



Vital

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vital.co.nz

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Dispute regarding Empire's obligation to reimburse Vital's takeover expenses

Vital Limited (NZX: VTL) advises that yesterday evening it became aware that Empire Technology Limited has commenced proceedings in the High Court relating to the takeover proposal that Empire announced but did not proceed with earlier this year.

Under the Takeovers Act, Empire is required to reimburse Vital for its properly incurred takeover expenses. Vital provided Empire with an invoice for its properly incurred expenses in September (amounting to \$214,814 plus GST) but, since then, Empire has refused to pay any of those expenses or acknowledged or accepted that any of those expenses were properly incurred. Accordingly, last week Vital made a formal request for the Takeovers Panel to determine the amount of expenses that Empire must reimburse to Vital.

In the High Court proceedings commenced yesterday, Empire is seeking that the High Court order (amongst other things) that Empire is not required to reimburse any of Vital's takeover expenses and that Vital pay to Empire the amount of Empire's takeover expenses (\$108,424.70) (plus interest and costs) based on various claims, including a claim that Vital failed to disclose certain information to the market. Empire has asked the Takeovers Panel to delay the determination requested by Vital, pending the outcome of the High Court proceedings.

Vital is very confident that it has complied with its relevant obligations, strongly rejects Empire's claims, and will strenuously defend the High Court proceedings. Vital is also committed to progressing the reimbursement of its takeover expenses, in the interests of all shareholders. Vital believes that issue should be determined by the Takeovers Panel, as the Takeovers Act provides, and will request the Panel to make its determination as soon as possible (rather than delay for the outcome of the High Court proceedings).

John McMahan
Vital Chair

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