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July 6, 2007

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – *Securities Act* s. 114(2) Takeover Bids - Exemption from the formal take over bid requirements in Part 13 of the Act - An issuer wants to complete a take over bid that meets some, but not all of the conditions set out in s. 98 (1)(e) of the Act required for an exempt take over bid - The offeror is making the bid complying with the law of a jurisdiction that the Commission has not recognized for the purposes of s. 98(1)(e); the target does not maintain a share register, but the offeror believes the number of the target's shareholders in B.C. is *de minimis*; the bid will satisfy all other conditions required for an exempt take over bid

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, ss. 105-110, and 114(2)

In the Matter of
the Securities Legislation of
Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, Québec, Nova
Scotia, New Brunswick and Newfoundland and Labrador (the “Jurisdictions”)

and

In the Matter of
the Mutual Reliance Review System for Exemptive Relief Applications

and

In the Matter of
Red & Black Lux S.à r.l.
(the “Filer”)

MRRS Decision Document

Background

The local securities regulatory authority or regulator (the “Decision Maker”) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that the formal take-over bid requirements in the Legislation, including the provisions relating to delivery of an offer and take-over bid circular and any notices of change or variation thereto, delivery of a directors’ circular and any notices of change or variation thereto, minimum deposit periods and withdrawal rights, take-up of and payment for securities tendered to a take-over bid, disclosure, financing,

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restrictions upon purchases of securities, identical consideration and collateral benefits (collectively, the “Take-over Bid Requirements”), do not apply to the proposed cash offer (the “Offer”) by the Filer for all of the outstanding common bearer shares (the “Target Shares”) and all of the outstanding of preferred bearer shares (the “Target Preferred Shares”) of HUGO BOSS AG (“Target”) (the “Requested Relief”);

Under the Mutual Reliance Review System for Exemptive Relief Applications:

- (i) the Ontario Securities Commission is the principal regulator for this application; and
- (ii) this MRRS decision document evidences that decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 Definitions have the same meaning in this decision unless they are defined in this decision.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer is a corporation incorporated under the laws of Luxembourg. The Filer is a newly formed limited liability company, which is indirectly and ultimately owned and controlled by Permira Holdings Limited, a limited company registered under the laws of Guernsey with its registered office in St Peter Port, Guernsey, Channel Islands.
2. The Filer’s registered office is located in 282 route de Longwy, L-1940 Luxembourg.
3. The Filer is not a reporting issuer or the equivalent in any of the Jurisdictions. The Filer’s securities are not listed or quoted for trading on any Canadian stock exchange or market.
4. Target’s registered office is located in Metzingen, Germany.
5. Target’s issued and outstanding share capital consists of 35,860,000 Target Shares and 34,540,000 Target Preferred Shares.
6. Target is a corporation incorporated under the laws of the Federal Republic of Germany, with its common bearer shares are traded at the Official Market (*Amtlicher Markt*) of the Stock Exchanges of Frankfurt, XETRA, Stuttgart,

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Düsseldorf, München and Hamburg and its preferred bearer shares admitted for trading at the Official Market of the Stock Exchanges of Berlin-Bremen and Hanover. Target is engaged in all key fashion areas, ranging from classic clothing, evening and leisurewear to functional sportswear and complementary accessories as well as eyewear, watches, fragrances and cosmetics.

7. Both the Target Shares and the Target Preferred Shares constitute “equity securities” for the purposes of the definition of “take-over bid” in the Legislation.
8. Target is not a reporting issuer or equivalent in any of the Jurisdictions. Target’s securities are not listed or quoted for trading on any Canadian stock exchange or market.
9. On June 1, 2007, the Filer announced its decision to make a cash tender offer for all of the Target Shares and Target Preferred Shares in each case in exchange for a consideration equal to the volume-weighted average price for the Target Shares and the Target Preferred Shares, as the case may be, during the last three months prior to the announcement on its decision to make a cash tender offer. Immediately prior to the announcement of the Filer’s intention to make the offer, the Filer held none of the outstanding Target Shares or Target Preferred Shares.
10. The Offer is being made, and the offer document reflecting the terms of the Offer (the “Offer Document”) is being prepared, in accordance with the laws of the Federal Republic of Germany and, in particular, the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz, or the “WpUG”*). It is made in compliance with the provisions of the statutory regulations based on the WpÜG and in compliance with any applicable provisions of US securities law.
11. The Offer Document is expected to be submitted to the applicable securities regulatory authority in Germany prior to or on 29 June 2007 for review. The Offer Document is expected to be made available to holders of Target Shares and Target Preferred Shares after approval by the German regulator. In accordance with German law, the Offer Document will be available on the internet under www.blackandred-angebot.de (where a non-binding English convenience translation will also be available) and a public announcement in the federal electronic Gazette. Such announcement will specify where and how the shareholders may obtain a copy of the Offer Document free of charge.
12. A public announcement in a national Canadian newspaper and in a french-language newspaper that is widely circulated in Québec will specify where

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and how holders of the Target Shares in the Jurisdictions may obtain a copy of the Offer Document (or a non-binding English convenience translation) free of charge. As soon as practicable after such date, the Filer will also file a copy of the Offer Document with the Decision Maker in each of the Jurisdictions.

13. As permitted by German law, Target has issued bearer securities and does not maintain a share register. Accordingly, any information about shareholdings of Target Shares and Target Preferred Shares in Canada can only be determined on a limited enquiry basis by Target. Based on a duly diligent review by the Filer of available shareholder information (which review accounted for 97.33% and 61.79% of the issued and outstanding Target Shares and Target Preferred Shares, respectively), the Filer believes that there is one holder of Target Shares resident in Canada (in the Province of Alberta) holding 7,100 Target Shares representing approximately 0.02% of the Target Shares outstanding and one holder of Target Preferred Shares resident in Canada (in the Province of Ontario) holding 2,168,994 Target Preferred Shares representing approximately 6.28% of the Target Preferred Shares outstanding.
14. If any material relating to the Offer is required by law to be sent by the Filer to holders of Target Shares and Target Preferred Shares in Germany, such material will also be sent, as applicable, to holders of such shares residing in the Jurisdictions (if addresses are known), along with an English translation for convenience purposes, and in any event will be concurrently filed with each Decision Maker.
15. In accordance with the laws of the Federal Republic of Germany (the home jurisdiction of the Target), all of the holders of Target Shares to whom the Offer is made, will be treated equally under the terms of the Offer.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that:

- (i) the Offer and all amendments to the Offer are made in compliance with the laws of the Federal Republic of Germany;
- (ii) any material relating to the Offer and any amendments thereto that are sent to the holders of the Target Shares and Target Preferred Shares in

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Germany by the Filer, will be sent to the holders of the Target Shares and Target Preferred Shares resident in any of the Jurisdictions (if addresses are known), together with an English convenience translation, and copies thereof filed with the Decision Maker in each Jurisdiction; and

- (iii) the Filer makes a public announcement in a national Canadian newspaper and in a french-language newspaper that is widely circulated in Québec specifying where and how holders of the Target Shares and Target Preferred Shares in the Jurisdictions may obtain a copy of the Offer Document (or an English convenience translation) free of charge and files copies thereof with the Decision Maker in each of the Jurisdictions.

James E. A. Turner

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