



28 October 2021

Sky New Zealand
PO Box 9059
Newmarket
Auckland 1149
New Zealand

10 Panorama Road
Mt Wellington
Auckland 1060
New Zealand

T. +64 9 579 9999

sky.co.nz

SKT - Amended Constitution

At Sky Network Television Limited's Annual Shareholders' Meeting, held via a virtual meeting on Thursday 28 October 2021, shareholders passed a special resolution to amend the Company's constitution in the manner described in the explanatory notes of the Notice of Meeting, with effect from the close of the Annual Meeting.

The amended constitution is *attached* to this notice.

ENDS

Authorised for release by James Bishop, Company Secretary

Queries may be directed to:

James Bishop
Company Secretary
P: +64 21 630 635
E: james.bishop@sky.co.nz

Constitution Of Sky Network Television Limited



CONSTITUTION OF SKY NETWORK TELEVISION LIMITED

CONTENTS

1	INTERPRETATION	1
2	RELATIONSHIP WITH RULES	2
3	SHARES	3
4	DISTRIBUTIONS	4
5	CALLS, FORFEITURE AND LIENS	4
6	TRANSFER OF SHARES	5
7	SHARE BUYBACKS	5
8	SHAREHOLDER MEETINGS	6
9	DIRECTORS	6
10	BOARD MEETINGS	7
11	INDEMNITY AND INSURANCE	8
12	CONTRACTING BY THE COMPANY	8
13	LIQUIDATION	8
	SCHEDULE 1 - SHAREHOLDER MEETINGS	9
	SCHEDULE 2 - DIRECTORS' MEETINGS	12
	SCHEDULE 3 - CALLS, FORFEITURE AND LIENS	14



CONSTITUTION OF SKY NETWORK TELEVISION LIMITED

1 INTERPRETATION

1.1 Definitions

In this Constitution, unless the context otherwise requires:

Act means the Companies Act 1993.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the listing rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the official list of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX, and any reference to any ASX Listing Rule shall be construed accordingly.

Company means Sky Network Television Limited.

Director means a person appointed as a director of the Company in accordance with this Constitution.

NZX means NZX Limited, its successors and assigns and, as the context permits, includes any duly authorised delegate of NZX.

NZX Listing Rules means the listing rules applying to the NZX Main Board (or any successor to that market) as altered from time to time by NZX, subject to any ruling or waiver relevant to the Company granted by NZX from time to time, and any reference to any NZX Listing Rule shall be construed accordingly.

Rules means the ASX Listing Rules and the NZX Listing Rules.

Share means a share in the Company.

Shareholder means a person whose name is entered in the share register of the Company as the holder for the time being of one or more shares.

1.2 Interpretation

In this Constitution, unless the context requires otherwise (whether or not expressed with an initial capital letter):

- (a) subject to clause 1.1, **words** or **expressions**:
 - (i) which are defined in the Act have the same meanings as in the Act; or
 - (ii) which are defined in the Rules have the same meanings as in the Rules;
- (b) References to:
 - (i) **clauses** and **Schedules** are to clauses of and Schedules to this Constitution; and



- (ii) **paragraphs** in a Schedule are to the paragraphs in that Schedule;
- (c) the **headings** to clauses are inserted for convenience only and shall be ignored in interpreting this Constitution;
- (d) the word **including** and other similar words do not imply any limitation;
- (e) the **plural** includes the **singular** and vice versa;
- (f) a reference to any **legislation** (including any Act or legislative or other instrument) includes any legislative or other instrument made under that legislation and amendments to or replacements of any of them from time to time; and
- (g) a reference to a **Rule** or the **Rules** includes that Rule or the Rules as from time to time amended or substituted.

2 **RELATIONSHIP WITH RULES**

2.1 **Incorporation of NZX Listing Rules:**

While the Company is Listed, this Constitution is deemed to incorporate all provisions of the NZX Listing Rules required under the NZX Listing Rules to be contained or incorporated by reference in this Constitution, as those provisions apply from time to time (and as modified by any Ruling relevant to the Company).

2.2 **Company must comply with NZX Listing Rules:**

While the Company is Listed, the Company must comply with the NZX Listing Rules. Subject to clause 2.3, if this Constitution contains any provision inconsistent with the NZX Listing Rules, then the NZX Listing Rules prevail.

2.3 **NZX Rulings:**

If NZX has granted a Ruling in relation to the Company authorising any act or omission which in the absence of that Ruling would be in contravention of the NZX Listing Rules or this Constitution that act or omission will, unless a contrary intention appears in this Constitution, be deemed to be authorised by the NZX Listing Rules and by this Constitution.

2.4 **Effect of failure to comply with NZX Listing Rules:**

Any failure to comply with the NZX Listing Rules does not affect the validity or enforceability of any transaction, contract, action or other matter whatsoever (including the proceedings of, or voting at, any meeting) done or entered into by, or affecting, the Company, except that a party to a transaction or contract who knew of the failure to comply with the NZX Listing Rules is not entitled to enforce that transaction or contract. This clause does not limit the rights of any holder of securities of the Company against the Company or the Board arising from failure to comply with the NZX Listing Rules.

2.5 **Company must comply with ASX Listing Rules while listed by ASX:**

While the Company is admitted to the official list of ASX:

- (a) notwithstanding anything contained in this constitution, if the ASX Listing Rules prohibit an act being done, the act shall not be done;



- (b) nothing in this Constitution prevents an act being done that the ASX Listing Rules require to be done;
- (c) if the ASX Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (d) if the ASX Listing Rules require this Constitution to contain a provision and it does not contain such a provision, this Constitution is deemed to contain that provision;
- (e) if the ASX Listing Rules require this Constitution not to contain a provision and it contains such a provision, this Constitution is deemed not to contain that provision; and
- (f) if any provision of this Constitution is or becomes inconsistent with the ASX Listing Rules, this Constitution is deemed not to contain that provision to the extent of the inconsistency.

3 **SHARES**

3.1 **Further Share issues do not affect existing rights:**

Subject to this Constitution, the Board may issue Shares that rank as to voting or distribution rights, or both, equally with or in priority to any existing Shares. Any such issue will not be treated as an action affecting the rights attached to those existing Shares unless the terms of issue of those Shares expressly provide otherwise.

3.2 **No statutory pre-emptive rights:**

Section 45 of the Act does not apply to the Company.

3.3 **Consolidation and subdivision:**

The Board may:

- (a) consolidate and divide Shares or any Class of Shares in proportion to those Shares or the Shares in that Class; or
- (b) subdivide Shares or any Class of Shares in proportion to those Shares or the Shares in that Class.

3.4 **Redeemable Shares:**

Subject to this Constitution, the Company may

- (a) issue Shares that are redeemable within the meaning of section 68 of the Act; and
- (b) exercise an option to redeem redeemable shares issued by the Company in relation to one or more holders of redeemable Shares.



4 **DISTRIBUTIONS**

4.1 **Deductions:**

The Board may deduct from any Distribution payable to a Shareholder:

- (a) monies payable by the Shareholder to the Company on account of debts, liabilities or other obligations in respect of which the Company has a lien over specific Shares on which the Distribution is payable; and
- (b) any amount required by law to be deducted, including withholding and other taxes.

4.2 **Interest:**

No Distribution shall bear interest against the Company unless the applicable terms of issue of an equity security expressly provide otherwise.

4.3 **Unclaimed Distributions:**

Any Distribution unclaimed for one year after the due date for payment may be:

- (a) intermingled with other money of the Company; and
- (b) invested or otherwise made use of by the Board for the general benefit of the Company until claimed,

provided that at any time after forfeiture the Board may, subject to compliance with the Solvency Test, annul the forfeiture and pay the Distribution to any person producing evidence satisfactory to the Board that he or she is entitled to the amount claimed.

5 **CALLS, FORFEITURE AND LIENS**

5.1 **Calls on Shares:**

- (a) The Board may make calls on any Shareholder for any money that is:
 - (b) unpaid on that Shareholder's Shares; and
 - (c) not made payable at a fixed time or times under this Constitution or the terms of issue of those Shares or any contract for the issue of those Shares.
- (d) Schedule 3 of this Constitution governs calls on Shares.

5.2 **Forfeiture of Shares for non-payment:**

The Board may exercise the rights of forfeiture of Shares set out in Schedule 3 of this Constitution if the holder of those Shares fails to pay:

- (a) a call, or an instalment of a call, on those Shares; or
- (b) any amount that is payable under this Constitution or the terms of issue of those Shares or any contract for the issue of those Shares.

5.3 **Company's lien:**

The Company has a lien on Shares and Distributions in respect of such Shares on the terms set out in Schedule 3 of this Constitution.



6 TRANSFER OF SHARES

6.1 Board may refuse or delay transfer:

The Board may refuse or delay the registration of a transfer of Shares (subject to their terms of issue) if such action is permitted by the Act or the Rules.

6.2 Compulsory sale of less than Minimum Holdings:

Subject to any more restrictive requirements under the ASX Listing Rules (whilst the Company is admitted to the official list of ASX):

- (a) the Company may at any time give notice to a person holding less than a Minimum Holding that if, at the expiration of 3 months after the date the notice is given, equity securities then registered in the name of the holder are less than a Minimum Holding the Company may sell those equity securities on market (including through a broker acting on behalf of the Company).
- (b) the Board may authorise the transfer of the equity securities sold by the Company under this clause 6.2 and the holder is deemed to have authorised the Company to act on behalf of the holder and to sign all necessary documents relating to the sale. The purchaser of equity securities sold by the Company under this clause 6.2 shall have no obligation to ensure the proceeds of the sale of those equity securities is applied in accordance with this clause 6.2, nor shall the purchaser's title to the equity securities be affected by any irregularity or invalidity in the procedures under this Constitution relating to the sale. The remedy of any person aggrieved by the sale is in damages only and against the Company only.
- (c) the proceeds of the sale of any equity securities sold under this clause must be applied as follows:
 - (i) first, in payment of any reasonable sale expenses;
 - (ii) second, in satisfaction of any unpaid calls or any other amounts owing to the Company in respect of the equity securities; and
 - (iii) the residue, if any, must be paid to the person who was the holder immediately before the sale, or his or her executors, administrators or assigns.
- (d) a certificate signed by a Director that records that a power of sale under this clause has arisen and is exercisable by the Company is conclusive evidence of the facts stated in that certificate.

7 SHARE BUYBACKS

7.1 Subject to this Constitution the Company may:

- (a) acquire its own Shares in accordance with the Act and the Rules;
- (b) make an offer to all Shareholders or to one or more Shareholders to acquire Shares in such number or proportion as it thinks fit; and
- (c) hold its own Shares in accordance with the Act and the Rules.



8 **SHAREHOLDER MEETINGS**

- 8.1 The first schedule to the Act and the NZX Listing Rules govern the proceedings at meetings of Shareholders with the modifications set out in Schedule 1 of this Constitution. The same procedures also govern the proceedings of meetings of any interest group required to be held by the Act, the NZX Listing Rules or this Constitution, with all necessary consequential modifications.

9 **DIRECTORS**

9.1 **Number of Directors:**

The Company shall comply with the minimum Board composition requirements of the NZX Listing Rules. The maximum number of directors shall be ten.

9.2 **Qualification to be a Director:**

A person must not be appointed a Director unless he or she has consented in writing to be a Director and certified that he or she is not disqualified by the Act from being appointed or holding office as a Director.

9.3 **Appointment of Directors**

- (a) Directors of the Company may be appointed by Ordinary Resolution, provided that, if required under the Rules, such Director has been nominated in accordance with the Rules.
- (b) The Board may appoint any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. Any Director appointed under this clause may hold office only until the next annual meeting, and is then eligible for election.
- (c) The persons holding office as directors of the Company on adoption of this Constitution continue in office and are deemed to have been appointed as Directors pursuant to this Constitution. Similarly the chairperson of the Board continues in office and is deemed to have been appointed as chairperson pursuant to this Constitution.

9.4 **Rotation of Directors**

- (a) Each Director shall retire from office when required to do so by the Rules, but, subject to the Rules, shall be eligible for re-election (including at any meeting at which the Director retires).
- (b) A Director retiring at a Shareholders' meeting continues to hold office:
- (i) until he or she is re-elected at that meeting;
 - (ii) if he or she is not re-elected at that meeting, until the meeting (including any adjournment) elects a replacement; or
 - (iii) if the meeting does not elect a replacement, until the end of the meeting or any adjournment of the meeting.

9.5 **Alternate directors**

- (a) Any Director may, by written notice to the Company, appoint another person (who is not disqualified by the Act or this Constitution from being a Director



and has been approved for that purpose by a majority of the Directors) to be an alternate Director.

- (b) While acting in place of the Director who appointed him or her:
 - (i) an alternate Director has, and may exercise and perform, all the rights and duties of that Director (including the right to receive notice of, be counted as part of the quorum of, and participate in and vote at, a meeting of the Board, and to sign any written resolution, but excluding the right to appoint an alternate Director); and
 - (ii) is subject to the same terms of appointment as that Director but is not entitled to remuneration otherwise than out of the remuneration of the appointing Director.
- (c) An appointment as alternate Director may be revoked at any time by:
- (d) the appointing Director giving written notice to the Company; or
- (e) a resolution passed by a majority of the Directors.
- (f) If a Director ceases to be a Director (except where the Director retires by rotation at a Shareholders' meeting and is re-elected at that meeting) any alternate Director appointed by him or her ceases to hold office.

9.6 **Chairperson**

- (a) The Directors may elect one of their number as chairperson (and, if they so determine, a deputy chairperson) of the Board.
- (b) The chairperson (and, if one is elected, deputy chairperson) of the Board holds office until he or she vacates that office or the Directors elect a replacement.

9.7 **Expenses:**

A Director may be reimbursed for reasonable travelling, accommodation and other expenses incurred in the course of performing duties or exercising powers as a Director without requiring the prior approval of Shareholders.

10 **BOARD MEETINGS**

- 10.1 Schedule 2 of this Constitution governs proceedings at meetings of the Board. Schedule 3 of the Act does not apply to the Company.

10.2 **Written resolutions of Board permitted**

A written resolution signed or assented to by a majority of the Directors then entitled to receive notice of a meeting of the Board and who together would constitute a quorum at a meeting is as valid and effective as if it had been passed at a meeting of the Board duly convened and held. Within 5 working days of a resolution being passed in accordance with this clause, the Company must send a copy of the resolution to every Director who did not sign the resolution or on whose behalf the resolution was not signed.



10.3 **Written resolutions may be in counterparts**

Any written resolution may consist of several copies of the resolution, each signed or assented to by one or more of the Directors. A copy of a written resolution, which has been signed and is sent by email or any similar means of communication (including PDF counterparts), will satisfy the requirements of this clause.

11 **INDEMNITY AND INSURANCE**

11.1 The Company may effect any or all of the indemnities and insurances referred to in subsections 162(3), (4) and (5) of the Act in accordance with, and to the fullest extent permitted by, those subsections.

12 **CONTRACTING BY THE COMPANY**

12.1 In addition to the methods of contracting set out in section 180 of the Act, an obligation which, if entered into by a natural person, would, by law, be required to be by deed, may be entered into on behalf of the Company in writing signed under the name of the Company by a single Director, or by any other person or class of persons authorised by the Board for that purpose, whose signature or signatures must be witnessed.

13 **LIQUIDATION**

13.1 **Distribution in kind:**

If the Company is liquidated, with the approval of Shareholders by Special Resolution, the liquidator of the Company may divide the whole or any part of the Surplus Assets of the Company among the Shareholders in kind and for that purpose the liquidator may:

- (a) attribute such values to assets as the liquidator considers appropriate; and
- (b) determine how the division will be carried out as between the Shareholders or different Classes of Shareholders.

13.2 **Vesting in trust:**

If the Company is liquidated, with the approval of Shareholders by Special Resolution, the liquidator of the Company may vest the whole or any part of any Surplus Assets of the Company in trustees upon trust for the benefit of the Shareholders. The liquidator may determine the terms of the trust.



SCHEDULE 1 - SHAREHOLDER MEETINGS

1 INTERPRETATION

- 1.1 A reference in this Schedule to a Shareholder present at a meeting or entitled to vote at a meeting includes a reference to a proxy of a Shareholder, a representative of a corporate Shareholder, an attorney of a Shareholder, and any person who may lawfully act on behalf of a Shareholder.

2 QUORUM

A quorum for a meeting of shareholders is present if 2 or more shareholders are present.

3 CHAIRPERSON

3.1 Chairperson of Board to be chairperson of meeting:

If the Directors have elected a chairperson of the Board, and the chairperson of the Board is present at a meeting of Shareholders, he or she must chair the meeting. If there is no chairperson, or if the elected chairperson is absent then a person identified in this order of priority shall preside at every meeting:

- (a) the deputy chairperson (if any) of the Board;
- (b) one of the Directors appointed for that purpose by the Board; or
- (c) a Director appointed for that purpose by those Shareholders present.

3.2 Chairperson's power to adjourn meeting:

The chairperson of a meeting at which a quorum is present:

- (a) may adjourn the meeting with the consent of the Shareholders present who are entitled to attend and vote at that meeting; and
- (b) must adjourn the meeting if directed by the meeting to do so.

The only business that may be transacted at any resumed adjourned meeting is the business left unfinished at the meeting from which the adjournment took place.

3.3 Chairperson may dissolve or adjourn unruly meetings:

If a meeting has become so unruly, disorderly or inordinately protracted, that in the opinion of the chairperson the business of the meeting cannot be conducted in a proper and orderly manner, the chairperson may in their sole and absolute discretion without the consent of the meeting and without giving reasons either adjourn or dissolve the meeting.

3.4 Dissolved meetings – unfinished business:

If the chairperson dissolves a meeting pursuant to paragraph 3.3, and there is any item of unfinished business of the meeting which in his or her opinion requires to be voted upon, then that item shall be dealt with by the chairperson directing it to be put to the vote by a poll without further discussion.



4 METHODS OF HOLDING MEETINGS

4.1 A meeting of Shareholders may be held by a quorum of the Shareholders:

- (a) being assembled together at the time and place appointed for the meeting;
- (b) participating in the meeting by means of audio, audio and visual, or electronic communication to the extent permitted by the Act and the NZX Listing Rules; or
- (c) by a combination of both the methods described in paragraphs (a) and (b) above.

5 VOTING

5.1 **Voting by poll at meeting:**

Voting at a meeting of Shareholders will be conducted by poll.

5.2 **Voting by electronic means:**

To the extent permitted by the Act and the NZX Listing Rules, the Company may allow Shareholders to vote by signifying their assent or dissent by electronic means (including, for the avoidance of doubt, voting on a personal computer, with such vote being transmitted to the meeting).

5.3 **Time at which polls to be taken:**

A poll on the election of a chairperson of a meeting or on a question of adjournment must be taken immediately. A poll on any other question is to be taken at such time as the chairperson of the meeting directs. The meeting may proceed to deal with any business other than that upon which a poll has been demanded pending the taking of the poll.

6 PROXIES

6.1 **Proxies permitted:**

A Shareholder may exercise the right to vote either by being present in person or by proxy. A proxy for a Shareholder is entitled to attend and be heard at a meeting of Shareholders as if the proxy were the Shareholder.

6.2 **Validity of proxies:**

Where:

- (a) the Shareholder has died or become incapacitated;
- (b) the proxy, or the authority under which the proxy was executed, has been revoked; or
- (c) the Share in respect of which the notice of proxy is given has been transferred,

before a meeting at which a proxy exercises a vote in terms of a notice of proxy but the Company does not receive written notice of that death, incapacity, revocation, or transfer before the start of the meeting, the vote of the proxy is valid.



7 FORM OF NOTICE OF PROXY

- 7.1 A notice appointing a proxy shall be in such form as the Board may direct from time to time.

8 POSTAL VOTES PERMITTED ONLY AT BOARD'S OPTION

- 8.1 A shareholder may exercise the right to vote at a meeting by casting a postal vote only if the Board, prior to the giving of notice of a meeting, has so determined and, if the Board so determines, the provisions of clause 7 of the first schedule to the Act shall apply.

9 OTHER PROCEEDINGS

- 9.1 Except as otherwise provided in this Constitution, the Act and the NZX Listing Rules, the chairperson of a meeting of Shareholders may regulate proceedings at the meeting.



SCHEDULE 2 - DIRECTORS' MEETINGS

1 NOTICE OF MEETING

1.1 Director's power to convene meetings:

A Director or, if requested by a Director to do so, any other person, may convene a meeting of the Board by giving notice in accordance with this Schedule.

1.2 Period of notice required to be given to Directors:

At least two days' notice of a meeting of the Board must be given unless the chairperson (or, in the chairperson's absence from New Zealand, the deputy chairperson (if any), and in the deputy chairperson's absence, any other Director) believes it is necessary to convene a meeting of the Board as a matter of urgency, in which case shorter notice of the meeting of the Board may be given, so long as at least two hours' notice is given. Any such shorter notice may be given by telephone communication to each Director at the telephone number provided to the Company by each Director, provided that written notice shall be given to the Directors within the shorter notice period where it is practicable to do so.

1.3 Absent Directors:

If a Director, who is for the time being absent from New Zealand, supplies the Company with an electronic mail address to which notices are to be sent during his or her absence, then notice must be given to that Director. Otherwise notice need not be given to any Director for the time being absent from New Zealand. However, if he or she has an alternate Director who is in New Zealand, then notice must be given to that person.

1.4 Notice of meeting to contain certain details:

The notice of meeting must:

- (a) subject to paragraph 2, be a written notice sent to the address, or an electronic mail message sent to an electronic mail address, which the Director provides to the Company for that purpose, or if an address or electronic mail address is not provided, then written notice to his or her last place of employment or residence known to the Company; and
- (b) include the date, time and place of the meeting and an indication of the matters to be discussed in sufficient detail to enable a reasonable Director to appreciate the general import of those matters.

1.5 Director's may waive irregularities in notice:

An irregularity in the notice of a meeting is waived if all Directors entitled to receive notice of the meeting attend the meeting without protest as to the irregularity or if all Directors entitled to receive notice of the meeting agree to the waiver.

2 METHOD OF HOLDING MEETINGS

2.1 A meeting of the Board may be held either:

- (a) by a number of the Directors who constitute a quorum, being assembled together at the place, date and time appointed for the meeting;



(b) by means of audio, or audio and visual, communication by which all Directors participating and constituting a quorum can simultaneously hear each other throughout the meeting; or

(c) by a combination of the methods described in (a) and (b) above.

3 **QUORUM**

3.1 **Quorum for Board meeting:**

A quorum for a meeting of the Board is 3 Directors. No business may be transacted at a meeting of Directors if a quorum is not present.

3.2 **Meeting adjourned if no quorum:**

If a quorum is not present within 30 minutes after the time appointed for a meeting of the Board, the chairperson will adjourn the meeting to a specified day, time and place, the day being within the next 2 days. If no such adjournment is made the meeting will be adjourned automatically until the same day in the following week at the same time and place. If at the adjourned meeting a quorum is not present within 30 minutes from the time appointed for the meeting, the Directors present will constitute a quorum.

4 **VOTING**

4.1 **Voting on resolutions:**

Each Director has one vote. A Director must not vote where that Director is not permitted to vote by the NZX Listing Rules or this Constitution.

4.2 **Abstaining from voting:**

A Director present at a meeting of the Board is presumed to have agreed to, and to have voted in favour of, a resolution of the Board unless he or she expressly abstains from voting, or votes against, the resolution at the meeting. A Director who abstains from voting will not be treated as having voted in favour of the resolution for the purposes of the Act.

5 **MINUTES**

The Board must ensure that minutes are kept of all proceedings at meetings of the Board and that a record is kept of written resolutions of the Directors. Minutes that have been signed correct by the chairperson of the meeting are evidence of the proceedings at the meeting unless they are shown to be inaccurate.

6 **OTHER PROCEEDINGS**

Except as provided in this Constitution, the Board may regulate its own procedure.



SCHEDULE 3 – CALLS, FORFEITURE AND LIENS

1 CALLS

1.1 Directors' powers to make calls

- (a) Subject to receiving at least 10 working days' notice specifying the time and place of payment, each Shareholder must pay to the Company the amount called on that Shareholder's Shares, in the manner specified in the notice.
- (b) A call may be revoked or postponed.
- (c) A call may be required to be paid by instalments.
- (d) Unless the Board resolves to the contrary, a call will be deemed to have been made at the time the Board resolution authorising the call is passed.

1.2 Liability of joint holders and interest

- (a) The holders of any Share are jointly and severally liable to pay all calls in respect of that share.
- (b) If the call in respect of a Share is not paid when due, the person from whom the sum is due must pay interest on the sum from the due date for payment to actual payment, at a rate not exceeding 5% above the Company's prime overdraft rate as certified by the Board. The Board may waive payment of all or part of that interest.

1.3 Payment required by terms of issue of Shares:

If the terms of issue of a Share require a sum to be paid on issue or at any fixed date, for the purpose of this Constitution a call will be deemed to be duly made and the sum will become payable on the date specified in the terms of issue.

1.4 Proof of liability:

The amount of any unpaid call or instalment may be recovered as a debt from the Shareholder at any time after the debt becomes payable. In any proceedings the proof of the following matters is conclusive evidence of the debt:

- (a) the name of the Shareholder is entered on the Share Register as a holder of the Shares in respect of which the debt accrued;
- (b) the resolution making the call is duly recorded in the minute book; and
- (c) notice of the call was duly given to the Shareholder.

2 SUSPENSION OF DISTRIBUTIONS, FORFEITURE AND LIEN ON SHARES

2.1 Suspension of Distributions

- (a) If a Shareholder fails to pay any call or instalment of a call on the date appointed for payment the Board may suspend payment of any Distributions payable to that Shareholder until payment of:
 - (i) the call or instalment;
 - (ii) any interest accrued on that amount; and



- (iii) all expenses incurred by the Company by reason of the non-payment.
- (b) All suspended Distributions must be applied to reduce the amount owing under the call or instalment together with any interest and expenses.

2.2 Forfeiture

- (a) If a Shareholder fails to pay any call or instalment of a call or amount which (by the terms of issue of a share) becomes payable at a fixed time on the day appointed for payment, the Board may serve notice on that Shareholder requiring payment of:
 - (i) the unpaid call, instalment or amount;
 - (ii) any interest accrued on that amount; and
 - (iii) all expenses incurred by the Company by reason of the non-payment.

The notice must:

- (iv) name a further day (not earlier than the expiration of 10 working days from the date of service of the notice) on or before which payment is to be made; and
- (v) state that if payment is not made by that date the Shares are liable to be forfeited.
- (b) If the requirements of the notice are not complied with any Share that is the subject of the notice may, at any time after expiry of the notice and before payment, be forfeited by the Board. The forfeiture will include any Distributions or interest relating to the forfeited Shares that have not actually been paid before the forfeiture.
- (c) If a Share is forfeited the Board must:
 - (i) give notice of the forfeiture to the Shareholder in whose name it stood immediately prior to the forfeiture; and
 - (ii) enter the forfeiture and its date on the Share Register,and the Shareholder ceases to be a Shareholder in respect of the forfeited Shares but remains liable to pay all money payable to the Company at the date of forfeiture in respect of the Shares.
- (d) A forfeited Share is deemed the property of the Company and may be sold, reissued or otherwise disposed of on terms and in such manner (but subject to the terms of this Constitution governing the transfer of Shares) as the Board thinks fit. The Board may cancel the forfeiture at any time before a sale or disposition on such terms as the Board thinks fit.



2.3 **Lien on Shares**

- (a) The Company has a first and continuing lien on all Shares registered in the name of each Shareholder (whether solely or jointly) for:
 - (i) unpaid calls and instalments payable in respect of any such Shares;
 - (ii) interest on any such calls or instalments; and
 - (iii) any amounts that the Company may be called on to pay under any legislation in respect of the Shares, whether or not the due date for payment has passed.
- (b) The lien extends to the sale proceeds of the Shares and all Dividends and other Distributions declared in respect of the Shares.
- (c) Unless otherwise agreed, the registration of a transfer of Shares operates as a waiver of the lien.
- (d) The Company may sell in such manner as the Board thinks fit (but subject to the terms of this Constitution governing the transfer of Shares) any Shares over which the Company has a lien if:
 - (i) an amount is presently payable to the Company on those Shares or by the holder of those Shares; and
 - (ii) the Company has demanded the amount in writing and payment has not been made within 10 working days after the demand.

2.4 **Sale of forfeited Shares and Shares over which the Company has a lien**

- (a) To give effect to the power of sale arising from the forfeiture of Shares or a lien over Shares the Company may:
 - (i) sign or authorise a Director to sign a transfer of the Shares in favour of the purchaser;
 - (ii) receive the proceeds of sale (the receipt of a Director being a sufficient discharge to the purchaser); and
 - (iii) enter the purchaser's name on the Share Register.
- (b) A certificate signed by a Director that the power of sale has arisen and is exercisable by the Company is conclusive evidence of the facts stated in that certificate.
- (c) The purchaser is not bound to see to the application of the purchase money nor is the purchaser's title to the Shares affected by any irregularity or invalidity in the forfeiture of the Shares, the enforcement of the lien or the sale proceedings and the remedy of any person aggrieved by the sale is in damages only and against the Company only.



- (d) The proceeds of sale must be applied:
- (i) first, in payment of the costs and expenses in exercising the right of forfeiture or enforcing the lien and selling the share;
 - (ii) second, (in the case of a forfeited share) in or towards satisfaction of any unpaid calls, instalments amounts, interest and expenses on that share, or (in the case of a lien) in payment of the amount secured by the lien; and
 - (iii) the balance (if any) to the former Shareholder.