 B shares	Douglas Keith Gibson's daughter, Sarah Louise McLennan, holds 502,481 A shares and 8,748,975 B shares in Rangatira jointly with Christopher McKenzie as trustees of a trust.
William Lindsay Gillanders	10,000 A shares held by LRS Management Limited	William Lindsay Gillanders is a director of, and holds shares in, LRS Management Limited, a shareholder of Rangatira.

## Board resolutions

The board of Rangatira resolved on 28<sup>th</sup> May 2018 that:

- 1 In the opinion of the directors of Rangatira, Rangatira will, after acquiring the shares under the Buyback, satisfy the solvency test in accordance with section 52 of the Companies Act because:
  - a Rangatira will be able to pay its debts as they become due in the normal course of business; and
  - b the value of Rangatira's assets will be greater than the value of its liabilities, including contingent liabilities.
- 2 In reaching the conclusions in paragraph 1, the directors have had regard to:
  - a the most recent financial statements of Rangatira that comply with the Financial Reporting Act 2013; and
  - b all other circumstances that the directors know or ought to know affect, or may affect, the value of Rangatira's assets and the value of Rangatira's liabilities, including its contingent liabilities.

- 3 In accordance with section 60(3) of the Companies Act:
  - a in the opinion of the directors of Rangatira the acquisition of shares is in the best interests of Rangatira and the terms of the Offer and the consideration offered for the shares under the Buyback are fair and reasonable to Rangatira; and
  - b the directors are not aware of any information that will not be disclosed to shareholders of Rangatira:
    - i which is material to an assessment of the value of the shares; and
    - ii as a result of which the terms of the Offer and consideration offered for the shares under the Buyback are unfair to shareholders accepting the Offer.
- 4 In accordance with section 61 of the Companies Act, in the opinion of the directors of Rangatira:
  - a the acquisition of shares is of benefit to the remaining shareholders; and
  - b the terms of the Offer and the consideration offered for the shares under the Buyback are fair and reasonable to the remaining shareholders.
- 5 The reasons for reaching the conclusions in paragraphs 3 and 4 are as follows:
  - a the consideration payable by Rangatira for the shares under the Buyback will be less than the assessed asset backing value of those shares at the time of the Buyback;
  - b acquiring shares where the share price is less than the assessed asset backing value of those shares is considered by the board (taking into account prevailing circumstances) to be an efficient use of capital; and
  - c shareholders to whom the Offer is made have total discretion to choose whether to participate in the Buyback so they can decide whether to take some or all of their investment back in the form of cash, or continue to hold Shares.
- 6 Subject to approval by ordinary resolution of the shareholders of Rangatira in accordance with clause 4 of the Takeovers Code (Class Exemptions) Notice (No 2) 2001:
  - a Rangatira acquire the B shares under the Buyback and carry out all transactions reasonably necessary to acquire the B shares;
  - b any director is authorised to acquire the B shares under the Buyback for and on behalf of Rangatira, and to sign any documents and do any other things as he or she may determine to be necessary or advisable to give effect to those acquisitions;
  - c Rangatira acquire the A shares under the Buyback and carry out all transactions reasonably necessary to acquire the A shares; and

- d any director is authorised to acquire the A shares under the Buyback for and on behalf of Rangatira, and to sign any documents and do any other things as he or she may determine to be necessary or advisable to give effect to those acquisitions.
- 7 In accordance with and subject to clause 8.1 of the constitution of Rangatira and section 67A of the Companies Act, Shares acquired under the Buyback will be held as treasury shares until the Shares acquired equal 5% of the total number of shares of the same class previously on issue.
- 8 On completion of the acquisition of the shares under the Buyback, the share register and Companies Office records be updated accordingly.