



# Notice of Annual Meeting 2022

FOR SHAREHOLDERS OF  
SKY NETWORK TELEVISION LIMITED

**COMMENCING AT:**  
10:00AM, WEDNESDAY 2 NOVEMBER 2022



# Notice of Meeting

Notice is hereby given that the 2022 Annual Meeting of Shareholders of Sky Network Television Limited (the **Company**) will be held at the **Maritime Room, Princes Wharf, Viaduct Harbour, Auckland** and via the Computershare online web platform at <https://meetnow.global/nz> on Wednesday 2 November 2022, commencing at 10:00am (NZ time).

In the event that the Board determines a physical meeting is inappropriate in the circumstances as a result of COVID-19 restrictions or otherwise, the Company may decide to hold a virtual only Annual Meeting. If this occurs, the Company will provide shareholders with notice through an announcement to the NZX, ASX and on the Company's website.

## Agenda

### Ordinary Business

**Item 1: Chair's Address**

**Item 2: Chief Executive's Address**

### Resolutions

**Item 3: To consider and, if thought fit, to pass the following ordinary resolutions:**

**1. Auditor's remuneration**

That the Board be authorised to fix the auditor's remuneration for the ensuing year.

**2. To re-elect Philip Bowman as a Director**

That Philip Bowman, who retires at the Annual Meeting and is eligible for re-election, be re-elected as a director of the Company.

**3. To re-elect Joan Withers as a Director**

That Joan Withers, who retires at the Annual Meeting and is eligible for re-election, be re-elected as a director of the Company.

**4. To re-elect Mark Buckman as a Director**

That Mark Buckman, who was appointed by the Board on 21 March 2022 and retires at the Annual Meeting, be re-elected as a director of the Company.

**Item 4: To consider and, if thought fit, to pass the following special resolution:**

**5. Capital Return**

That the scheme of arrangement relating to the return of capital to shareholders, as set out in the explanatory notes accompanying the Notice of Meeting, be and is approved.

All resolutions to be put to the meeting are discussed in the explanatory notes.

The Board unanimously supports resolutions 1-5 and recommends that shareholders vote in favour of them at the Annual Meeting.

### Other Business

To consider any other business, including shareholder questions, that may be properly brought before the meeting.

By order of the Board

James Bishop  
Company Secretary  
3 October 2022

# Procedural Notes

## Resolutions

Resolutions 1 to 4 will each be considered as a separate ordinary resolution, requiring approval by a simple majority of the votes of shareholders entitled to vote and voting on each resolution.

Resolution 5 is a special resolution, requiring approval by 75% of the votes of the shareholders entitled to vote and voting on the resolution.

## Attendance at the Company's Annual Meeting

As at the date of the release of this notice, the Company intends to conduct a hybrid meeting whereby shareholders will be able to attend the meeting in person at the Maritime Room, Princes Wharf, Viaduct Harbour, Auckland or online.

Shareholders will be able to participate virtually through the Computershare online meeting platform at <https://meetnow.global/nz>. To access the meeting, click 'Go' under the Sky TV meeting and then click 'JOIN MEETING NOW'. You will need the latest version of Chrome, Safari or Edge to access the meeting. Please ensure your browser is compatible.

The Computershare online meeting platform enables shareholders to view the meeting and presentations as well as providing the opportunity to vote and ask questions. Instructions on how to participate are available in the Virtual Meeting Guide accompanying this notice and available on the Company's website at [www.sky.co.nz/investor-centre/investor-information](http://www.sky.co.nz/investor-centre/investor-information).

In the event that the Board determines a physical meeting is inappropriate in the circumstances as a result of COVID-19 restrictions or otherwise, the Company may decide to hold a virtual only Annual Meeting. If this occurs, the Company will provide shareholders with notice through an announcement to the NZX, ASX and on the Company's website.

## Shareholder Questions

As well as being able to ask questions in person at the meeting venue or through the Computershare online meeting platform, shareholders unable to attend the Annual Meeting in either of these ways can submit questions in advance by emailing them to [investorrelations@sky.co.nz](mailto:investorrelations@sky.co.nz).

## Webcast

A recording of the Annual Meeting will be made available on the Company's website as soon as practicable following the meeting at [www.sky.co.nz/investor-centre/investor-information](http://www.sky.co.nz/investor-centre/investor-information).

## Voting and Proxies

### How to vote

There are three methods by which you can exercise your right to vote. Namely, by voting online in advance of the meeting, attending the meeting in person or via the Computershare Online Meeting Platform and voting during the meeting or by appointing a proxy to attend virtually or in person to vote in your place. A voting/proxy form is enclosed with this notice of meeting and contains additional details around voting and appointing a proxy.

All voting at the Annual Meeting will be by poll, as required under the NZX Listing Rules.

### Voting at the in-person meeting

You can exercise your right to vote at the physical meeting in two ways. Namely, by being present and voting in person or by appointing a proxy or representative (in the case of a corporate shareholder) to

attend and vote in your place. A voting/proxy form is enclosed with this notice of meeting and contains additional details around voting and appointing a proxy or representative.

If you are entitled to vote and wish to do so in person at the Annual Meeting, please bring your voting/proxy form with you, as the barcode will assist with your registration.

### Voting online prior to the meeting

You can choose to exercise your vote online at [www.investorvote.co.nz](http://www.investorvote.co.nz). You will need to provide your CSN/Securityholder Number, which can be found on the proxy form. Online voting prior to the meeting is available until 10.00am on Monday 31 October 2022 (NZ time).

### Voting at the virtual meeting

Those attending the virtual meeting via the Computershare Online Meeting Platform at <https://meetnow.global/nz> can cast their vote online during the meeting. Instructions on how to complete this process are included in the Virtual Meeting Guide. If you wish to vote online during the meeting login as a shareholder using your CSN/Securityholder Number, which can be found on your proxy form, for verification purposes.

### Appointing a proxy or representative

If you are unable to attend the meeting in person or online, you may wish to appoint a proxy or representative (in the case of a corporate shareholder) to attend and vote on your behalf. If you wish to appoint a proxy or representative, you must complete the voting/proxy form which provides information on how to make this appointment and ensure it is received by Computershare no later than 10.00am on Monday 31 October 2022 (NZ time). While the completed proxy form can be sent to Computershare via mail or as an email attachment, the Company recommends lodging your proxy online at [www.investorvote.co.nz](http://www.investorvote.co.nz). You will need to provide your CSN/Securityholder Number, which can be found on your proxy form.

If you wish to appoint a proxy:

- The proxy does not need to be a shareholder.
- You may direct your proxy how to vote, or give your proxy discretion to vote as they see fit. If you wish to give your proxy that discretion, you should mark the appropriate box online or on the voting/proxy form. If you do not mark any appropriate box online or on the voting/proxy form then your proxy may vote or abstain from voting as they see fit.
- The Chair of the meeting, or any other director, is willing to act as proxy. If you appoint the Chair of the meeting or any other director as proxy but do not direct them how to vote on a particular resolution then they will vote your shares in favour of each of the resolutions 1-5.
- If you have not named a proxy, or your named proxy does not attend the meeting, and you have directed how you wish to vote, the Chair will be your proxy.

## NZ RegCo Review

NZ RegCo has confirmed it has no objection to this notice of meeting, but takes no responsibility for any statement made in this notice of meeting.

# Explanatory Notes

## Resolution 1 – Auditor's Remuneration

### Ordinary Resolution

PricewaterhouseCoopers (**PwC**) is the Company's auditor and is automatically reappointed under section 207T of the Companies Act 1993 (**Companies Act**). Under section 207S of the Companies Act, auditors' fees and expenses must be fixed in the manner determined at the Annual Meeting. Shareholder approval is therefore sought under this resolution for the Board to fix the audit fees and expenses of PwC for the financial year ending 30 June 2023.

## Resolutions 2, 3 & 4 – Re-election of Directors

### Ordinary Resolution

NZX Listing Rule 2.7.1 and ASX Listing Rule 14.4 provide that a Director must not hold office (without re-election) past the third annual meeting following the Director's appointment or three years, whichever is longer.

NZX Listing Rule 2.7.1 also provides that any person who is appointed as a director by the Board shall retire from office at the next annual meeting, but shall be eligible for re-election at that meeting. ASX Listing Rule 14.4 provides that a director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the entity.

Geraldine McBride will stand down from the Board with effect from close of the Annual Meeting. The Board wishes to recognise her service to the Company over the past nine years.



### Philip Bowman

Philip Bowman retires in accordance with NZX Listing Rule 2.7.1 and ASX Listing Rule 14.4 and being eligible, offers himself for re-election.

The Board considers that Philip Bowman is an Independent Director. The Board unanimously supports his re-election.

Philip Bowman was first appointed on 1 September 2019 and was re-elected by shareholders on 19 October 2019. He serves as an Independent director and also as Chair of the Board and a member of the Audit and Risk Committee.

Philip is a distinguished businessman who has led several major global companies and served on the board of a significant number of public and private companies. Philip brings knowledge of the media sector, including having served on the board of Sky UK for ten years. Other roles include Group Finance Director of Bass, CEO of Bass Retail, CEO of Allied Domecq, CEO of Scottish Power, CEO of Smiths Group, Senior Non-executive Director of Burberry, Chairman of Liberty, Chairman of Coral Eurobet, Chairman of Miller Group, and Non-executive Director of Scottish & Newcastle. He currently sits on the boards of two other listed companies, KMD Brands Limited and Ferrovial SA. Philip has a degree with honours in Natural Sciences (University of Cambridge) and Master in Natural Sciences (University of Cambridge). He is also a Fellow of the Institute of Chartered Accountants of England and Wales.



### Joan Withers

Joan Withers retires in accordance with NZX Listing Rule 2.7.1 and ASX Listing Rule 14.4 and being eligible, offers herself for re-election.

The Board considers that Joan Withers is an Independent director. The Board unanimously supports her re-election.

Joan Withers was first appointed on 17 September 2019 and was re-elected by shareholders on 19 October 2019. She serves as an Independent director and also as a member of the Audit and Risk Committee and People and Performance Committee.

Joan brings a wealth of experience spanning a 25-year career in the media industry, including CEO positions at Fairfax and the Radio Network as well as being the former Chair of TVNZ. Joan's depth of governance experience includes her current roles as Chair of The Warehouse Group, a Director of ANZ Bank New Zealand, a Director of Origin Energy Limited and she has previously held Chair positions at Auckland International Airport and Mercury NZ Limited. Joan is a Trustee of the Louise Perkins Foundation, and is Chair of a steering committee working to increase the percentage of South Auckland Maori and Pacific Island students taking up roles in the health sector. She holds a Master's Degree in Business Administration from the University of Auckland. In 2015 Joan was named Supreme Winner in the Women of Influence Awards and was named as Chairperson of the Year in the Deloitte Top 200 Management Awards.



### Mark Buckman

Mark Buckman retires in accordance with NZX Listing Rule 2.7.1 and ASX Listing Rule 14.4 and being eligible, offers himself for re-election.

The Board considers that Mark Buckman is an Independent director. The Board unanimously supports his re-election.

Mark Buckman was appointed by the Board on 21 March 2022. He serves as an Independent director.

Mark is a highly skilled business leader based in Australia with a deep background in technology, digital innovation, marketing, media and broadcasting, and customer engagement. His executive career has spanned North America, UK/Europe, and APAC, with roles at Foxtel, Telstra, the Commonwealth Bank of Australia and McCann. He is a Senior Advisor to Accenture, and his governance credentials include the boards of OzTAM, the Australian free-to-air television consortium, technology start-ups and social enterprises.

## Resolution 5 – Capital Return

### Background

On 25 August 2022, the Company announced its intention to undertake a capital return to shareholders, on a pro rata basis, of approximately NZ\$70 million. The amount to be paid out under the proposed capital return will be funded by cash reserves.

The Board has determined that this return of capital should be effected by way of a Court approved arrangement under Part 15 of the Companies Act (**Scheme**). The terms of the Scheme are set out in the Scheme of Arrangement Document included in this notice of meeting. The Board considers the proposed Scheme to be fair to all shareholders as it achieves a return of capital on a pro rata basis, with the result that the transaction does not alter the shareholders' relative voting and distribution rights.

The Scheme involves the Company's shareholders having one share cancelled for every six shares held, and receiving a cash sum of NZ\$2.40 for each share cancelled (with Australian shareholders being paid the Australian dollar equivalent as explained below). If the number of shares a shareholder owns is not divisible by six, then the number will be rounded up or down to the nearest whole number (with 0.5 rounded up).

The Company has set a cancellation price of NZ\$2.40 per share cancelled after taking into account the Company's share price following announcement of the capital return on 25 August 2022. In order to return approximately NZ\$70 million of capital to shareholders, applying the cancellation price of NZ\$2.40 results in one share for every six shares held by shareholders being cancelled (subject to rounding).

On 31 August 2022, the Company applied to the High Court of New Zealand for an order directing the Company to put the Scheme to shareholders. The Court made initial orders on 22 September 2022 which require (amongst other things) the Scheme to be approved by special resolution of shareholders (that is, a resolution passed by a 75% majority of the votes of all shareholders entitled to vote and voting at the meeting), and an IRD ruling confirming that the cash sum paid to shareholders under the Scheme is not in lieu of the payment of a dividend to be obtained. The Company will also be seeking a ruling from the Australian Taxation Office in relation to the tax effect of the capital return on Australian tax resident shareholders for Australian tax purposes. However, this is not a condition of the Scheme.

If the resolution is passed and the IRD ruling is obtained, the Company will seek final orders from the High Court sanctioning the return of capital. The final orders that will be sought by the Company sanctioning the Scheme are set out in the copy of the Company's application to the Court (dated 31 August 2022), which is available on the Company's website at [www.sky.co.nz/investor-centre/investor-information](http://www.sky.co.nz/investor-centre/investor-information).

If shareholders do not approve the Scheme or if the IRD ruling is not obtained, the Scheme will not proceed and the Company's application to the High Court will be discontinued. The Company may then consider alternative arrangements for a return of capital to shareholders, which it would notify to shareholders.

The Board unanimously recommends that shareholders vote in favour of the Scheme (Resolution 5).

### Rationale for the Capital Return

As at 30 June 2022 the Company held approximately NZ\$139 million of cash. This balance arose from both cash generated by the business and the sale of its Mt Wellington properties, which completed in March 2022. In addition, the Company has access to an undrawn banking facility of NZ\$150 million.

Against this backdrop, and as previously signaled to the market, the Board undertook a detailed review of the Company's capital management strategy, taking into consideration likely capital needs and opportunities for investment, as well as future performance projections.

Through this process the Board established a capital allocation framework that included establishing a sustainable dividend policy, opportunities to re-invest in the business to support future growth and value creation and identifying any excess capital above these requirements. As signaled in the Company's full year results, current year profits have been separately distributed by way of a final dividend, with a capital return being the preferred method to distribute excess capital to shareholders.

In determining the preferred form of capital return, the Company sought advice from its external legal advisers, financial advisers, and tax advisers, taking into account sizing, the nature of the Company's shareholder base, and other relevant considerations. In addition, the Company received feedback from a number of shareholders (both retail and institutional), which was also carefully considered.

All capital return methods were considered, including the payment of a special dividend, both on-market and off-market share buyback transactions, and the proposed Scheme, as well as combinations of these methods. After careful consideration by the Board, the preferred method adopted was the Scheme.

In reviewing the options for the return of capital, the Company's objectives included:

- (a) certainty that the return of capital would proceed with a low level of execution risk;
- (b) ensuring that the return of capital would be made in a timely manner, so that shareholders receive cash in the near term;
- (c) ensuring that the payment made to shareholders is appropriately treated as a return of capital for New Zealand tax purposes (see further information under the heading "Taxation – New Zealand" below). The Company will also be seeking a ruling from the Australian Taxation Office in relation to the tax effect of the capital return for Australian tax purposes on Australian tax resident shareholders (see further information under the heading "Taxation – Australia" below); and
- (d) adopting a method that ensured all shareholders are treated on the same basis and that the return of capital would not materially alter any shareholder's proportionate voting or distribution rights.

## Resolution 5 – Capital Return continued

### The Scheme and its effect

Subject to approval by shareholders, receipt of the IRD ruling (see "Taxation – New Zealand" below) and receipt of final orders from the High Court sanctioning the return of capital, the Scheme will result in:

- the cancellation, in the hands of the shareholder, of one in every six shares held by each shareholder in the Company (together with all rights attaching to those shares) on the Record Date (as defined below) and will not involve the Company purchasing the shares. Fractions of a share will be rounded up or down to the nearest whole number (with 0.5 rounded up); and
- the payment to each shareholder of NZ\$2.40 for each share cancelled. Shareholders with an address on the register in Australia at 7:00pm (New Zealand time) on the Record Date for determining the shareholders to participate in the Scheme will be paid the NZ\$2.40 per cancelled share converted into Australian dollars at the exchange rate organised by the Company's share registrar on or about that time, as approved by the Company. Shareholders with an address on the register outside New Zealand and Australia will receive the capital return in New Zealand dollars. The Company will return to shareholders, on a pro rata basis, approximately NZ\$70 million of capital. On the Record Date, there are expected to be 174,688,323 shares on issue. Based on this number, 29,114,720 ordinary shares will be cancelled (subject to rounding). This will leave the total number of ordinary shares on issue at approximately 145,573,603.

A worked example of the impact on a New Zealand tax resident shareholder is set out below:

	Before	After
Shares held	10,000	8,333
Share price on close of business following announcement (25 August 2022)	NZ\$2.62	-
Assumed share price after the capital return and payment of FY22 final dividend	-	NZ\$2.58
<b>Value of shares</b>	<b>NZ\$26,200.00</b>	<b>NZ\$21,499.14</b>
FY22 final dividend payment to shareholder (before any NZ resident withholding tax)	-	NZ\$730.00
Capital returned via cash payment to shareholder	-	NZ\$4,000.80
<b>Value of shares, dividend and capital return</b>	<b>NZ\$26,200.00</b>	<b>NZ\$26,229.94</b>
Percentage ownership	0.0057%	0.0057%

Subject to the approval of shareholders and receipt of the IRD ruling (see "Taxation – New Zealand" below), the final orders from the High Court sanctioning the Scheme are expected to be made on or about 10 November 2022.

The indicative timetable for the proposed Scheme is set out in the table below. Further information on the timetable will be announced at appropriate times.

Event	Date
Annual Meeting	2 November 2022
IRD ruling*	31 October 2022
Final orders made by High Court*	10 November 2022
Record Date*	21 November 2022
Payment to shareholders*	29 November 2022

\*The dates above are indicative only. If the final court orders have not been made by 10 November 2022, the Record Date will be five business days after the date on which the final orders from the High Court sanctioning the Scheme are made. Payment will be made to shareholders within ten business days after the Record Date.

Directors of the Company and associated persons of Directors who legally and/or beneficially own shares in the Company will participate in the return of capital in exactly the same way as all other ordinary shareholders of the Company. Directors and/or their associated persons are entitled to vote on Resolution 5 to approve the capital return.

### Payment of funds under the Scheme

The share register will close at 7:00pm (New Zealand time) on 21 November 2022, or the date five business days after the date on which the final orders from the High Court sanctioning the Scheme are made, whichever is the latest (**Record Date**).

This will be for the purpose of determining the number of shares to be cancelled and the amount to be returned to those shareholders whose names appear in the share register at that time. The cancellation is expected to be effected during the course of a short trading halt, the details of which will be advised through NZX/ASX in due course.

Payment to shareholders will be made by direct credit in the case of those shareholders who have previously provided bank account details to the Company or the share registrar. Direct credits will be made within ten business days after the Record Date. Shareholders will be issued with a new shareholding statement showing the new number of shares held following the cancellation of shares.

For those shareholders that have not previously provided their bank account details to the Company or the share registrar, the share registrar will attempt to make contact to obtain them by the Record Date. Payment will then be made within ten business days of valid details having been provided (without interest) if they are not provided by the Record Date, with the funds being dealt with as unclaimed distributions in the meantime in accordance with the Company's constitution (see clause 4.3).

Shareholders with an address on the register in Australia at 7:00pm (New Zealand time) on the Record Date will be paid NZ\$2.40 per cancelled share converted into Australian dollars at the exchange rate organised by the Company's share registrar on or about that time, as approved by the Company.

### Taxation – New Zealand

The following is provided as general guidance as to the tax effect of the Scheme for New Zealand tax resident shareholders. Shareholders should obtain independent taxation advice on the effect of the Scheme based on their individual circumstances.

The Scheme is conditional on the Company receiving a binding ruling from the Commissioner of Inland Revenue confirming that, for the purposes of section CD 22 of the Income Tax Act 2007 (NZ), no part of the amount that will be paid (approximately \$70 million) to shareholders on the share cancellation is in lieu of the payment of a dividend. Therefore, even if the shareholders approve the Scheme, it will not proceed unless this condition is satisfied.

Accordingly, on this basis and provided certain other requirements in the Income Tax Act 2007 (NZ) are satisfied, the amount paid to shareholders will be treated as a return of capital and not as a dividend for New Zealand income tax purposes.

This means the payment will generally not be taxable for New Zealand shareholders unless:

- (a) the shareholder is a share dealer;
- (b) the shares were acquired for the dominant purpose of disposal; or
- (c) the amount received by a shareholder is derived from a profit-making undertaking or scheme.

### **Taxation – Australia**

The following is provided as general guidance as to the Australian tax implications for Australian tax resident shareholders (**Australian Shareholders**). The tax consequences for Australian Shareholders will depend on the specific facts or circumstances that apply to the particular Australian Shareholder. Australian Shareholders should obtain independent tax advice on the effect of the Scheme based on their individual circumstances.

The Company will be applying to the Australian Taxation Office (**ATO**) for a Class Ruling on behalf of Australian Shareholders to confirm whether any part of the payment received by Australian Shareholders under the Scheme will be treated as a dividend for Australian tax purposes and that the payment will be treated as capital proceeds received by Australian Shareholders for the purposes of calculating any capital gain or loss on the cancellation of the shares. The description below is based on a Class Ruling being issued by the ATO confirming that no part of the payment received by Australian Shareholders under the Scheme will be treated as a dividend for Australian tax purposes and that the payment will be treated as capital proceeds received by Australian Shareholders for the purposes of calculating any capital gain or loss on the cancellation of the shares.

Australian Shareholders cannot rely on this guidance unless a Class Ruling is issued by the ATO that is in accordance with the above. If it is issued, the Company will notify Australian Shareholders as soon as is practicable after the Class Ruling is available by announcement on NZX/ASX and a copy of the Class Ruling will be published on the Company's website. If the Class Ruling is not issued by the ATO then the tax consequences for Australian Shareholders may be different from the description below and the Company will advise Australian Shareholders accordingly. Regardless of whether the Class Ruling is issued, the Company will proceed with the proposed Scheme (subject to shareholder approval, final Court approval and the IRD ruling being obtained).

Under the Scheme, the shares held by an Australian Shareholder will be cancelled and will not involve the Company purchasing any of the shares. The cancellation of the shares will constitute a capital gains tax (CGT) event (CGT event C2). The CGT event will happen no later than at the time the shares are cancelled.

An Australian Shareholder will make a capital gain from the CGT event to the extent that the capital proceeds received in respect of the cancellation of their shares (the payment they receive or are entitled to receive) are more than the cost base of the shares (which will generally include the amount paid to acquire the shares and certain incidental costs associated with acquiring the shares). An Australian Shareholder will make a capital loss to the extent that the capital proceeds received in respect of the cancellation of the shares are less than the reduced cost base of the shares (generally determined in the same way as cost base).

Any capital gain or loss arising from the cancellation of the shares is included in the calculation of the Australian Shareholder's net capital gain for the income year in which the CGT event occurs. Broadly, an Australian Shareholder's net capital gain for an income year is the total of all the capital gains or capital losses made during the income year less any available net capital losses made in previous income years.

To the extent that the Scheme results in an Australian Shareholder making a capital gain, they may be entitled to reduce the gain under the CGT discount rules (depending on the circumstances of the Australian Shareholder). Under the CGT discount rules, an eligible Australian Shareholder is generally able to reduce the capital gain (after first applying any current year or prior year capital losses) by 50% where they are an individual or trust and by 33.33% where they are a complying superannuation fund, provided that they have held the shares for at least 12 months before the CGT event. The CGT discount is not available to Australian Shareholders that are companies.

If an Australian Shareholder makes a capital loss, this can be used to offset other capital gains from the same income year or may be carried forward to offset capital gains incurred in future income years, subject to applicable loss recoupment rules.

This section and any Class Ruling is only relevant for Australian Shareholders who hold their shares in the Company on capital account and does not apply to Australian Shareholders who:

- (a) hold their shares as trading stock, as revenue assets or pursuant to Australia's employee share scheme rules in Division 83A of the Income Tax Assessment Act 1997 (Cth);
- (b) hold their shares as assets used in carrying on a business or as part of a profit making undertaking or scheme;
- (c) are Australian tax residents but who hold their shares as part of an enterprise carried on, at or through a permanent establishment in a foreign country;
- (d) are subject to special rules, such as financial institutions, insurance companies, partnerships, tax exempt organisations, trusts (except where expressly stated), superannuation funds (except where expressly stated) or temporary residents of Australia;
- (e) are subject to the taxation of financial arrangements rules in Australia in relation to gains and losses on their shares; or
- (f) are subject to the Investment Manager Regime under Subdivision 842-I of the Income Tax Assessment Act 1997 (Cth) in relation to their shares.

### **Key risks**

**The Board considers the Scheme to be low risk, given it involves the return of capital to shareholders.**

**There is a risk that if additional capital were needed to be raised in the medium term for some reason, the costs of such raising could have been avoided had the Scheme not been implemented. For example, in the event that a major acquisition were to be considered by the Company this may require equity funding. The Board consider this risk is low as there are no imminent opportunities that the Board is aware of that would suggest that maintaining a large surplus of cash is appropriate. The Scheme is sized so that the Company retains the ability to reinvest for future growth and maintain a degree of financial flexibility to absorb unexpected changes in trading performance in the short term.**

### **Further Information**

The Company has provided general guidance as to the tax implications in relation to the Scheme for New Zealand and Australian tax resident shareholders as outlined above. Shareholders who are tax resident in other jurisdictions should obtain independent taxation advice on the effect of the Scheme based on their individual circumstances.

Shareholders who have any questions about the effect of the Scheme on their investment should consult their financial advisers.

Copies of the Court documents filed in relation to the Scheme and the initial Court orders are available on the following website <https://www.sky.co.nz/investor-centre/investor-information>.

# Scheme of Arrangement Document

## Scheme of Arrangement pursuant to Part 15 of the Companies Act 1993 (NZ) between: Sky Network Television Limited and the holders of shares in Sky Network Television Limited.

### 1. Interpretation

In this document, unless the context otherwise requires:

**Annual Meeting** means the annual meeting of shareholders of Sky TV, and any adjournment of that meeting, to be held to, among other things, consider and, if thought fit, approve the Scheme.

**Business Day** means a day on which the stock exchanges operated by NZX and ASX are open for trading.

**Record Date** means 21 November 2022, or the date five Business Days after the date on which the final order from the High Court of New Zealand is made pursuant to section 236(1) of the Companies Act 1993 sanctioning the arrangement, whichever is the latest.

**Scheme** means the proposed scheme of arrangement between Sky TV and its Shareholders, the terms of which are set out in this document.

**Share** means an ordinary share in Sky TV.

**Shareholder** means each person who is recorded in the share register of Sky TV as the holder of a Share at 7:00pm (New Zealand time) on the Record Date.

**Sky TV** means Sky Network Television Limited.

### 2. Arrangement

2.1 One Share for every six Shares recorded in the share register of Sky TV as being held by each Shareholder at 7:00pm (New Zealand time) on the Record Date will be cancelled in the hands of the Shareholder (together with all the rights attaching to those Shares). For this purpose, fractions of a Share will be rounded up or down to the nearest whole Share (with 0.5 rounded up).

2.2 Within ten Business Days after the Record Date, Sky TV will pay to each Shareholder for each Share recorded

in the share register of Sky TV as being held by that Shareholder which has been cancelled in accordance with clause 2.1:

- (a) where that Shareholder has at 7:00pm (New Zealand time) on the Record Date an address recorded in the share register other than in Australia, NZ\$2.40; or
- (b) where that Shareholder has at 7:00pm (New Zealand time) on the Record Date an address recorded in the share register in Australia, NZ\$2.40 converted into Australian dollars at the exchange rate organised by the Company's share registrar on or about that time, as approved by the Company.

2.3 Payments will be made by electronic funds transfer to a bank account for the Shareholder where Sky TV or its share registrar holds sufficient details to make payment in that manner. Where an electronic funds transfer has failed, or Sky TV and its share registrar do not hold sufficient details to make payment, funds will be dealt with as unclaimed distributions in accordance with clause 4.3 of Sky TV's constitution.

### 3. Amendment

- 3.1 Sky TV reserves the right to amend this Scheme at any time and from time to time provided that any such amendment must be contained in a written document which is filed with the Court and, if made following the Annual Meeting, approved by the Court and communicated to the shareholders of Sky TV in the manner required by the Court (if so required).
- 3.2 Any amendment to this Scheme may be proposed by Sky TV at any time prior to or at the Annual Meeting with or without any other prior notice or communication and, if so proposed and accepted by the persons voting at the Annual Meeting, will become part of this Scheme for all purposes.







Sky Network Television Limited

### Lodge your proxy



**Online**  
www.investorvote.co.nz



**By Email**  
corporateactions@computershare.co.nz please use "SKT Proxy" in the subject line



**By Mail**  
Computershare Investor Services Limited  
Private Bag 92119, Auckland 1142, New Zealand

### For all enquiries contact



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corporateactions@computershare.co.nz

## Annual Meeting Admission and Proxy/Voting Form



**www.investorvote.co.nz**

Lodge your vote or proxy online, 24 hours a day, 7 days a week:

**Smartphone?**

Scan the QR code to vote now.

#### Your secure access information

##### Control Number:

##### CSN/Shareholder Number:

**PLEASE NOTE:** You will need your CSN/Securityholder Number and postcode or country of residence (if outside New Zealand) to securely access InvestorVote and then follow the prompts to lodge your vote or appoint your proxy online.



**For your proxy to be effective it must be received by 10.00am (NZ time) on Monday, 31 October 2022.**

The Annual Meeting of Sky Network Television Limited will be held as a hybrid meeting at The Maritime Room, Princes Wharf, Auckland and online on Wednesday, 02 November 2022, commencing at 10:00am (NZ time).

To attend the meeting online please go to <https://meetnow.global/nz>.

### How to Vote on Items of Business

All your shares in Sky Network Television Limited (the Company) will be voted in accordance with your directions.

#### Appointment of Proxy

If you do not plan to attend the meeting, you may appoint a proxy. A proxy need not be a shareholder of the Company. The Chair of the meeting, or any other director, is willing to act as proxy for any shareholder who wishes to appoint him or her for that purpose. To do this, enter 'the Chair' or the name of your proxy in the space allocated in 'Step 1' of this form.

If you do not name a person as your proxy, but otherwise complete the proxy form in full, or your named proxy does not attend the virtual meeting, the Chair will be appointed your proxy and will vote in accordance with your express direction (subject to any voting prohibitions).

The Chair and the other directors intend to vote all discretionary proxies in favour of all resolutions.

Please note that you may still attend the meeting virtually should you appoint a proxy noting that you will not be able to vote if a proxy has been appointed.

#### Voting of your holding

Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain from voting as they choose to the extent permitted by law and the relevant listing rules. If you mark more than one box on an item your vote will be invalid on that item.

#### Attending the Meeting

If you propose to attend the Annual Meeting in person, please bring this Admission Form/Proxy Form to the meeting. All shareholders must register with the Company's registration staff prior to entering the meeting room. If a representative of a corporate security holder or proxy is to attend the meeting, they may need to provide evidence of your authorisation to act prior to admission.

All shareholders will have the option to attend, vote and participate in the Annual Meeting online via an internet connection using a laptop, tablet or smartphone. For further details see the Virtual Meeting Guide that accompanies this form.

### Signing Instructions for Proxy/Voting Forms

#### Individual

Where the holding is in one name, the shareholder must sign.

#### Joint Holding

In the case of joint shareholders, only one shareholder is required to sign this form, providing all joint shareholders have authorised the signatory to do so.

#### Power of Attorney

If this form has been signed under a power of attorney, a copy of the power of attorney (unless already deposited with the Registrar) and a signed certificate of non-revocation of the power of attorney must be produced to the Registry with this form.

#### Companies

This form should be signed by a director jointly with another director, or a sole director can also sign alone. Please sign in the appropriate place and indicate the office held.

#### Comments & Questions

If you have any comments or questions for the Company, please write them on a separate sheet of paper and return with this form.

**Turn over to complete the form to vote**

# Proxy/Voting Form

## STEP 1

### Appoint a Proxy to Vote on Your Behalf

I/We being a shareholder/s of Sky Network Television Limited

hereby appoint \_\_\_\_\_ of \_\_\_\_\_

or failing him/her \_\_\_\_\_ of \_\_\_\_\_

as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions and to vote on any resolutions to amend any of the resolutions, on any resolution so amended and on any other resolution proposed at the meeting (or any adjournment thereof) at the **Annual Meeting of the shareholders of Sky Network Television Limited (the "Company") to be held at The Maritime Room, Princes Wharf, Auckland and online on Wednesday, 02 November 2022, commencing at 10:00am (NZ time).**

## STEP 2

### Items of Business – Voting Instructions/Ballot Paper

**Please note:** If you mark the Abstain box for an item, you are directing your proxy not to vote on your behalf and your votes will not be counted. If you mark the Proxy Discretion box, your proxy may vote or abstain from voting as they see fit (to the extent permitted by law and the relevant listing rules). The Chair and the other directors intend to vote all undirected proxies in favour of each of the resolutions.

Ordinary Resolutions	For	Against	Abstain	Proxy Discretion
To consider and, if thought fit, to pass the following ordinary resolutions:				
1. <b>Auditor's remuneration</b> That the Board be authorised to fix the auditor's remuneration for the ensuing year.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. <b>To re-elect Philip Bowman as a Director</b> That Philip Bowman, who retires at the Annual Meeting and is eligible for re-election, be re-elected as a director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. <b>To re-elect Joan Withers as a Director</b> That Joan Withers, who retires at the Annual Meeting and is eligible for re-election, be re-elected as a director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. <b>To re-elect Mark Buckman as a Director</b> That Mark Buckman, who was appointed by the Board on 21 March 2022 and retires at the Annual Meeting, be re-elected as a director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To consider and, if thought fit, to pass the following special resolution:				
5. <b>Capital Return</b> That the scheme of arrangement relating to the return of capital to shareholders, as set out in the explanatory notes accompanying the Notice of Meeting, be and is approved.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

All resolutions to be put to the meeting are discussed in the explanatory notes contained within the Notice of Meeting.

If your proxy is not the Chair of the Meeting or any other director of the Company, please ensure that you provide their contact details (phone and email address). If this information is not provided, we cannot guarantee remote admission to the virtual meeting for your proxy.

Proxy contact Details (Phone): \_\_\_\_\_ and (Email): \_\_\_\_\_

## SIGN

### Signature of Shareholder(s) This section must be completed.

Shareholder 1

or Sole Director/Director

Shareholder 2

or Director (if more than one)

Shareholder 3

Contact Name \_\_\_\_\_ Contact Daytime Telephone \_\_\_\_\_ Date \_\_\_\_\_

## ATTENDANCE SLIP



Annual Meeting of the shareholders of Sky Network Television Limited (the "Company") to be held at The Maritime Room, Princes Wharf, Auckland and online on Wednesday, 02 November 2022, commencing at 10:00am (NZ time).

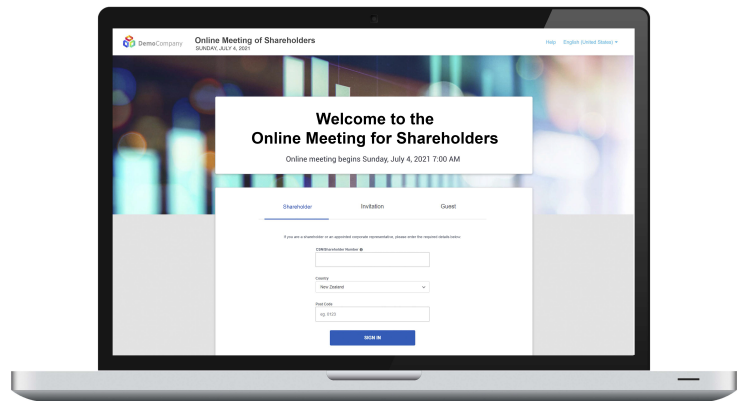
# HOW TO PARTICIPATE IN VIRTUAL/HYBRID MEETINGS

## Attending the meeting online

Our online meeting provides you the opportunity to participate online using your smartphone, tablet or computer.

If you choose to attend online you will be able to view a live webcast of the meeting, ask questions and submit your votes in real time.

**You will need the latest version of Chrome, Safari or Edge. Please ensure your browser is compatible.**



Visit <https://meetnow.global/nz>



### Access

Access the online meeting at <https://meetnow.global/nz>, and select the required meeting. Click 'JOIN MEETING NOW'.

#### If you are a shareholder:

Select 'Shareholder' on the login screen and enter your CSN/Holder Number and Post Code. If you are outside New Zealand, simply select your country from the drop down box instead of the post code. Accept the Terms and Conditions and click Continue.

#### If you are a guest:

Select Guest on the login screen. As a guest, you will be prompted to complete all the relevant fields including title, first name, last name and email address.

Please note, guests will not be able to ask questions or vote at the meeting.

#### If you are a proxy holder:

You will receive an email invitation the day before the meeting to access the online meeting. Click on the link in the invitation to access the meeting.



### Contact

If you have any issues accessing the website please call +64 9 488 8700.



### Navigation



When successfully authenticated, the home screen will be displayed. You can watch the webcast, vote, ask questions, and view meeting materials in the documents folder. The image highlighted blue indicates the page you have active.

The webcast will appear and begin automatically once the meeting has started.



### Voting

Resolutions will be put forward once voting is declared open by the Chair. Once the voting has opened, the resolution and voting options will appear.

To vote, simply select your voting direction from the options shown on screen. You can vote for all resolutions at once or by each resolution.

Your vote has been cast when the green tick appears. To change your vote, select 'Change Your Vote'.



### Q&A

Any eligible shareholder/proxy attending the meeting remotely is eligible to ask a question.

Select the Q&A tab and type your question into the box at the bottom of the screen and press 'Send'.