

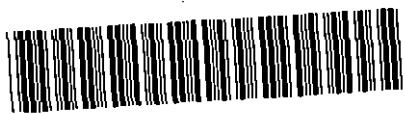
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Form 6

The Companies Act 1993

**NOTICE OF ADOPTION, ALTERATION, OR
REVOCATION OF CONSTITUTION**



10020680519

(for office use only)

(Section 32(3))

Company Name

Terra Vitae Vineyards Limited

Company Number

AK888321

The abovenamed company has -
(Place a tick ✓ in the appropriate box)

adopted a constitution

altered its constitution

revoked its constitution

The Company ~~adopted a constitution/~~ ~~altered its constitution/~~ revoked its constitution on

0 5

Day

0 6

Month

9 8

Year

~~A copy of the constitution as adopted/alteration to the constitution is attached to this notice.~~

Signature of Director/Authorised Person

Name of Director/Authorised Person

Ian Laurie Montgomery

Date

15 June 98

Presented by

Rudd Watts & Stone

Account No.

99012200

Postal Address

P O Box 3798
AUCKLAND
Attention: PJR

Telephone

(09) 353 9700

Facsimile

(09) 353 9701

VALIDATED

The Companies Act 1993

Document Number

NOTICE OF ADOPTION, ALTERATION, OR REVOCATION OF CONSTITUTION

[Empty box for Document Number]

(for office use only)

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Signature of Director/Authorised Person

[Handwritten signature]

Name of Director/Authorised Person

Jan Laurie Montgomerie

Date

15 June 98

Presented by

Rudd Watts & Stone

Account No.

99012200

Postal Address

P O Box 3798
AUCKLAND
Attention: PJR

Telephone

(09) 353 9700

Facsimile

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This is the Constitution of Terra Vitae Vineyards Limited adopted by Special Resolution of the shareholder on the 5th day of June 1998 and signed for the purposes of identification by Ian Laurie Montgomerie. This Constitution comes into effect on the 15th day of June 1998.

Dated the 5th day of June 1998



Ian Laurie Montgomerie

CONSTITUTION

OF

TERRA VITAE VINEYARDS LIMITED



RUDD WATTS & STONE

BARRISTERS & SOLICITORS

TABLE OF CONTENTS

	Page No.
PART I: PRELIMINARY	1
1. DEFINITIONS	1
2. CAPACITY AND POWERS	4
2.1 Rights, powers and duties	4
2.2 Full capacity	4
PART II: SHARES AND DIVIDENDS	5
3. ISSUE OF SHARES	5
3.1 Initial Shares	5
3.2 Power to issue Shares	5
3.3 Consideration for issue of Shares	6
3.4 Directors' certificate on consideration for issue	6
3.5 Payment for Shares already issued	7
3.6 Directors' certificate on payment for Shares already issued	7
3.7 Deemed payment other than for cash	7
3.8 Amount owing on issue of Shares	8
3.9 Consolidation and subdivision of Shares	8
3.10 Company paying up partly paid Shares	8
4. PURCHASE OF OWN SHARES; TREASURY STOCK	8
4.1 Purchase by Company of its Shares	8
4.2 Treasury stock	8
5. TRANSFER OF SHARES	8
5.1 Entry in Register	8
5.2 Signed transfer	8
5.3 Form of transfer	8
5.4 Board's right to refuse or delay registration of transfer	9
5.5 Registration of transfer	9
5.6 Compulsory acquisition provisions	9
6. SHARE REGISTER	10
6.1 Maintain Register	10
6.2 Contents of Register	11
6.3 Directors' duty to supervise Register	11
6.4 Register prima facie evidence	11
6.5 Register evidence of rights	11
6.6 Trust not to be registered or recognised	11
7. SHARE CERTIFICATES	12
7.1 Application for Share certificate	12
7.2 Issue of Share certificate	12
7.3 Transfer to be accompanied by Share certificate	12
7.4 Surrendered Share certificate	12
8. TRANSMISSION OF SHARES	12
9. CALLS ON SHARES	12
9.1 Board may make Calls	12
9.2 Notice of Calls	13
9.3 Deemed Calls	13
9.4 Liability for Calls	13
9.5 Agreement to differentiate between Calls	13
9.6 Payment of Call in advance	13
9.7 Proof of liability	14
10. FORFEITURE AND LIEN	14
10.1 Forfeiture	14
10.2 Lien	15
10.3 Sale on exercise of lien	15
11. DISTRIBUTIONS	16
11.1 Solvency Test	16
11.2 Dividends payable pari passu	16

11.3	Unclaimed Distributions	16
11.4	Bonus Shares in lieu of Dividend	17
11.5	Discounts to Shareholders	17
11.6	Financial assistance on acquisition of Shares	17
	PART III: SHAREHOLDERS' RIGHTS AND OBLIGATIONS	18
12.	SHAREHOLDERS' RIGHTS	18
12.1	Issue of statement of rights to Shareholder	18
12.2	Alteration of Shareholders' rights	18
12.3	Shareholders entitled to exercise certain rights	19
13.	EXERCISE OF POWERS RESERVED TO SHAREHOLDERS	19
13.1	Powers reserved to Shareholders	19
13.2	Special Resolutions	20
13.3	Management review by Shareholders	20
13.4	Dissenting Shareholder may require Company to purchase Shares	20
13.5	Shareholder proposals	20
14.	MEETINGS OF SHAREHOLDERS	21
14.1	Annual Meeting	21
14.2	Special Meetings	21
14.3	Resolution in lieu of meeting	21
14.4	Chairperson of meetings of Shareholders	21
14.5	Shareholders entitled to notice of meeting	22
14.6	Notice of meeting	22
14.7	Contents of notice	22
14.8	Irregularities in notice	22
14.9	Method of holding meeting	22
14.10	Adjournments	23
14.11	Minutes	23
15.	VOTING AT MEETINGS	23
15.1	Quorum	23
15.2	Voting	23
15.3	Proxies and representatives	24
15.4	Postal votes	24
15.5	Votes of joint holders	25
15.6	Unpaid sums	25
15.7	Meetings of Interest Groups	25
15.8	Other proceedings	25
	PART IV: THE BOARD	25
16.	APPOINTMENT AND REMOVAL	25
16.1	Number of Directors	25
16.2	Directors - Appointment	25
16.3	Rotation of Directors	26
16.4	Nominations and voting	26
16.5	Removal and Disqualification of Directors	27
16.6	Alternate Directors	27
16.7	Appointment by notice	28
17.	INDEMNITY AND INSURANCE	28
17.1	Indemnity of Directors and employees	28
17.2	Insurance of Directors and employees	29
17.3	Definitions	29
18.	POWERS AND DUTIES OF THE BOARD	29
18.1	Powers of the Board	29
18.2	Delegation by Board	30
18.3	Directors to act in good faith	30
18.4	Major Transactions	30
19.	PROCEEDINGS OF THE BOARD	30
19.1	Third Schedule	30

19.2	Chairperson	30
19.3	Notice of meeting	31
19.4	Method of holding meetings	31
19.5	Quorum	31
19.6	Voting	32
19.7	Minutes	32
19.8	Unanimous resolution	32
19.9	Other proceedings	32
19.10	Continuing Directors	32
20.	INTERESTED DIRECTORS	33
20.1	Authority to remunerate Directors	33
20.2	Other offices with Company held by Director	33
20.3	Notice of Interest to be given	33
21.	MANAGING DIRECTORS	34
21.1	Appointment and dismissal	34
21.2	Termination of employment	34
	PART V: ADMINISTRATION AND MISCELLANEOUS	34
22.	AUTHORITY TO BIND	34
22.1	Method of Contracting	34
22.2	Attorneys	35
23.	LIQUIDATION	35
23.1	Appointment of Liquidator	35
23.2	Distribution of surplus assets	35

Constitution of Terra Vitae Vineyards Limited under the Companies Act 1993

PART I: PRELIMINARY

1. DEFINITIONS

- 1.1 In this Constitution, unless the context otherwise requires, the following words and expressions have the meanings given to them in this clause:

Act means the Companies Act 1993.

Alternate Director means a person appointed to act as an alternate for a Director appointed pursuant to clause 16.6.1.

Amalgamation means the completed act of the Company and one or more other companies amalgamating pursuant to Part XIII of the Act and continuing as one company, which may be one of the amalgamating companies or may be a new company.

Annual Meeting means a meeting of Shareholders held pursuant to clause 14.1.

Associated Person has the meaning given to that term in section 1 of the Rules.

Balance Date means the date adopted by the Company as the end of its financial year for the purpose of its annual financial statements.

Board means the Directors numbering not less than the required quorum acting together as the board of Directors of the Company, and where one Director is a quorum it means that Director so acting alone.

Call means a resolution of the Board under clause 9.1 requiring Shareholders to pay all or part of the unpaid amount of the issue price of any Shares and, where the context requires, means the obligation of a Shareholder to meet the amount due pursuant to such a resolution, and, further, includes any sum which by the terms of clause 9.3 is deemed to be a call.

Class and Class of Shares means a class of Shares having attached to them identical rights, privileges, limitations, and conditions.

Chairperson means the chairperson of the Board, elected under clause 19.2.1 or appointed under clause 19.2.3.

Company means Terra Vitae Vineyards Limited.

Constitution means this constitution of the Company and all amendments to it from time to time.

Director means a person appointed and continuing in office for the time being, in accordance with this Constitution, as a director of the Company.

Distribution, in relation to Shares held by a Shareholder, means:

- (a) the direct or indirect transfer of money or property, other than Shares, by the Company to or for the benefit of the Shareholder; or
- (b) the incurring of a debt by the Company to or for the benefit of the Shareholder,

whether by means of a purchase of property, the redemption or other acquisition of Shares, a distribution of indebtedness, or by some other means.

Dividend means a Distribution by the Company other than a Distribution to which section 59 or section 76 of the Act applies.

Interest Group, in relation to any action or proposal affecting rights attached to Shares, means a group of Shareholders:

- (a) whose affected rights are identical; and
- (b) whose rights are affected by the action or proposal in the same way; and
- (c) who comprise the holders of one or more Classes of Shares.

For the purposes of this definition:

- (a) one or more Interest Groups may exist in relation to any action or proposal; and
- (b) if:
 - (i) action is taken in relation to some holders of Shares in a Class and not others; or
 - (ii) a proposal expressly distinguishes between some holders of Shares in a Class and other holders of Shares of that Class,

holders of Shares in the same Class may fall into two or more Interest Groups.

Interests Register means a register kept by the Company at its registered office as required by section 189(1)(c) of the Act.

Major Transaction, in relation to the Company, means:

- (a) the acquisition of, or an agreement to acquire (whether contingent or not), assets the value of which is more than half the value of the Company's assets before the acquisition; or
- (b) the disposition of, or an agreement to dispose of (whether contingent or not), assets of the Company, the value of which is more than half the value of the Company's assets before the disposition; or
- (c) a transaction which has or is likely to have the effect of the Company acquiring rights or interests or incurring obligations or liabilities, the value of which is more than half the value of the Company's assets before the transaction;

but does not include:

- (d) any transaction entered into by a receiver appointed pursuant to an instrument creating a charge over all or substantially all of the property of the Company.

Nothing in paragraph (c) of this definition applies by reason only of the Company giving, or entering into an agreement to give, a charge secured over assets of the Company the value of which is more than half the value of the Company's assets for the purpose of securing the repayment of money or the performance of an obligation.

Managing Director means a Director who is appointed under clause 21 as an employee of the Company, with the responsibility for the management of the Company (together with any other employee).

month means calendar month.

Ordinary Resolution means a resolution that is approved by a simple majority of the votes of those Shareholders entitled to vote and voting on the question.

Ordinary Share means a Share which confers on the holder:

- (a) the right to vote at meetings of Shareholders and on a poll to cast one vote for each Share held;
- (b) subject to the rights of any other Class of Shares, the right to an equal share in Dividends authorised by the Board; and
- (c) the right to an equal share in the distribution of the surplus assets of the Company on its liquidation.

Register means the register of Shares required by clause 6 of this Constitution and section 87 of the Act to be kept.

Registrar means the Registrar of Companies appointed under section 357(1) of the Act.

Rules means the New Zealand Stock Exchange Listing Rules as amended or substituted from time to time.

Share means a share in the Company.

Shareholder means a person:

- (a) registered in the Register as the holder of one or more Shares; or
- (b) until the person's name is entered in the Register, a person named as a shareholder in the application for registration of the Company at the time of registration of the Company; or
- (c) until the person's name is entered in the Register, a person who is entitled to have that person's name entered in the Register under a registered Amalgamation proposal as a shareholder in an amalgamated company.

Solvency Test means an examination to be applied to the financial state of the Company, which will be satisfied if:

- (a) the Company is able to pay its debts as they become due in the normal course of business; and
- (b) the value of the Company's assets is greater than the value of its liabilities, including contingent liabilities and in respect of which regard has been had to the matters referred to in section 4(2) of the Act.

For the purpose of this definition "debts" and "liabilities" have the meanings given to those terms in section 52(4) of the Act.

Special Meeting means any meeting (other than an Annual Meeting) of Shareholders entitled to vote on an issue, called at any time by the Board.

Special Resolution means a resolution of Shareholders approved by a majority of 75% of the votes of those Shareholders entitled to vote and voting on the question.

Working Day means a day of the week other than:

- (a) Saturday, Sunday, Good Friday, Easter Monday, Anzac Day, the Sovereign's Birthday, Labour Day, and Waitangi Day;
- (b) a day in the period commencing with the 25th day of December in any year and ending with the 2nd day of January in the following year;
- (c) if the first day of January in any year falls on a Friday, the following Monday; and
- (d) if the first day of January in any year falls on a Saturday or Sunday, the following Monday and Tuesday.

1.2 Writing includes all modes of representing or reproducing words, figures or symbols in a visible form including reproduction by facsimile machine.

1.3 Words importing the singular include the plural and vice versa.

1.4 A reference to a person includes any firm, company or other body corporate, local authority, statutory authority and the Crown.

1.5 Words importing one gender include the other genders.

1.6 Subject to this clause 1, expressions contained in this Constitution bear the same meaning as specified in the Act as amended from time to time.

1.7 A reference to a clause means a clause of this Constitution.

1.8 The clause headings are included for convenience only and do not affect the construction of this Constitution.

1.9 References to a statute include amendments to, re-enactments of, and regulations passed under, that statute.

1.10 If the Act is amended in a way that, but for this clause, would cause section 31 of the Act to apply to any clause then that clause shall be deemed to be amended in a manner having the effect that the Constitution does not contravene or become inconsistent with the Act.

2. CAPACITY AND POWERS

2.1 Rights, powers and duties

2.1.1 The Company, the Board, each Director and each Shareholder have the rights, powers, duties and obligations set out in the Act except to the extent that they are negated or modified, in accordance with the Act, by this Constitution.

2.2 Full capacity

2.2.1 Subject to this Constitution, the Act, any other enactment and the general law, the Company has, both within and outside New Zealand, full capacity, rights, powers and privileges to carry on or undertake any business or activity, do any act, or enter into any transaction.

PART II: SHARES AND DIVIDENDS**3. ISSUE OF SHARES****3.1 Initial Shares**

3.1.1 As at the date of this Constitution there are 1000 Ordinary Shares in the Company.

3.2 Power to issue Shares

3.2.1 Subject to the Act, this Constitution and the terms of issue of any existing Shares, the Board may, issue Shares (and rights or options to acquire Shares) of any Class at any time, to any person and in such numbers as the Board thinks fit.

3.2.2 Subject to the Act, this constitution and without prejudice to any special rights previously conferred on the holders of any existing Share or Class of Shares, any Share in the Company may be issued with such preferred, deferred or other special rights or such restrictions whether in regard to voting, Distributions or otherwise as the board may from time to time determine. Except as provided in this Constitution, any pre-emptive rights specified in section 45 are hereby negated.

3.2.3 Subject to relevant provisions of this Constitution and the Act, the Board may issue Shares that are redeemable on a specified date or at the option of the Company or at the option of the holder of the Shares.

3.2.4 The Company shall not issue any Shares unless:

- (a) the precise terms and conditions of the specific proposal to issue those Shares have been approved by separate resolutions (passed by a simple majority) of holders of each Class of Shares whose rights or entitlements could be affected by the issue of such Shares; or
- (b) the issue of Shares is made in accordance with either Clause 3.2.5 or 3.2.6.

3.2.5 The Company may issue Shares if:

- (a) those Shares are offered to holders of existing Shares of the Company on a basis which, if the offer were accepted by all such holders, would maintain the existing proportionate rights of each existing holder (relative to other holders of Shares in respect to voting and distributions and that offer is renounceable; or
- (b) those Shares are issued to holders of existing Shares of the Company as fully paid Shares on a basis which maintains the existing proportionate rights of each existing holder (relative to other holders of Shares) in respect to voting and distributions.

Notwithstanding sub-paragraphs (a) and (b) of this Clause 3.2.5 the Board shall be entitled:

- (c) to issue any Shares in respect of which an offer is not accepted, or which because of fractional entitlements are not otherwise offered, to such persons and in such manner as the Board considers equitable and in the interests of the Company, provided that the price and terms and conditions of the issue of such Shares are not materially more favourable to the persons to whom they are issued than the terms of the original offer.

3.2.6 The Company may issue Shares if:

- (a) the issue of Shares is not made in whole or in part to any Director, Associated Person of a Director or employee of the Company; and

- (b) the total number of Shares issued, and all other Shares of the same Class issued pursuant to this Clause 3.2.6 during the period of 12 months preceding the date of the issue of the Shares, will not exceed the aggregate of:
- (i) 10% of the total number of Shares of that Class on issue at the commencement of that period;
 - (ii) 10% of the number of the Shares of that Class issued during that period pursuant to clauses 3.2.4(a) and 3.2.5; and
 - (iii) any Shares of that Class issued pursuant to this Clause 3.2.6 during that period, the issue of which has been ratified by an Ordinary Resolution;
- less
- (iv) 10% of the number of Shares of that Class which have been acquired or redeemed by the Company during that period (other than Shares held as Treasury Stock).

3.3 Consideration for issue of Shares

3.3.1 Subject to clause 3.3.2, before the Board issues Shares pursuant to clause 3.2.1, it must:

- (a) decide the consideration for which the Shares will be issued and the terms on which they will be issued;
- (b) if the Shares are to be issued other than for cash, determine the reasonable present cash value of the consideration for the issue;
- (c) resolve that, in its opinion, the consideration for the Shares and their terms of issue are fair and reasonable to the Company and to all existing Shareholders; and
- (d) if the Shares are to be issued other than for cash, resolve that, in its opinion, the present cash value of that consideration is not less than the amount by which the Shares would be credited as paid up.

3.3.2 Clauses 3.3.1 and 3.4 do not apply to:

- (a) the issue of Shares that are fully paid up from the reserves of the Company to all Shareholders of the same Class in proportion to the number of Shares held by each such Shareholder; or
- (b) the consolidation or subdivision of Shares.

3.3.3 The consideration for which Shares are issued, or for the payment of Shares already issued, may take any form and may be cash, promissory notes, contracts for future services, real or personal property, or other securities of the Company.

3.4 Directors' certificate on consideration for issue

3.4.1 The Directors who vote in favour of a resolution under clause 3.3.1 must sign a certificate:

- (a) stating the consideration for, and the terms of, the issue;
- (b) describing the consideration in sufficient detail to identify it;

- (c) where a present cash value has been determined in accordance with clause 3.3.1(b), stating that value and the basis for assessing it;
- (d) stating that, in their opinion, the consideration for and terms of issue are fair and reasonable to the Company and to all existing Shareholders; and
- (e) if the Shares are to be issued other than for cash payable on issue, stating that, in their opinion, the present cash value is not less than the amount to be credited as paid up for the issue of the Shares.

3.4.2 A copy of the Directors' certificate given under clause 3.4.1 must be filed with the Registrar within 10 Working Days after it is given.

3.5 **Payment for Shares already issued**

3.5.1 Before Shares that have already been issued are credited as fully or partly paid up other than for cash, the Board must:

- (a) determine the reasonable present cash value of the consideration; and
- (b) resolve that, in its opinion, the present cash value of the consideration is:
 - (i) fair and reasonable to the Company and all existing Shareholders; and
 - (ii) not less than the amount to be credited in respect of the Shares.

3.6 **Directors' certificate on payment for Shares already issued**

3.6.1 The Directors who vote in favour of a resolution under clause 3.5.1 must sign a certificate:

- (a) describing the consideration in sufficient detail to identify it; and
- (b) stating:
 - (i) the present cash value of the consideration and the basis for assessing it;
 - (ii) that the present cash value of the consideration is fair and reasonable to the Company and to all existing Shareholders; and
 - (iii) that the present cash value of the consideration is not less than the amount to be credited in respect of the Shares.

3.6.2 A copy of the Directors' certificate given under clause 3.6.1 must be filed with the Registrar within 10 Working Days after it is given.

3.7 **Deemed payment other than for cash**

3.7.1 For the purposes of clauses 3.3 and 3.5, Shares that are (or are to be) credited as paid up (whether wholly or partly) as part of an arrangement that involves the transfer of property or the provision of services and an exchange of cash or cheques or other negotiable instruments (whether simultaneously or not) must be treated as paid up other than in cash to the value of the property or services.

3.8 Amount owing on issue of Shares

3.8.1 Where money or other consideration is due at a fixed time to the Company on Shares in accordance with their terms of issue, no notice is required to be given to the Shareholder (or other person liable under the terms of issue) before the Company may enforce payment of the amount due.

3.9 Consolidation and subdivision of Shares

3.9.1 Notwithstanding anything contained in clause 3.2 the Board may authorise:

- (a) the consolidation and division of Shares or any Class of Shares in proportion to those Shares or the Shares in that Class; and
- (b) the subdivision of the Shares or any Class of Shares in proportion to those Shares or the Shares in that Class.

3.10 Company paying up partly paid Shares

3.10.1 Subject to the Solvency Test being satisfied after the Distribution is made, and to clause 3.5.1, the Board may authorise the payment (from the assets of the Company) of any amount unpaid on Shares already issued by the Company.

4. PURCHASE OF OWN SHARES; TREASURY STOCK**4.1 Purchase by Company of its Shares**

4.1.1 The Company is expressly permitted to purchase or otherwise acquire Shares, subject to and in accordance with sections 58 to 65, 107, 108 and 110 to 112 of the Act, and the Board may make an offer to acquire Shares to one or more Shareholders pursuant to section 60(1)(b)(ii) of the Act.

4.2 Treasury stock

4.2.1 The Company is expressly permitted to hold Shares in itself for the purposes of section 67A of the Act and the Board may resolve that Shares acquired by the Company shall not be cancelled on their acquisition.

4.2.2 Any Share held by the Company in accordance with clause 4.2.1 may be transferred by the Company as if the transfer of that Share were the issue of that Share.

5. TRANSFER OF SHARES**5.1 Entry in Register**

5.1.1 Subject to clause 5.2, Shares may be transferred by entry of the name of the transferee on the Register.

5.2 Signed transfer

5.2.1 For the purpose of transferring Shares, a form of transfer signed by the present holder of the Shares or the holder's personal representative must be delivered to the Company or to the agent of the Company who maintains the Register.

5.3 Form of transfer

5.3.1 The form of transfer may be in the form set out in the First Schedule to the Securities Transfer Act 1991 or in any usual or common form, or any other form approved by the Board.

- 5.3.2 The form of transfer must be signed by the transferee if registration as holder of the Shares would impose a liability to the Company on the transferee.
- 5.4 **Board's right to refuse or delay registration of transfer**
- 5.4.1 The Board may, within 30 Working Days of the receipt of a form of transfer of Shares, refuse or delay the registration of the transfer if:
- (a) the Company has a lien on those Shares;
 - (b) the holder of the Shares has failed to pay an amount due to the Company in respect of those Shares; or
 - (c) the Board considers that to effect the transfer would result in a breach of the law or non-compliance with the terms of issue of the Shares; or
 - (d) the Board, acting in good faith, decides in its sole discretion that registration of the transfer would not be in the best interests of the Company and/or any of the Shareholders; or
 - (e) the proposed transfer is to an infant or person of unsound mind; or
 - (f) clause 7.3 has not been complied with or the form of transfer has not been properly executed or does not comply with clause 5.3.
- 5.4.2 A resolution of the Board to refuse or delay a transfer of Shares must set out in full the reasons for doing so, and a copy of the resolution must be sent to the transferor and transferee within five Working Days of the date of the resolution being passed.
- 5.5 **Registration of transfer**
- 5.5.1 Subject to clauses 5.2 and 5.3, on receipt of a duly completed form of transfer, the Company must enter the name of the transferee on the Register as holder of the Shares, unless the Board has resolved in accordance with clause 5.4 to refuse or delay the registration of the transfer of the Shares.
- 5.6 **Compulsory acquisition provisions**
- 5.6.1 If a person or a group of Associated Persons holds 90% or more of a Class of Shares of the Company, that person or group of persons (the "Majority Holder") may, give notice (the "Acquisition Notice") to all other holders (the "Remaining Holders") of Shares of that Class ("Affected Shares").
- 5.6.2 The Acquisition Notice shall specify:
- (a) that the Majority Holder holds 90% or more of the Affected Shares;
 - (b) that the Majority Holder intends to acquire all the Affected Shares held by the Remaining Holders; and
 - (c) the consideration to be provided by the Majority Holder for Affected Shares.
- 5.6.3 Upon giving an Acquisition Notice, the Majority Holder shall be entitled and bound to acquire Affected Shares held by the Remaining Holders.
- 5.6.4 The consideration to be provided for Affected Shares which the Majority Holder is entitled and bound to acquire shall be determined as follows:
- (a) the Acquisition Notice shall specify the consideration which the Majority Holder is prepared to provide;

- (b) if, within 10 Working Days after the date of the Acquisition Notice, the Majority Holder receives written objections to the consideration specified in the Acquisition Notice from the holders of 10% or more of the Affected Shares held by the Remaining Holders, then the consideration shall be determined in accordance with sub-paragraphs (c) and (d). If such objections are not received, the consideration shall be as specified in the Acquisition Notice;
- (c) if objections of the nature referred to in sub-paragraph (b) are received by the Majority Holder, the consideration shall be determined by a valuer who shall be a partner in any major independent firm of chartered accountants determined by agreement between the Remaining Holders who made the objection referred to in sub-paragraph (b) and the Majority Holder or, in default of such agreement the matter shall be referred to the President of the Auckland branch of the Institute of Chartered Accountants of New Zealand who shall be asked to nominate a person to act as the valuer. That person shall act as an expert and not as an arbitrator, and shall be directed to provide a decision within 20 Working Days after his or her appointment;
- (d) if the consideration determined by the person appointed in accordance with sub-paragraph (c):
 - (i) is less than, or the same as, the consideration specified in the Acquisition Notice the fee and expenses of that person shall be borne by the Remaining Holders who made the objections referred to in sub-paragraph (b); or
 - (ii) is more than the consideration specified in the Acquisition Notice, the fee and expenses of that person shall be borne by the Majority Holder.

If the fee and expenses of that person is to be borne by the objectors in terms of sub-paragraph (i), the Majority Holder shall deduct that amount from the consideration payable by the Majority Holder to the objectors, in proportion to their holdings (and may, if the consideration is not cash, deduct and sell sufficient of that consideration to produce sufficient cash).

- 5.6.5 Within 10 Working Days after the Majority Holder becomes bound to acquire the Affected Securities of that Remaining Holder, or if consideration is required to be determined pursuant to Clause 5.6.4, within 10 Working Days after consideration is determined, the Majority Holder shall pay or provide the consideration to each Remaining Holder.
- 5.6.6 The consideration payable to Remaining Holders who cannot be found shall be paid to the Company and held in trust by the Company for those holders for at least five years.
- 5.6.7 Upon payment or provision of the consideration, the Company shall execute transfers on behalf of the Remaining Holders, and take all other steps necessary to transfer to the Majority Holder the Affected Shares of the Remaining Holders.

6. SHARE REGISTER

6.1 Maintain Register

- 6.1.1 The Company must maintain a Register which records all Shares issued by the Company and which states:
 - (a) whether, under this Constitution or the terms of issue of any Shares, there are any restrictions or limitations on their transfer; and
 - (b) where any document that contains the restrictions or limitations may be inspected.

6.1.2 The Company may appoint an agent to maintain the Register.

6.2 Contents of Register

6.2.1 The Register must state, with respect to each Class of Shares:

- (a) the names (alphabetically arranged) and the latest known address of each person who is, and each person who has been within the last 10 years, a Shareholder;
- (b) the number of Shares held by each Shareholder within the last 10 years; and
- (c) the date of any:
 - (i) issue of Shares to; or
 - (ii) repurchase or redemption of Shares from; or
 - (iii) transfer of Shares by or to,

each Shareholder within the last 10 years; and in relation to the transfer, the name of the person to or from whom the Shares were transferred.

6.3 Directors' duty to supervise Register

6.3.1 It is the duty of each Director to take reasonable steps to ensure that the Register is properly kept and that the transferees' names are promptly entered on it in accordance with clause 5.5.

6.4 Register prima facie evidence

6.4.1 Subject to section 91 of the Act, the entry of the name of a person in the Register as holder of a Share is prima facie evidence that the legal title to the Share is vested in that person.

6.5 Register evidence of rights

6.5.1 The Company may treat the registered holder of a Share as the only person entitled to:

- (a) exercise the right to vote attaching to the Share;
- (b) receive notices in respect of the Share;
- (c) receive a Distribution in respect of the Share; and
- (d) exercise the other rights and powers attaching to the Share.

6.6 Trust not to be registered or recognised

6.6.1 No notice of a trust, whether express, implied, or constructive, may be entered on the Register.

6.6.2 Except as required by law, no person will be recognised by the Company as holding any Share upon trust or holding any interest in a Share (whether equitable, contingent, future or partial) except the absolute legal right to the entirety of the Share vested in the registered holder.

6.6.3 A personal representative of a deceased holder of Shares is entitled to be entered in the Register as the holder of such Shares as a personal representative.

- 6.6.4 The registration of a trustee, executor or administrator as a personal representative of a deceased Shareholder does not constitute notice of a trust.

7. SHARE CERTIFICATES

7.1 Application for Share certificate

- 7.1.1 A Shareholder may apply to the Company for a certificate relating to some or all of the Shareholder's Shares.

7.2 Issue of Share certificate

- 7.2.1 The Company must, within 20 Working Days after receiving an application for a Share certificate under clause 7.1, send to the Shareholder a certificate stating the name of the Company, and the Class and number of Shares to which the certificate relates.

- 7.2.2 If the application relates to some but not all of the applicant's Shares, the Company must separate the Shares shown in the Register as owned by the applicant into separate parcels; one parcel being the Shares to which the Share certificate relates, and the other parcel being any remaining Shares.

7.3 Transfer to be accompanied by Share certificate

- 7.3.1 Notwithstanding clause 5 and section 84 of the Act, where a Share certificate has been issued, a transfer of the Shares to which it relates must not be registered by the Company unless the form of transfer is accompanied by the Share certificate relating to the Shares (or by evidence as to its loss or destruction and, if required, an indemnity in a form required by the Board).

7.4 Surrendered Share certificate

- 7.4.1 Where Shares to which a Share certificate relates are transferred, and the Share certificate has been sent to the Company to enable registration of the transfer, the Share certificate will be cancelled and no further Share certificate will be issued except at the request of the transferee.

8. TRANSMISSION OF SHARES

- 8.1 In the case of the death of a Shareholder, the survivor (where the deceased was a joint holder) or the legal personal representative of the deceased (where the deceased was the sole holder) will be the only person recognised by the Company as having any title to the deceased's interest in the Shares. Nothing contained in this clause 8.1 will release the estate of a deceased joint holder from any liability in respect of any Share which had been jointly held by the deceased with other persons.

- 8.2 Notwithstanding clause 6.6, the assignee of the property of a bankrupt Shareholder is entitled to be registered as the holder of the Shares held by the bankrupt.

9. CALLS ON SHARES

9.1 Board may make Calls

- 9.1.1 Subject to the terms of issue of any Shares and to clause 9.3, the Board may resolve to require the holders of unpaid or partly paid Shares to pay all or part of the amount unpaid on the Shares. The terms of the resolution will constitute the terms of the obligation to pay the Call (including payment by instalments). The Call may be revoked or postponed at any time by the Board. A Call is deemed to be made on the date the resolution of the Board making the Call was passed.

- 9.1.2 Subject to the terms of issue of any Class of Shares and to clause 9.5, unless all the holders of a Class of Shares subject to a Call unanimously agree, a Call (or the postponement or revocation of a Call) will apply to all the holders of Shares of the Class equally.
- 9.2 Notice of Calls**
- 9.2.1 Notice of the Call must be given to the current registered holders of the Shares which are the subject of the Call. A notice given pursuant to this clause 9.2.1 shall specify the day by which and the place at which the Call must be paid (which must not be less than 10 working days after the date the notice is sent to the Shareholder). The Shareholder shall, on the day and at the place specified in that notice, pay the amount required by the Call to the Company.
- 9.2.2 Failure to give notice to a Shareholder will not invalidate a Call but it will not be payable by that Shareholder until the notice has been served on the Shareholder.
- 9.2.3 Notice of a Call sent by post to a Shareholder to the address recorded in the Register as the address of the Shareholder will be deemed to have been received by the Shareholder the day after it was posted.
- 9.3 Deemed Calls**
- 9.3.1 Notwithstanding anything in this clause 9 and in pursuance of clause 3.8.1, any sum which by the terms of issue of a Share becomes payable on issue or at any fixed time shall, for the purposes of this Constitution, be deemed to be a Call duly made and payable at the time at which, by the terms of issue, the sum becomes payable.
- 9.4 Liability for Calls**
- 9.4.1 The joint holders of Shares are jointly and severally liable to pay all Calls in respect of the Shares.
- 9.4.2 If a Call is not paid before or on the day payment of that Call is due under clause 9.2 or 9.3, the person from whom the sum is due shall pay interest on the sum specified in the Call from the day payment was due at a rate which the Board may determine and all expenses which the Company may incur by reason of non-payment of the Call, unless the Board waives payment of all or part of that interest or those expenses.
- 9.4.3 The liability for a Call which has become due and payable attaches to the current Shareholder and not a prior Shareholder, notwithstanding that at the date of the Call (or the date the Call fell due for payment) another person was the holder of the Shares or that the notice of the Call was served on the then Shareholder and not the current Shareholder.
- 9.4.4 Following the registration in the Register of a change of ownership of Shares in respect of which a Call has been made, a notice of the Call is not required to be served on the new Shareholder.
- 9.5 Agreement to differentiate between Calls**
- 9.5.1 The Board may, on the issue of Shares, by agreement with the Shareholders concerned, differentiate between the holders of the same Class as to the amount to be paid on the Shares and the times for payment.
- 9.6 Payment of Call in advance**
- 9.6.1 A Shareholder may advance any amount unpaid upon any Shares held by that Shareholder to the Company prior to a Call being made in respect of those Shares. Where such an amount is advanced by a Shareholder, the Company may pay interest at a rate agreed between that Shareholder and the Board until such time as that amount becomes payable by that Shareholder. The Board may repay

to a Shareholder who has advanced such amounts to the Company all or part of the amount advanced, and in the event of such a repayment, any interest payable by the Company shall cease to be payable in respect of the amount repaid.

9.7 **Proof of liability**

9.7.1 On the trial or hearing of any action for recovery of any sum due in respect of any Call it shall be conclusive evidence of the debt to prove that:

- (a) the name of the Shareholder was entered in the Share Register as the holder or one of the holders of the Shares in respect of which the Call was made or deemed made;
- (b) the Board resolution in respect of the Call was duly recorded in the minute book of Board proceedings (unless the Call was deemed to have been made pursuant to clause 9.3); and
- (c) notice of the Call was duly given to that Shareholder (unless the Call was deemed to have been made pursuant to clause 9.3).

9.7.2 Without limiting clause 9.7.1, on any trial or hearing of any action for recovery of any sum due in respect of a Call it shall not be necessary to prove the appointment or qualification of the Directors who made such Call nor any other matter whatsoever.

10. **FORFEITURE AND LIEN**

10.1 **Forfeiture**

10.1.1 If a Shareholder fails to pay any Call or instalment of a Call on the due date for payment of it the Board may, while any part of the Call or instalment remains unpaid, serve a notice on him or her requiring payment of so much of the Call or instalment as is unpaid together with any interest, which may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

10.1.2 The notice shall 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 the payment required by the notice is to be made and shall state that in the event of non-payment at or before the time appointed the Shares in respect of which the Call was made will be liable to be forfeited.

10.1.3 If the requirements of the notice are not complied with, any Share in respect of which the notice has been given may, at any time after the notice is given and before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends and any other Distribution in respect of the forfeited Shares and not actually paid before the forfeiture.

10.1.4 When any Share has been forfeited:

- (a) notice of the resolution shall be given to the Shareholder in whose name the Share was registered immediately before the forfeiture;
- (b) an entry of the forfeiture, with the date of the forfeiture, shall be made in the Register; and
- (c) the Share certificate of any Shares forfeited shall be immediately cancelled by the Company and the Shareholder shall return the Share certificate for the forfeited Share to the Company within 10 Working Days of receiving notice of the resolution.

10.1.5 A person whose Shares have been forfeited shall cease to be a Shareholder in respect of the forfeited Shares, but shall, notwithstanding, remain liable to pay to the Company all money which at the date

of the forfeiture was payable by him or her to the Company in respect of the Shares but his or her liability shall cease if and when the Company receives payment in full of all such money in respect of the Shares.

10.1.6 The provisions of this Constitution as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes payable at a fixed time and which is deemed to be a Call pursuant to clause 9.3.1.

10.1.7 Any failure to give the notice, or to make the entry, required under clause 10.1.4 does not invalidate the forfeiture.

10.2 Lien

10.2.1 The Company has a first and paramount lien upon every Share registered in the name of a Shareholder (whether solely or jointly with others) and upon the proceeds of sale of those Shares. This lien is for:

- (a) all money payable (whether presently or not) in respect of Shares held by the Shareholder;
- (b) all other money presently payable by the Shareholder to the Company on any account whatever; and
- (c) any amount the Company may be called upon to pay under any statute or regulation in respect of Shares of a deceased Shareholder or other Shareholder (whether or not the period for the payment, fulfilment or discharge has actually arrived).

10.2.2 The lien extends to all Dividends from time to time declared in respect of the Shares.

10.3 Sale on exercise of lien

10.3.1 Where the Company has a lien on a Share pursuant to clause 10.2, and a sum in respect of which the lien exists is due and payable, the Company may proceed to sell that Share by notice in writing to the current registered holder of the Share (or the person entitled to that Share by reason of the registered holder's death or bankruptcy).

10.3.2 A notice given pursuant to clause 10.3.1 shall:

- (a) state, and demand payment of, the amount due and payable;
- (b) name a day (not being earlier than the expiration of 10 Working Days from the date that notice was sent) on or before which the payment required by the notice is to be made; and
- (c) state that, unless payment is made on or before the time appointed, the Shares in respect of which the notice was given will be liable to be sold by the Company.

10.3.3 If the requirements of any notice given pursuant to clause 10.3.2 are not complied with, the Shareholder holding the Shares in respect of which that notice was given shall be deemed to have given full authority to the Board to sell all the Shares the subject of that notice at such price as the Board may determine to be the fair price. At any time before the Shares are sold the sale may be cancelled on whatever terms the Board decides. If any Shares are sold, the residue, if any, of the proceeds of the sale after payment of all costs and expenses of the sale and all sums owing to the Company in respect of the Shares sold and costs and expenses of any prior attempted sale in respect of the Shares shall be paid to the Shareholder whose Shares have been sold (or to that Shareholder's executors, administrators or assigns).

10.3.4 A Shareholder whose Shares have been sold pursuant to this clause 10.3 shall cease to be a Shareholder in respect of those Shares, but shall remain liable to pay to the Company all money

which, at the time of the sale, was payable by the Shareholder to the Company in respect of those Shares, but that liability shall cease if and when the Company receives payment in full of all the money in respect of those Shares.

- 10.3.5 A certificate signed by a Director stating that the power of sale provided in this clause 10.3 has arisen, and is exercisable by the Company under this Constitution or that a Share has been sold on a date stated in the certificate, will be conclusive evidence of the facts stated in the certificate.
- 10.3.6 For giving effect to any sale enforcing a lien in purported exercise of the powers given in this Constitution, the Board may authorise some person to transfer the Shares sold to the purchaser. The purchaser will be registered as the holder of the Shares comprised in the transfer and will not be bound to see to the application of the purchase money, nor will the purchaser's title to the Shares be affected by an irregularity or invalidity in the proceedings in reference to the sale. The remedy of any person aggrieved by the sale will be in damages only, and against the Company exclusively. If the Share certificate for the Shares is not delivered up to the Company, the Board may issue a new certificate distinguishing it as the Board thinks fit from the Share certificate not delivered up.

11. DISTRIBUTIONS

11.1 Solvency Test

- 11.1.1 Subject to clause 11.2, the Board may, if it is satisfied on reasonable grounds that the Company will satisfy the Solvency Test immediately after the Distribution, authorise a Distribution by the Company to Shareholders of any amount and to any Shareholders as it thinks fit.
- 11.1.2 The Directors who vote in favour of a Distribution must sign a certificate stating that, in their opinion, the Company will satisfy the Solvency Test immediately after the Distribution. The grounds for that opinion must also be stated in that certificate.

11.2 Dividends payable *pari passu*

- 11.2.1 Subject to clause 11.2.2, the Board may not authorise a Dividend:
- (a) in respect of some but not all the Shares in a Class; or
 - (b) that is of a greater value per Share in respect of some Shares of a Class than in respect of other Shares of that Class,

unless the amount of the Dividend in respect of a Share of that Class is in proportion to the amount paid to the Company in satisfaction of the Shareholder's liability under this Constitution or under the terms of issue of the Share.

- 11.2.2 A Shareholder may waive his or her entitlement to receive a Dividend by giving a notice in writing, signed by or on behalf of the Shareholder, to the Company.
- 11.2.3 If all the Shareholders of the same Class concur in writing in respect of each proposed Dividend, the Company may pay a Dividend which is distributed other than in accordance with clause 11.2.1.

11.3 Unclaimed Distributions

- 11.3.1 Any Distribution that has not been claimed after one year from the date of the Distribution may be invested or otherwise made use of by the Board for the benefit of the Company until it is claimed. The Company shall not be regarded as holding any such amount used on trust for the claimant.
- 11.3.2 Any Distribution remaining unclaimed for a period of five years from the date of the Distribution may be forfeited by the Board for the benefit of the Company, provided that the Board may in its discretion

cancel 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.

11.4 **Bonus Shares in lieu of Dividend**

11.4.1 Notwithstanding anything contained in clause 3.2 the Board may issue Shares to any Shareholders who have agreed to accept the issue of Shares, wholly or partly, in lieu of a proposed Dividend or proposed future Dividends if:

- (a) the right to receive Shares, wholly or partly, in lieu of the proposed Dividend or proposed future Dividends, has been offered to all Shareholders of the same Class on the same terms;
- (b) relative voting or distribution rights, or both, would be maintained if all Shareholders elected to receive the Shares in lieu of the proposed Dividend;
- (c) the Shareholders to whom the right is offered are afforded a reasonable opportunity of accepting it;
- (d) the Shares issued to each Shareholder are issued on the same terms and subject to the same rights as the Shares issued to all Shareholders in that Class who agree to receive the Shares; and
- (e) the provisions of section 47 of the Act are complied with by the Board.

11.5 **Discounts to Shareholders**

11.5.1 The Board may, pursuant to a discount scheme, resolve that the Company offer Shareholders discounts in respect of some or all of the goods sold or services provided by the Company.

11.5.2 Subject to clause 11.5.4, the discount scheme must be one where the Board has previously resolved that the proposed discounts:

- (a) are fair and reasonable to the Company and all Shareholders; and
- (b) will be available to all Shareholders or to all Shareholders of the same Class on the same terms.

11.5.3 The discount scheme may not be approved or continued by the Board unless the Board is satisfied on reasonable grounds that the Company will satisfy, or is satisfying, the Solvency Test.

11.5.4 If all Shareholders of the Class of Shares to which a proposed discount scheme would apply, agree in writing, the scheme may be put into effect notwithstanding that it does not comply with clause 11.5.2.

11.6 **Financial assistance on acquisition of Shares**

11.6.1 The Company may, subject to and in accordance with sections 76 to 80, 107 and 108 of the Act, give financial assistance (whether directly or indirectly) to a person for the purpose of, or in connection with, the purchase of Shares issued (or to be issued) by the Company, or by its holding company.

PART III: SHAREHOLDERS' RIGHTS AND OBLIGATIONS**12. SHAREHOLDERS' RIGHTS****12.1 Issue of statement of rights to Shareholder**

12.1.1 The Company must issue to any Shareholder, on request, a statement that sets out:

- (a) the Class of Shares held by the Shareholder, the total number of Shares of that Class issued by the Company, and the number of Shares of that Class held by the Shareholder;
- (b) the rights, privileges, conditions, and limitations, including restrictions on transfer, attaching to the Shares held by the Shareholder; and
- (c) the relationship of the Shares held by the Shareholder to other Classes of Shares.

12.1.2 The Company is not obliged to provide a Shareholder with a statement under clause 12.1.1, if:

- (a) a statement that complies with clauses 12.1.1(a) to 12.1.1(c) has been provided within the previous six months; and
- (b) the Shareholder has not acquired or disposed of Shares since the previous statement was provided; and
- (c) the rights attached to the Shares have not been altered since the previous statement was provided; and
- (d) there are special circumstances that make it reasonable for the Company to refuse the request.

12.1.3 A statement issued pursuant to clause 12.1.1 must state in a prominent place that it is not evidence of title to the Shares or of the matters set out in it.

12.2 Alteration of Shareholders' rights

12.2.1 The Company must not take action that affects the rights attached to Shares unless that action has been approved by a Special Resolution of each Interest Group.

12.2.2 For the purposes of clause 12.2.1 the rights attached to a Share include:

- (a) the rights, privileges, limitations, and conditions attached to the Share by the Act or this Constitution, including voting rights and rights to Distributions;
- (b) the pre-emptive rights to acquire Shares in accordance with clause 3.2.3;
- (c) the right to have the procedure set out in this clause, and any further procedure required by this Constitution for the amendment or alteration of rights, observed by the Company; and
- (d) the right that a procedure required by this Constitution for the amendment or alteration of rights not be amended or altered.

12.2.3 Where:

- (a) an Interest Group has, under clause 12.2.1, approved, by Special Resolution, the taking of action that affects the rights attached to Shares; and

- (b) the Company becomes entitled to take the action; and
- (c) a Shareholder who was a member of the Interest Group cast all the votes attached to the Shares registered in the Shareholder's name and having the same beneficial owner against approving the action; or
- (d) where the resolution approving the taking of the action was passed under clause 14.3, a Shareholder who was a member of the Interest Group did not sign the resolution,

that Shareholder is entitled to require the Company to purchase those Shares in accordance with section 111 of the Act.

12.2.4 The taking of action by the Company affecting the rights attached to Shares is not invalid by reason only that the action was not approved in accordance with this clause 12.2.

12.3 Shareholders entitled to exercise certain rights

12.3.1 The Shareholders who are:

- (a) entitled to receive Distributions; or
- (b) entitled to exercise the pre-emptive rights to acquire Shares in accordance with clause 3.2.3; or
- (c) entitled to exercise any other right or receive any other benefit under the Act, this Constitution or pursuant to the terms of issue of Shares,

are those Shareholders of the relevant Class:

- (a) if the Board has fixed a date for the purpose, whose names are registered in the Register on that date; or
- (b) if the Board does not fix a date for the purpose, whose names are registered in the Register on the day on which the Board or the Shareholders, as the case may be, pass the resolution concerned.

12.3.2 A date must not be fixed under clause 12.3.1 that precedes by more than 20 Working Days the date on which the proposed action will be taken.

13. EXERCISE OF POWERS RESERVED TO SHAREHOLDERS

13.1 Powers reserved to Shareholders

13.1.1 Powers reserved to Shareholders by the Act or by this Constitution may be exercised:

- (a) at an Annual Meeting or a Special Meeting; or
- (b) by a resolution in lieu of a meeting pursuant to clause 14.3.

13.1.2 Unless otherwise specified in the Act or this Constitution, a power reserved to Shareholders may be exercised by an Ordinary Resolution.

13.2 Special Resolutions

13.2.1 When Shareholders exercise a power to approve any of the following, that power may only be exercised by a Special Resolution:

- (a) an alteration to or revocation of this Constitution or the adoption of a new Constitution;
- (b) a Major Transaction;
- (c) an Amalgamation;
- (d) the liquidation of the Company.

Any decision made by Special Resolution pursuant to this clause may be rescinded only by a Special Resolution, provided that a resolution to put the Company into liquidation cannot be rescinded.

13.3 Management review by Shareholders

13.3.1 A Shareholder may question, discuss, and comment on the management of the Company at a meeting of Shareholders.

13.3.2 A meeting of Shareholders may pass a resolution relating to the management of the Company, which shall not be binding on the Board.

13.4 Dissenting Shareholder may require Company to purchase Shares

13.4.1 Where:

- (a) a Shareholder is entitled to vote on the exercise of one or more of the powers set out in:
 - (i) clause 13.2.1(a) and the proposed alteration imposes or removes a restriction on the activities of the Company; or
 - (ii) clause 13.2.1(b) or 13.2.1(c); and
- (b) the Shareholders resolved, pursuant to clause 13.2, to exercise the power; and
- (c) the Shareholder casts all the votes attached to Shares registered in the Shareholder's name and having the same beneficial owner against the exercise of the power; or
- (d) where the resolution to exercise the power was passed under clause 14.3, the Shareholder did not sign the resolution,

that Shareholder is entitled to require the Company to purchase those Shares in accordance with section 111 of the Act.

13.5 Shareholder proposals

13.5.1 A Shareholder may give written notice to the Board of a matter the Shareholder proposes to raise for discussion or resolution at the next meeting of Shareholders at which the Shareholder is entitled to vote. The provisions of clause 9 of the first schedule to the Act shall apply in respect of any notice given pursuant to this clause 13.5.1.

14. MEETINGS OF SHAREHOLDERS

14.1 Annual Meeting

14.1.1 The Board must, in accordance with section 120 of the Act, call an Annual Meeting of Shareholders to be held:

- (a) once in each calendar year (other than in the year of the Company's incorporation);
- (b) not later than six months after the Balance Date of the Company; and
- (c) not later than 15 months after the previous Annual Meeting, or in respect of the first Annual Meeting not later than 18 months after the date of the Company's incorporation.

14.1.2 The Company must hold the Annual Meeting on the date on which it is called to be held.

14.1.3 It shall not be necessary for the Company to hold an Annual Meeting if everything required to be done at that meeting (by resolution or otherwise) is done by resolution in accordance with sections 122(2) and 122(3) of the Act.

14.2 Special Meetings

14.2.1 A Special Meeting:

- (a) may be called at any time by the Board; and
- (b) must be called by the Board on the written request of Shareholders holding not less than 5% of the votes entitled to be cast on the issue.

14.3 Resolution in lieu of meeting

14.3.1 Subject to clause 14.3.3 and to sections 122(2) and 122(3) of the Act, a resolution in writing signed by not less than 75% of the Shareholders who would be entitled to vote on that resolution at a meeting of Shareholders, who together hold not less than 75% of the votes entitled to be cast on that resolution, is as valid as if it had been passed at a meeting of those Shareholders. A resolution may be signed under this clause 14.3.1 without any prior notice being given to shareholders.

14.3.2 For the purposes of clause 14.3.1, any such resolution may consist of one or more documents in similar form (including letter, telegrams, cables, facsimiles, telex messages, electronic mail, or other similar means of communication) each signed or assented to by or on behalf of one or more of the Shareholders entitled to vote on the resolution.

14.3.3 A resolution pursuant to section 196(2) of the Act to not appoint an auditor may be passed as provided in clause 14.3.1, provided that the resolution must be signed by all the Shareholders entitled to vote on the resolution.

14.3.4 Within five Working Days of a resolution being passed under this clause, the Company must send a copy of the resolution to every Shareholder who did not sign the resolution or on whose behalf the resolution was not signed.

14.4 Chairperson of meetings of Shareholders

14.4.1 If the Directors have elected a Chairperson, and that Chairperson is present at a meeting of Shareholders, he or she must chair the meeting.

14.4.2 If no Chairperson has been elected or if, at any meeting of Shareholders, the Chairperson is not present within 15 minutes of the time appointed for the commencement of the meeting, the Shareholders present may choose one of their number to chair the meeting.

14.5 Shareholders entitled to notice of meeting

14.5.1 The Shareholders entitled to receive notice of a meeting of Shareholders are those Shareholders of the relevant Class:

- (a) if the Board has fixed a date for the purpose of establishing an entitlement to receive notice of the meeting, whose names are registered in the Register on that date; or
- (b) if the Board does not fix a date for the purpose of establishing an entitlement to receive notice of the meeting, whose names are registered in the Register at the close of business on the day immediately preceding the day on which the notice is given.

14.5.2 A date fixed by the Board under clause 14.5.1(a) must not precede by more than 30 Working Days nor less than 10 Working Days the date on which the meeting is to be held.

14.6 Notice of meeting

14.6.1 Written notice of the time and place of a meeting of Shareholders must be sent to every Shareholder entitled to receive notice of the meeting, and to every Director and the auditor of the Company, not less than 10 Working Days before the meeting.

14.7 Contents of notice

14.7.1 The notice referred to in clause 14.6 must state:

- (a) the nature of the business to be transacted at the meeting in sufficient detail to enable a Shareholder to form a reasoned judgment in relation to it;
- (b) the text of any special resolution to be submitted to the meeting;

and if the Board determines under clause 15.4.1 that Shareholders may cast votes by post in respect of such business,

- (c) the postal address to which postal votes may be sent and the name or office of the person to whom they may be sent; and
- (d) that the postal vote must be received by the person referred to in paragraph (c) at least 48 hours prior to the start of the meeting.

14.8 Irregularities in notice

14.8.1 An irregularity in a notice of a meeting is waived if all the Shareholders entitled to attend and vote at the meeting attend the meeting without protest as to the irregularity, or if all such Shareholders agree to the waiver.

14.8.2 The accidental omission to give notice of a meeting to, or a failure to receive notice of a meeting by, a Shareholder does not invalidate the proceedings at that meeting.

14.9 Method of holding meeting

14.9.1 A meeting of Shareholders may be held either:

- (a) by a number of Shareholders, who constitute a quorum, being assembled together at the place, date and time appointed for the meeting; or
- (b) by means of audio, or audio and visual, communication by which all Shareholders participating and constituting a quorum, can simultaneously hear each other throughout the meeting.

14.10 **Adjournments**

- 14.10.1 The Chairperson of a Meeting of Shareholders may, in his sole discretion, or at the request of those Shareholders present in person or by proxy who are between them able to exercise a majority of the votes available at the meeting, adjourn the meeting.
- 14.10.2 No business shall be transacted of any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- 14.10.3 If a meeting of Shareholders is adjourned for less than 30 days, it is not necessary to give notice of the time and place of the adjourned meeting other than by announcement at the meeting which is adjourned. In any other case, notice of the adjourned meeting shall be given in accordance with clauses 14.6 and 14.7.

14.11 **Minutes**

- 14.11.1 The Board must ensure that full and accurate minutes are kept of all proceedings at meetings of Shareholders.
- 14.11.2 Minutes which have been signed as correct by the chairperson of the meeting are prima facie evidence of the proceedings.

15. **VOTING AT MEETINGS**

15.1 **Quorum**

- 15.1.1 A quorum for a meeting of Shareholders is present if five Shareholders having the right to vote at the meeting are present in person or by proxy or (being a corporation) by representative or (if permitted pursuant to clause 15.4.1) have cast postal votes.
- 15.1.2 Subject to clause 15.1.3, no business may be transacted at a meeting of Shareholders if a quorum is not present.
- 15.1.3 If a quorum is not present within 30 minutes after the time appointed for the meeting:
 - (a) in the case of a meeting called pursuant to a requisition of Shareholders under clause 14.2.1(b), the meeting is dissolved;
 - (b) in the case of any other meeting, the meeting is adjourned to the same day in the following week at the same time and place, or to such other date, time and place as the Directors may appoint, and if at the adjourned meeting, a quorum is not present within 30 minutes after the time appointed for the meeting, the Shareholders present or their proxies are a quorum.

15.2 **Voting**

- 15.2.1 In the case of a meeting of Shareholders held under clause 14.9.1(a), unless a poll is demanded, voting at the meeting shall be by whichever of the following methods is determined by the chairperson of the meeting:

- (a) voting by voice; or
 - (b) voting by show of hands.
- 15.2.2 In the case of a meeting of Shareholders held under clause 14.9.1(b), unless a poll is demanded, voting at the meeting shall be by the Shareholders signifying individually their assent or dissent by voice.
- 15.2.3 A declaration by the chairperson of the meeting that a resolution is carried by the requisite majority is conclusive evidence of that fact, unless a poll is demanded in accordance with clause 15.2.4.
- 15.2.4 At a meeting of Shareholders, a poll may be demanded by:
- (a) not less than five Shareholders having the right to vote at the meeting; or
 - (b) a Shareholder or Shareholders representing not less than 10% of the total voting rights of all Shareholders having the right to vote at the meeting; or
 - (c) a Shareholder or Shareholders holding Shares that confer a right to vote at the meeting and on which the aggregate amount paid up is not less than 10% of the total amount paid up on all Shares that confer that right.
- 15.2.5 A poll may be demanded either before or after the vote is taken on a resolution.
- 15.2.6 If a poll is taken, votes must be counted according to the votes attached to the Shares of each Shareholder present (in person or by proxy) and voting.
- 15.2.7 The chairperson of a Shareholders' meeting is not entitled to a casting vote.
- 15.2.8 For the purposes of this clause, the instrument appointing a proxy to vote at a meeting confers authority to demand or join in demanding a poll and a demand by a person as proxy for a Shareholder has the same effect as a demand by the Shareholder.
- 15.3 Proxies and representatives**
- 15.3.1 A Shareholder may exercise the right to vote either by being present or by proxy. A proxy form shall be sent with each notice calling a meeting of Shareholders.
- 15.3.2 A proxy for a Shareholder is entitled to attend, be heard, and vote at a meeting of Shareholders as if the proxy were the Shareholder.
- 15.3.3 A proxy must be appointed by notice in writing signed by the Shareholder, and the notice must state whether the appointment is for a particular meeting or a specified term not exceeding 12 months. A notice of appointment of a proxy may be in the form set out in Schedule 1 or such form as the Board may direct.
- 15.3.4 No proxy is effective in relation to a meeting unless a copy of the notice of appointment is received at the registered office of the Company or such other address as may be specified for that purpose in the notice convening the meeting not less than 48 hours before the start of the meeting.
- 15.3.5 A body corporate which is a Shareholder may appoint a representative to attend a meeting of Shareholders on its behalf in the same manner as that in which it could appoint a proxy.

15.4 Postal votes

- 15.4.1 The Board may determine whether Shareholders may exercise the right to vote at a meeting of Shareholders by casting a postal vote pursuant to and in accordance with the provisions of clause 7 of the first schedule to the Act.

15.5 Votes of joint holders

- 15.5.1 Where two or more persons are recorded in the Register as the holder of a Share, the vote of the person named first in the Register and voting on a resolution will be accepted to the exclusion of the votes of the other joint holders.

15.6 Unpaid sums

- 15.6.1 If a sum due to the Company in respect of a Share has not been paid, that Share may not be voted at a Shareholders' meeting other than at a meeting of an Interest Group.

15.7 Meetings of Interest Groups

- 15.7.1 The provisions of clauses 14 and 15 shall, with such consequential amendments as may be necessary, govern the proceedings of any meeting of an Interest Group required by this Constitution or the Act, provided that the quorum for such a meeting will be the Shareholders comprising the Interest Group (present in person or by proxy or by representative) who hold at least 10 percent of the votes able to be cast at that meeting.

15.8 Other proceedings

- 15.8.1 Except as provided in this Constitution the Shareholders may regulate their own procedure.

PART IV: THE BOARD**16. APPOINTMENT AND REMOVAL****16.1 Number of Directors**

- 16.1.1 The number of Directors (other than Alternate Directors) shall be determined by the Board from time to time, but shall not in any event be more than five.

16.2 Directors - Appointment

- 16.2.1 The Directors in office on the date this Constitution comes into force shall continue to hold office under the provisions contained in this Constitution.

- 16.2.2 There shall be no shareholding qualification for a Director.

- 16.2.3 The Directors shall have power at any time, to appoint any other qualified person as a Director, either to fill a casual vacancy or as an addition to the Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed pursuant to clause 16.1. Any Director so appointed shall retire at the next annual meeting of the Company but shall be eligible for re-election at that meeting.

16.3 Rotation of Directors

- 16.3.1 Subject to Clauses 16.3.3 and 16.3.4 at the annual meeting in each year one third of the Directors for the time being, or if their number is not a multiple of three, then the number nearest one third shall retire from office.
- 16.3.2 The Directors to retire in each year shall be those who have been longest in office. As between two or more who have been in office an equal length of time the Director or Directors to retire shall in default of agreement between them be determined by lot. The length of time a Director has been in office shall be computed from that person's last election where such person has previously retired or vacated office. A retiring Director shall be eligible for re-election and shall act as a Director throughout the meeting at which such person retires.
- 16.3.3 The following Directors shall be exempt from the obligation to retire pursuant to Clause 16.3.1:
- (a) Directors appointed by the Board, who are subject to re-election pursuant to Clause 16.2.3; and
 - (b) the Managing Director for the time being or, if there is no Managing Director in office, one executive Director.
- 16.3.4 The Managing Director or executive Director (as the case may be) referred to in Clause 16.3.3(b) shall be included in the number of Directors upon which the calculation in Clause 16.3.1 is based. The Directors referred to in Clause 16.3.3(a) shall be excluded from that number.
- 16.3.5 Subject to Clause 16.4.1, the Company at any meeting at which any Directors retire in the manner aforesaid may fill the vacated offices by electing a like number of persons to be Directors, and in default, a retiring Director, if offering himself or herself for re-election, shall be deemed to have been re-elected unless at that meeting it is expressly resolved not to fill the vacated office, or unless a resolution for the re-election of that Director is put to the meeting and lost.

16.4 Nominations and voting

- 16.4.1 No person (other than a Director retiring at the meeting) shall be elected as a Director at a meeting of Shareholders of the Company unless that person has been nominated by a Shareholder entitled to attend and vote at the meeting by written notice accompanied by the consent in writing of that person to the nomination. Other than in the case of a nomination of a person who is recommended by the Directors, the opening date for nominations shall be 3 months, and the closing date for nominations shall be 2 months, before the date of the meeting at which the election is to take place. In the case of a nomination of a person who is recommended by the Directors, there shall be no opening date and the closing date shall be the day before the notice of the meeting is given in accordance with the next sentence of this Clause. Notice of every nomination received by the Company before the closing date for nominations shall be given by the Company to all persons entitled to attend the meeting together with, or as part of, the notice of the meeting.
- 16.4.2 No resolution to appoint or elect a Director (including a resolution to re-elect any Director appointed under Clause 16.2.3) shall be put to Shareholders unless:
- (a) the resolution is for the appointment of one Director; or
 - (b) the resolution is a single resolution for the appointment of two or more Directors, and a separate resolution that it be so voted on has first been passed without a vote being cast against it.

Nothing in this Clause 16.4.2 shall prevent the election of two or more Directors by ballot or poll including where the number of candidates for the office of Director exceeds the vacancies available

and the ballot or poll will result in the election of those candidates, equal to the number of vacancies to be filled, who receive the highest number of votes.

- 16.4.3 The appointment of a Director shall not take effect until the consent so to act in writing of the person appointed is received by the Company.

16.5 Removal and Disqualification of Directors

- 16.5.1 The Company may by Ordinary Resolution of which special notice has been given in accordance with the Act remove any Director before the expiration of that Director's period of office, and may by an Ordinary Resolution appoint another person to replace that Director. The person so appointed shall be subject to retirement at the same time as if such person had become a Director on the date on which the Director in whose place such person is appointed was last elected a Director.

- 16.5.2 The office of a Director shall be vacated, if the Director:

- (a) becomes disqualified from being a Director by reason of section 151(2); or
- (b) becomes mentally disordered, or of unsound mind, or becomes a protected person under the Protection of Personal and Property Rights Act 1988; or
- (c) resigns that person's office by notice in writing to the Company; or
- (d) is removed from office by a resolution passed under the provisions of Clause 16.5.1 or section 156.

- 16.5.3 The Directors may act notwithstanding any vacancy in their body, but if and for so long as their number is reduced below the number fixed by Clause 16.1.1 as the minimum number of Directors, the continuing Directors may act for the purpose of increasing the number of Directors to that number or of summoning a meeting of the Company, but for no other purpose.

16.6 Alternate Directors

- 16.6.1 Every Director may, by notice given in writing to the Company, appoint any person (including any other Director) to act as an Alternate Director in the Director's place, either generally, or in respect of a specified meeting or meetings during the Director's absence from a meeting provided that person has consented to act as a Director and has certified that he or she is not disqualified from holding office as a director of a company and provided that the Board has approved the identity of the proposed alternate director.

- 16.6.2 At the Director's discretion, by notice in writing to the Company, the appointing Director may remove the Director's Alternate Director.

- 16.6.3 An Alternate Director may, while acting in the place of the appointing Director, represent, exercise and discharge all the powers, rights, duties and privileges (but not including the right of acting as Chairperson) of the appointing Director. The Alternate Director is subject in all respects to the same terms and provisions as the appointing Director, but excluding the right to remuneration (subject to clause 16.6.9) and the power to appoint an Alternate Director under this Constitution.

- 16.6.4 For the purpose of establishing a quorum of the Board, an Alternate Director is deemed to be the Director appointing him or her, and if the Alternate Director is a Director he or she can count separately in both capacities.

- 16.6.5 An Alternate Director does not have a right to attend, speak or vote at a meeting of the Board while his or her appointing Director is present.

- 16.6.6 An Alternate Director's appointment lapses upon his or her appointing Director ceasing to be a Director. An Alternate Director shall cease to be an Alternate Director upon the happening of any event which, if he or she were a Director, would cause him or her to vacate such office.
- 16.6.7 The notice of appointment of an Alternate Director must include an address for service of notice of meetings of the Board. Failure to give an address will not invalidate the appointment, but notice of meetings of the Board need not be given to the Alternate Director until an address is provided to the Company.
- 16.6.8 An Alternate Director shall not be the agent of his or her appointer, and shall exercise his or her duties as a Director independently of his or her appointor.
- 16.6.9 An Alternate Director may be repaid reasonable expenses, and shall be entitled to be indemnified by the Company to the same extent as if the Alternate Director were a Director but shall not be entitled to receive remuneration or other benefits from the Company (except such proportion of the remuneration payable to his appointor as his appointor may specify by notice in writing to the Company).
- 16.7 **Appointment by notice**
- 16.7.1 Notwithstanding anything contained in clauses 16.3, 16.4 and 16.5, Villa Maria Estate Limited shall for so long as it holds at least 10% of the Ordinary Shares on issue, be entitled by notice in writing to appoint one Director and to remove any such Director. For the purposes of this clause 16.7.1, sections 155 and 156 are expressly negated.
- 16.7.2 A notice given under clause 16.7.1 takes effect upon receipt of it at the registered office of the Company (including receipt of a facsimile copy) unless the notice specifies a later time at which the notice will take effect.
- 16.7.3 A Director appointed pursuant to clause 16.7.1 shall cease to be a Director if:
- (a) Villa Maria Estate Limited ceases to hold at least 10% of the Ordinary Shares on issue; or
 - (b) becomes disqualified from being a Director by reason of section 151(2);
 - (c) resigns that person's office by notice in writing to the Company.
- 16.7.4 If Villa Maria Estate Limited exercises its right under clause 16.7.1 to appoint a Director then for so long as such Director holds office as a director of the Company pursuant to clause 16.7.1, Villa Maria Estate Limited shall not be entitled to vote on the appointment of any other Director.

17. INDEMNITY AND INSURANCE

17.1 Indemnity of Directors and employees

- 17.1.1 The Board may cause the Company to indemnify a Director or employee of the Company or a related company for costs incurred by him or her in any proceeding:
- (a) that relates to liability for any act or omission in his or her capacity as a Director or employee; and
 - (b) in which judgment is given in his or her favour or in which he or she is acquitted, or which is discontinued.
- 17.1.2 The Board may cause the Company to indemnify a Director or an employee of the Company or a related company in respect of:

- (a) liability to any person other than the Company or a related company for any act or omission in his or her capacity as a Director or employee; or
- (b) costs incurred by the Director or employee in defending or settling any claim or proceeding relating to any liability under paragraph (a) above;

not being:

- (c) criminal liability; or
- (d) liability for the breach of section 131 of the Act; or
- (e) liability for breach of any fiduciary duty owed to the Company or related company.

17.2 Insurance of Directors and employees

17.2.1 The Board may, subject to section 162 of the Act, cause the Company to effect insurance for Directors and employees of the Company or a related company in respect of:

- (a) liability, not being criminal liability, for any act or omission in his or her capacity as a Director or employee; or
- (b) costs incurred by such Directors or employees in defending or settling any claim or proceeding relating to any such liability; or
- (c) costs incurred by a Director or employee in defending any criminal proceedings in which he or she is acquitted.

17.2.2 The Directors who vote in favour of authorising the effecting of insurance under clause 17.2.1 must sign a certificate stating that, in their opinion, the cost of effecting the insurance is fair to the Company.

17.2.3 The Board must ensure that particulars of any indemnity given to, or insurance effected for, any Director or employee of the Company or related company are forthwith entered in the Interests Register.

17.3 Definitions

17.3.1 For the purpose of this clause 17. "Director" includes a former Director and "employee" includes a former employee.

18. POWERS AND DUTIES OF THE BOARD

18.1 Powers of the Board

18.1.1 Subject to clause 18.1.2 and any restrictions in the Act or this Constitution, the business and affairs of the Company must be managed by or under the direction or supervision of the Board.

18.1.2 The Board has, and may exercise, all the powers necessary for managing, directing and supervising the management of the business and affairs of the Company except to the extent that this Constitution or the Act expressly requires those powers to be exercised by the Shareholders or any other person.

18.2 Delegation by Board

- 18.2.1 The Board may delegate to a committee of Directors, a Director, an employee of the Company, or any other person any one or more of its powers, other than the powers referred to in the Second Schedule to the Act.
- 18.2.2 The Board is responsible for the exercise of a power by any delegate (where that power is delegated under this clause 18.2) as if the power had been exercised by the Board, unless the Board:
- (a) believed on reasonable grounds at all times before the exercise of the power that the delegate would exercise the power in conformity with the duties imposed on the Directors by the Act and this Constitution; and
 - (b) has monitored, by means of reasonable methods properly used, the exercise of the power by the delegate.
- 18.2.3 Any committee formed pursuant to clause 18.2.1 shall exercise its powers in accordance with any regulation that may be imposed on it by the Board.
- 18.2.4 The provisions contained in this Constitution relating to the meetings and proceedings and quorum of the Board shall, so far as not altered by any regulations made by the Board in relation to the committee or committees of the Board generally, apply also to the meetings and proceedings of any committee. Every committee of the Board shall ensure that minutes are kept of all proceedings of meetings of that committee.

18.3 Directors to act in good faith

- 18.3.1 Subject to this clause 18.3, a Director, when exercising powers or performing duties, must act in good faith and in what the Director believes to be the best interests of the Company.
- 18.3.2 Nothing in this clause 18.3 limits the power of a Director to make provision for the benefit of employees of the Company in connection with the Company ceasing to carry on the whole or part of its business.

18.4 Major Transactions

- 18.4.1 The Board may not procure or permit the Company to enter into a Major Transaction unless the transaction is:
- (a) approved by a Special Resolution; or
 - (b) made contingent on approval by a Special Resolution.

19. PROCEEDINGS OF THE BOARD**19.1 Third Schedule**

- 19.1.1 The provisions of the third schedule to the Act are deleted and replaced as provided in this clause 19.

19.2 Chairperson

- 19.2.1 The Directors may elect one of their number as Chairperson of the Board.
- 19.2.2 The Director elected as Chairperson holds that office until he or she ceases to be a Director or the Directors elect a Chairperson in his or her place.

19.2.3 If no Chairperson is elected, or if at a meeting of the Board the Chairperson is not present within five minutes after the time appointed for the commencement of the meeting, the Directors present may choose one of their number to be chairperson of the meeting.

19.3 Notice of meeting

19.3.1 A Director or, if requested by a Director to do so, an employee of the Company, may convene a meeting of the Board by giving notice in accordance with this clause 19.3.

19.3.2 Not less than 10 Working Days' notice of a meeting of the Board must be given to every Director who is in New Zealand. The notice must include the date, time and place of the meeting and the matters to be discussed.

19.3.3 The requirement to give notice of a meeting or 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.

19.3.4 Notice of a meeting may be given by any means, including by telephone. Notice given by a letter addressed to a Director at his or her last known residential address will be deemed to have been given on the day following the day the letter is posted.

19.3.5 It is not necessary to give notice of a meeting of the Board to any Director for the time being absent from New Zealand but if a Director is resident outside New Zealand, or to the knowledge of the Company is temporarily absent from New Zealand, and the Director has appointed an Alternate Director under the provisions of this Constitution, notice must (subject to clause 16.6.7) be given to the Alternate Director.

19.4 Method of holding meetings

19.4.1 A meeting of the Board may be held either:

- (a) by a number of Directors sufficient to form a quorum, being assembled together at the place, date, and time appointed for the meeting; or
- (b) by means of audio, or audio and visual communication, by which all the Directors participating in the meeting and constituting a quorum, can simultaneously hear each other throughout the meeting.

19.4.2 Where a meeting of the Board is held pursuant to clause 19.4.1(b), at the commencement of the meeting each Director must acknowledge his or her presence to all the other Directors taking part. A Director may not leave the meeting by disconnecting his or her means of communication unless he or she has previously obtained the express consent of the Chairperson and a Director shall be conclusively presumed to have been present and to have formed part of the quorum at all times during the meeting by telephone or other means of communication unless he or she had previously obtained the express consent of the Chairperson to leave the meeting.

19.5 Quorum

19.5.1 The quorum necessary for the transaction of business of the Board may be fixed by the Board and, unless so fixed, shall be four.

19.5.2 No business may be transacted at a meeting of Directors if a quorum is not present.

19.5.3 In accordance with clause 16.6, an Alternate Director present at a meeting may be included for the purpose of establishing a quorum.

19.6 Voting

19.6.1 Every Director has one vote.

19.6.2 The Chairperson does not have a casting vote.

19.6.3 A resolution of the Board is passed if it is agreed to by all Directors present without dissent, or if a majority of the votes cast are in favour of it.

19.6.4 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 dissents from (or votes against) the resolution at the meeting.

19.6.5 A Director may vote in respect of any transaction in which the Director is interested and if the Director does so the Director's vote will be counted and the Director will be counted in the quorum present at the meeting.

19.6.6 An Alternate Director may attend and vote at meetings of the Board in accordance with and subject to clause 16.6 if the Director that has appointed the Alternate Director is absent from the meeting.

19.7 Minutes

19.7.1 The Board must ensure that full and accurate minutes are kept of all proceedings at meetings of the Board.

19.7.2 Minutes of proceedings at meetings of the Board which have been signed correct by the Chairperson are prima facie evidence of the proceedings.

19.8 Unanimous resolution

19.8.1 A resolution in writing, signed or assented to by all Directors then entitled to receive notice of a Board meeting, is as valid and effective as if it had been passed at a meeting of the Board duly convened and held.

19.8.2 Any such resolution may consist of several documents (including facsimile or other similar means of communication) in like form each signed or assented to by one or more Directors.

19.8.3 A copy of any such resolution must be entered in the minute book of Board proceedings.

19.9 Other proceedings

19.9.1 Except as provided in this clause 19 the Board may regulate its own procedure.

19.10 Continuing Directors

19.10.1 The continuing Directors will continue to comprise the Board notwithstanding any vacancy in the number of Directors. If their number is reduced below the number fixed by or pursuant to this Constitution as the *minimum number of Directors*, the continuing Directors will comprise the Board only for the purpose of summoning a Special Meeting.

20. INTERESTED DIRECTORS**20.1 Authority to remunerate Directors**

20.1.1 The Board may with the approval of Shareholders by Ordinary Resolution authorise:

- (a) the payment of remuneration (or the provision of other benefits) by the Company to a Director for his or her services as a Director (or in any other capacity), or by way of compensation for loss of office;
- (b) the making of loans by the Company to a Director;
- (c) the giving of guarantees by the Company for debts incurred by a Director; and
- (d) the entering into of a contract to do any of the things set out in sub clauses (a) to (c) (inclusive) of this clause 20.1.1,

if the Board is satisfied that to do so is fair to the Company.

20.1.2 The payment of remuneration (or the giving of any other benefit) to a Director in accordance with a contract authorised pursuant to clause 20.1.1 need not be separately authorised by the Board.

20.1.3 The Board must ensure that forthwith after authorising any payment, loan, guarantee, or contract under clause 20.1.1, particulars are entered in the Interests Register.

20.1.4 The Directors who vote in favour of authorising a payment, loan, guarantee or contract under clause 20.1.1 must sign a certificate stating that, in their opinion, the making of the payment or loan or the giving of the guarantee, or the entering into of the contract is fair to the Company. Grounds for that opinion must also be stated in the certificate.

20.2 Other offices with Company held by Director

20.2.1 Any Director may act by himself or herself, or by the Director's firm in a professional capacity for the Company; and the Director or the Director's firm will be entitled to remuneration for professional services as if the Director were not a Director. Nothing in this clause authorises a Director or the Director's firm to act as auditor for the Company.

20.2.2 A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with the Director's office of Director, for such period and on such terms (as to remuneration and otherwise) as the Board may determine.

20.2.3 Other than as provided in clause 20.3, a Director is not disqualified by virtue of his or her office from entering into any transaction with the Company. Any such transaction will be valid and enforceable to the same extent as if he or she were not a Director and not in a fiduciary relationship with the Company. No such Director shall be liable to account to the Company for any profit realised by the transaction by reason of the Director holding that office or of the fiduciary relationship thereby established.

20.3 Notice of Interest to be given

20.3.1 A Director must, forthwith after becoming aware of the fact that he or she is interested in a transaction or proposed transaction with the Company, cause to be entered in the Interests Register, and, if the Company has more than one Director, disclose to the Board of the Company:

- (a) if the monetary value of the Director's interest is able to be quantified, the nature and monetary value of that interest; or

- (b) if the monetary value of the Director's interest cannot be quantified, the nature and extent of that interest.
- 20.3.2 A Director is not required to comply with clause 20.3.1 if:
- (a) the transaction or proposed transaction is between the Director and the Company; and
 - (b) the transaction or proposed transaction is or is to be entered into in the ordinary course of the Company's business and on usual terms and conditions.
- 20.3.3 For the purposes of clause 20.3.1, a general notice entered in the Interests Register or disclosed to the Board to the effect that a Director is a shareholder, director, officer or trustee of another named company or other person and is to be regarded as interested in any transaction which may, after the date of the entry or disclosure, be entered into with that company or person, is a sufficient disclosure of interest in relation to that transaction.

21. MANAGING DIRECTORS

21.1 Appointment and dismissal

- 21.1.1 The Board may from time to time appoint one or more of their number to the office of Managing Director or Managing Directors of the Company, either for a fixed term or an indefinite term.
- 21.1.2 Every Managing Director is liable to be dismissed or removed by a resolution of the Board. The Board may enter into any agreement on behalf of the Company with any person who is or is about to become a Managing Director with regard to the length and conditions of the Managing Director's employment. The remedy of any such person for any breach of the agreement will be in damages only and the Managing Director will not have a right or claim to continue in office as Managing Director contrary to the will of the Board.

21.2 Termination of employment

- 21.2.1 A Managing Director is, subject to the terms of any contract, subject to the same provisions as regards resignation, removal and disqualification as the other Directors. If the Managing Director ceases to hold the office of Director for any reason, the Managing Director will immediately cease to be a Managing Director.

PART V: ADMINISTRATION AND MISCELLANEOUS

22. AUTHORITY TO BIND

22.1 Method of Contracting

- 22.1.1 A contract or other enforceable obligation may be entered into by the Company as follows:
 - (a) 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:
 - (i) two or more Directors of the Company (or where there is only one Director, by that Director whose signature must be witnessed); or

- (ii) a Director or any other person or class of persons authorised by the Board for that purpose whose signature or signatures must be witnessed; or
 - (iii) one or more attorneys appointed by the Company in accordance with clause 22.2;
- (b) an obligation which, if entered into by a natural person, is by law, required to be in writing, may be entered into on behalf of the Company in writing by a person acting under the Company's express or implied authority; and
- (c) an obligation which, if entered into by a natural person, is not, by law, required to be in writing, may be entered into on behalf of the Company in writing or orally by a person acting under the Company's express or implied authority.
- 22.1.2 A copy of a resolution of the Board authorising a person to enter into a contract or other enforceable obligation on behalf of the Company shall be proof of such authority notwithstanding that the authority may have been subsequently revoked.

22.2 Attorneys

- 22.2.1 The Company may, by an instrument in writing executed in accordance with clause 22.1.1(a), appoint a person as its attorney either generally or in relation to a specified matter or matters.
- 22.2.2 An act of the attorney in accordance with the instrument binds the Company.

23. LIQUIDATION

23.1 Appointment of Liquidator

- 23.1.1 A liquidator of the Company may be appointed by a Special Resolution of those Shareholders entitled to vote and voting on the question.

23.2 Distribution of surplus assets

- 23.2.1 Subject to the terms of issue of any Shares, upon the liquidation of the Company, any assets of the Company remaining after payment of the debts and liabilities of the Company and the costs of liquidation shall be distributed among the holders of the Ordinary Shares in proportion to their shareholding; provided however, that a holder of Shares not fully paid up shall receive only a proportionate share of his or her entitlement being an amount which is in proportion to the amount paid to the Company in satisfaction of the liability of the Shareholder to the Company in respect of the Shares.
- 23.2.2 Upon the liquidation of the Company the liquidator may, with the sanction of an Ordinary Resolution and any other sanction required by law, divide amongst the Shareholders in kind the whole or any part of the assets of the Company (whether they consist of property of the same kind or not). The liquidator may for that purpose set such value, as the liquidator deems fair upon any assets to be divided as aforesaid and may determine how the division shall be carried out as between the Shareholders holding different classes of Shares. The liquidator may, with the like sanction, vest the whole or any part of any such assets in trustees upon such trusts for the benefit of the Shareholders as the liquidator thinks fit (but so that no Shareholders shall be compelled to accept any shares or other securities whereon there is any liability).