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## **Directors Manual**

**September 2018**

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## Corporate Directory

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### **Independent Directors**

Tim Cook (Chairman)  
John Moore  
Carl Carrington

### **Non-Independent Directors**

Craig Norris

### **Chief Executive Officer**

Geoff Tuttle

### **Chief Financial Officer**

John Hames

### **Registered Office**

Ground Floor, Building B  
95 Ascot Avenue  
Greenlane  
PO Box 17474, Auckland 1546

### **Share Registrar**

Link Market Services Limited  
Level 7, Zurich House  
21 Queen Street, Auckland

### **Auditors**

PricewaterhouseCoopers  
Chartered Accountants  
188 Quay Street, Auckland  
Private Bag 92162, Auckland 1142

### **Solicitors**

Harmos Horton Lusk  
Level 37, Vero Centre  
48 Shortland Street  
PO Box 28, Auckland 1010



## Board and Committee Structure

### Main Board

Tim Cook  
John Moore  
Craig Norris  
Carl Carrington

Independent Director, Chairman  
Independent Director  
Non-Independent Director  
Independent Director

### Audit Committee

John Moore  
Tim Cook  
Craig Norris

Chairman  
Committee member  
Committee member

### Investment Committee

Carl Carrington  
John Moore  
Craig Norris

Chairman  
Committee Member  
Committee Member

### Remuneration Committee

Tim Cook  
Carl Carrington

Chairman  
Committee Member

## Contact List

MAIN BOARD					
Tim Cook	Independent Director	<a href="mailto:Timc@CookExecutive.co.nz">Timc@CookExecutive.co.nz</a>	021 764 401		36b Hamilton Road, Herne Bay, Auckland
Craig Norris	Non-Independent Director	<a href="mailto:craigpn@gmail.com">craigpn@gmail.com</a>	021 292 4019		23 Cheltenham Road, Devonport, Auckland 0624
Carl Carrington	Independent Director	<a href="mailto:Carringtonclub2@gmail.com">Carringtonclub2@gmail.com</a>	021 412 856		53 Infinity Drive, Peninsula Bay, Wanaka 9305
John Moore	Independent Director	<a href="mailto:john@mirocapital.co.nz">john@mirocapital.co.nz</a>	021 500 681		8 Pencarrow Ave, Mt Eden, PO Box 10261, Auckland
FINANCE, ADMIN and OTHER CONTACTS					
Geoff Tuttle	CEO	<a href="mailto:geoff@thebbc.co.nz">geoff@thebbc.co.nz</a>	021 335 409		Grnd Floor, Bldg B, Ascot Business Park, 95 Ascot Ave, PO Box 17474, Greenlane 1546
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Melissa Mobbs	Company Accountant	<a href="mailto:melissa@thebbc.co.nz">melissa@thebbc.co.nz</a>	021 084 37188		Grnd Floor, Bldg B, Ascot Business Park, 95 Ascot Ave, PO Box 17474, Greenlane 1546
LEGAL					
Greg Horton	Partner - HHL	<a href="mailto:greg.horton@hhl.co.nz">greg.horton@hhl.co.nz</a>	021 594 004	09 921 4302	Level 37, Vero Centre, 48 Shortland St, PO Box 28, Auckland 1140
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ACCOUNTING AND AUDIT					
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OTHER					
Stan Malcolm	Link Market Services	<a href="mailto:stan.malcolm@linkmarketservices.com">stan.malcolm@linkmarketservices.com</a>	027 5881 927	09 375 5994	Level 7, Zurich House, 21 Queen Street, Auckland

## **Board Charter**

### **1. Purpose**

#### **Governance at Veritas**

The Board has statutory responsibility for the affairs and activities of the Company, which in practice is achieved through delegation to the Chief Executive Officer of the day-to-day leadership and management of the Company.

#### **The Role of the Board**

The Board has the responsibility to work to protect and enhance the value of the assets of the Company in the interests of the Company and its shareholders.

### **2. Composition**

#### **Board Composition**

The Board shall comprise between three and five members. The Board has also agreed that the Chairperson shall be independent. The Board is required to have at least two members who are New Zealand resident and at least two directors who are independent directors.

#### **Quorum**

The quorum is two members.

#### **Rotation**

All Directors appointed by way of casual vacancy are required to be elected by the shareholders at the first annual meeting after their appointment. One third of all Directors must stand for election every year. In each year the Directors who retire are those who have been longest in office since their last election. There is no maximum term for which a person can remain a Director.

#### **Independence**

In considering whether a Director is independent the Board will consider a range of factors and the criteria of the NZX Listing rules. Nevertheless a Director will not be considered independent in any of the following circumstances:

- They are a substantial product holder of the Company (as defined in the Financial Markets Conduct Act 2013) or an officer of, or otherwise associated directly with, a substantial product holder of the Company.
- Within the last three years they have been employed in an executive capacity by the Company or another group member, or been a director of another group company after ceasing to hold any such employment.
- Within the last three years they have been a principal of a material professional advisor or a material consultant to the Company or another group member or an employee materially associated with the service provided.

- He or she is a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer.
- He or she has a material contractual relationship with the Company or another group member other than as a director of the company.
- They are not free from any interest or any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

## **Nomination**

The Remuneration Committee recommends to the Board candidates to be appointed to act as a Director. To be eligible for selection candidates must demonstrate appropriate qualities and experience.

The nomination of new Directors to be appointed by way of casual vacancy is considered by all Directors and Directors have the opportunity to meet with potential new Directors prior to their appointment. Directors are selected based on a range of factors including the perceived needs of the Board at the time. These factors include the independence, qualifications and experience of candidates.

## **Induction**

The Board seeks to ensure that new Directors are appropriately introduced to management and the business, that all Directors are acquainted with relevant industry knowledge and that Directors are provided with access to this Charter, the Charters of all Committees, recent Board and Committee papers, recent Board minutes and relevant Company policies.

## **Continuous Education**

It is expected that all Directors continuously educate themselves to ensure that they may appropriately and effectively perform their duties. In addition, visits to Company operations when appropriate and briefings from key executives and external persons will be arranged.

## **3. Composition and Role of Committees**

Committees established by the Board review and analyse policies and strategies, usually developed by management, which are within their terms of reference. They examine proposals and where appropriate make recommendations to the full Board. Committees do not take action or make decisions on behalf of the Board unless specifically mandated by prior Board authority to do so.

The current Committees of the Board are the Investment Committee, the Audit Committee and the Remuneration Committee. All Directors are entitled to attend Committee meetings and will be notified of all meetings. An individual charter exists for each Committee which will be annually reviewed by the Board. From time-to-time the Board may create ad hoc or other committees to examine or have the delegated authority to deal with specific issues on behalf of the Board.

Committee Chairpersons and members are appointed by the Board.

The Board reviews annually the performance of each Committee, to ensure that each Committee is operating consistently with its Charter.

#### **4. Procedure**

##### **Board Materials and Presentations**

The Chairperson of the Board meets with the Chief Executive Officer prior to each Board meeting to discuss the agenda for the forthcoming Board Meeting. Each Committee or Director is able to suggest agenda items.

To enable appropriate review of Board materials, it is recommended that Directors receive materials approximately five days in advance of meetings for items to be acted upon, except in the case of special meetings for which the time period may be shorter due to the urgency of the matter to be considered. Guidelines are in place concerning the content, presentation and delivery of papers to Directors for each meeting.

The Board normally meets at least ten times a year.

The Board encourages the Chief Executive Officer to bring employees to Board meetings who can provide additional insight into the items being discussed because of personal involvement in those matters, including employees whose future potential the Chief Executive Officer believes should be given exposure to the Board. All Directors have access to employees to discuss issues or obtain further information on specific areas, as they think appropriate.

The Board of Directors meets regularly without management present.

##### **Relationship between the Chairperson and the Chief Executive Officer**

The Board supports the concept of the separation of the role of Chairperson from that of the Chief Executive Officer. The Chairperson's role is to manage the Board effectively, to provide leadership to the Board, and to interface with the Company's Chief Executive Officer.

##### **Remuneration of Directors**

The Directors' remuneration is paid in the form of Directors' fees. Additional fees are paid to the Chairperson of the Board and each Committee to reflect the additional responsibilities of these positions. The Board may determine that additional allowances be paid to a Director, as appropriate, to reflect additional services provided to the Company by that Director. The total fees available to be paid to Directors is subject to shareholder approval.

In summary, the Company meets the cost of:

- all Directors' travel directly associated with attendance at Board and Committee meetings, Board trips and Board business;
- any costs associated with a Director's attendance at functions where the Director is representing the Company;
- any costs directly associated with the Director's performance of his or her role.



All Directors' expenses are approved by the Chairperson. The Chairperson's expenses are approved by the Chairperson of the Audit Committee.

### **Director Access, Indemnity, Insurance and Disclosure Deed**

All Directors have the benefit of an indemnity as permitted by the Companies Act 1993. This provides for certain rights to access company documents, an indemnity in respect of Directors' liability and contains certain disclosure obligations.

Veritas also has Director and Officer insurance. The costs of this insurance are met by the Company.

### **Disclosures of interest and Conflicts of Interest**

Directors are required to make disclosures of all interests in companies and other entities outside of Veritas at the time they are appointed and to ensure that the Board is informed of any changes in these disclosures. All disclosures of interest, including the nature and extent of any interest are recorded in the interests register of the Company by the Chief Financial Officer.

Directors minimise the possibility of conflict of interest in their involvement with Veritas by restricting their involvement in businesses that could lead to a conflict of interest. Where conflicts of interest do exist then Directors excuse themselves from discussions in respect of those interests and in accordance with the listing rules of the stock exchanges on which the Company is listed, and do not exercise their right to vote in respect of such matters.

### **Trading in Veritas Shares**

Directors are encouraged to hold shares in the Company.

Any sale or purchase transactions of shares by Directors are subject to limitations on their ability to buy and sell Veritas shares by Veritas's Securities Trading Policy and Procedures and the Financial Markets Conduct Act 2013.

These limitations include the requirement that Directors can only buy and sell Veritas shares during certain periods and that any trading is subject to prior approval of the Chairperson (or in the Chairperson's case by the Chairperson of the Audit Committee). All changes in the shareholdings of Directors are reported to the Board and the stock exchanges on which the Company is listed.

## **5. Responsibilities and Duties**

### **Policy and Corporate Strategy**

The management and control of the business of Veritas is vested in the Board. The Board has reserved for its own decision certain matters including:

- the establishment of the Company's overall strategic direction and strategic plans;

- the approval of the annual plan and budgets and, financial objectives and policies and significant capital expenditure;
- the approval of the financial statements and published reports;
- the approval of the establishment and annual review of the effectiveness of the Company's systems of internal control and risk management; and
- the appointment of the Chief Executive Officer.

The Board provides leadership and exercises due diligence in ensuring that Veritas meets its health and safety obligations: strategic direction, securing and allocating resources, and ensuring the company has appropriate people, procedures and equipment.

The Board is also responsible for the review and approval of any policies that the Board determines should be approved by the Board.

In all other respects the day-to-day management of the Company will be in the hands of the Chief Executive Officer.

### **Evaluation of the Chief Executive Officer and Management Succession Planning**

The Remuneration Committee evaluates the performance of the Chief Executive Officer and oversees the Chief Executive Officer's evaluation of his direct reports. It also recommends the annual remuneration of the Chief Executive Officer to the Board for approval and approves the remuneration of the Chief Executive Officer's direct reports. The evaluation is based on criteria which include the performance of the business, the accomplishment of long-term strategic objectives and other non-quantitative objectives agreed at the beginning of each year.

The Chief Executive Officer reports annually to the Board regarding management and Chief Executive Officer succession planning and management development. In the event of an emergency or the retirement of the Chief Executive Officer the Remuneration Committee will recommend suitable candidates to the Board for appointment to the position of Chief Executive Officer.

### **Chief Financial Officer**

The appointment of the Chief Financial Officer is made on the recommendation of the Chief Executive Office and must be approved by the Board.

## **6. Powers/Authority**

### **Delegation of Authority to the Chief Executive Officer**

The formulation and implementation of policies and reporting procedures for management, other than as referred to above, has been delegated to the Chief Executive Officer as formal delegation terms. The Board's delegation of the conduct of the day to day affairs of the Company to the Chief Executive Officer is made within these terms. The Chief Executive Officer in turn is responsible for implementing a Delegation of Authority Policy which sets limits on certain decision making and achieves individual accountability.

### **Independent Advice**

A Committee or individual Director may retain and consult with external advisers (including legal) at the Company's expense where the Committee or individual deems it necessary to carry out its, his or her functions, with the approval of the Chairperson of the Board. Non-executive Directors are not employees of Veritas.

Non-executive Directors are entitled to rely on Veritas executives, in relation to matters within their responsibility and area of expertise and may assume the accuracy of information provided by such persons, so long as the Director is not aware of any reasonable grounds upon which such reliance or assumption may be inappropriate.

The Board may rely upon information provided by Board Committees and their members in relation to matters within that Board Committee's delegated responsibility, provided that it has evaluated the information and is not aware of any reasonable basis upon which to question its accuracy.

All Directors have access to the advice and services of the Chief Financial Officer.

## **7. Accountability**

### **Evaluation of Board performance**

The Board reviews its performance as a whole on an annual basis. Performance reviews of individual Directors will be undertaken as required and determined by the Board. The Remuneration Committee reviews the remuneration of Directors based on criteria developed by that Committee.

### **General**

This Board Charter has been approved and is reviewed by the Board every three years, or earlier if review is requested by a Director or the Chief Financial Officer.

## **Investment Committee Charter**

### **1. Constitution**

The Investment Committee is a committee of Veritas Investments Ltd, established by resolution of the Board.

### **2. Purpose & Objectives of the Investment Committee**

The objectives of the Investment Committee are: -

- To assist the Board to fulfil its statutory & fiduciary responsibilities, by establishing investment guidelines and supervising investment activity.
- To do this, the Investment Committee will initiate, identify and review investment opportunities, compliance with investment objectives and guidelines, and report the overall results to the Board of Directors.

The existence of the Investment Committee does not remove responsibility from the Board for duties which have been delegated to the Committee, or the need for the Board to monitor that delegation.

### **3. Membership**

- Members of the Committee shall comprise Directors appointed by the Board.
- The number of members appointed to the Committee shall be no less than three.
- The majority of the members shall be Independent Directors as defined by NZX Listing Rules.
- The chair of the Committee shall be appointed by the Board. He/she shall be an Independent Director, without any executive responsibilities.
- A member of the Investment Committee must sit on the Audit Committee and vice-versa to ensure the flow of relevant information between the two committees.
- Other Directors who are not members of the Investment Committee are entitled to attend Committee meetings and will receive appropriate copies of the papers.
- The Chair shall appoint the Secretary.

### **4. Meetings & Reporting**

- The Managing Director shall attend the meetings.
- Meetings shall be held as required.
- A notice and agenda shall be prepared and circulated to all members and attendees within a reasonable time frame.
- Minutes shall be kept of all meetings and circulated to all Committee members, Directors, and as appropriate, to attendees.
- A quorum for a meeting shall be two.
- Any executive in attendance may be excluded from the part of the meeting at which the Committee wishes to discuss any matters without the presence of management.
- Copies of all reports submitted to the Committee will be circulated to all Directors.
- After each Committee meeting the chairman shall report the Committee's findings and recommendations to the Board.

## **5. Authority**

- The Committee is authorised by the Board to investigate any activity within its charter or as directed by the Board.
- The Committee is authorised to seek any information it requires from any employee and all employees will be directed to co-operate with any request made by the Committee.
- The Committee is authorised to obtain, at the expense of the company, outside legal or other independent professional advice and to arrange for the attendance at meetings, at the expense of the company, of outside parties with relevant experience and expertise if it considers this necessary.
- The Committee shall have direct communication with, and unrestricted access to, the independent auditor and any internal accountants.

## **6. Responsibilities and Duties of the Committee**

The duties and responsibilities of the Investment Committee are as follows:

- Identify and review investment opportunities for recommendation to the Board.
- To review the performance of investments made by or on behalf of the company.
- To review and approve policies and guidelines governing the company's investment portfolio and monitor compliance with those policies.
- To review and approve any investment benchmarks or other measurement devices employed by the company to monitor the performance of its investment portfolio.
- To monitor on an ongoing basis the performance of the company's external investment advisors/professional advisors and retain or terminate such advisors as appropriate.
- To perform any other responsibilities regarding the company's investment activities or policies as the Board may assign from time to time to the Committee.

## **7. Review of the Committee**

- The Board shall undertake a regular review, at least annually of the Committee's performance, objectives and responsibilities.
- The Committee may recommend to the Board any amendments to this Investment Committee Charter.

## **Audit Committee Charter**

### **1. Constitution**

The Audit Committee is a committee of Veritas Investments Ltd, established by resolution of the Board.

### **2. Purpose & Objectives of the Audit Committee**

The objectives of the Audit Committee are: -

- To assist the Board to fulfil its statutory and fiduciary responsibilities, by providing objective, non-executive review of the effectiveness of the external reporting of financial information, and the internal control environment of the company, including obtaining an understanding of the tax and financial risks which face the company.
- To do this, the Committee will provide oversight of:
  - accounting policies and professional accounting requirements,
  - external audit functions,
  - all statutory regulatory requirements,
  - the internal control environment.

The existence of the Audit Committee does not remove responsibility from the Board for duties which have been delegated to the Committee, or the need for the Board to monitor that delegation.

### **3. Membership**

- Members of the Committee shall comprise Directors appointed by the Board.
- The number of members appointed to the Committee shall be no less than three.
- The members shall be Independent Directors as defined by NZX Listing Rules.
- At least one member of the Committee must be a chartered accountant or someone who has another recognised form of financial expertise.
- The chairman of the Committee shall be appointed by the Board. He/she shall be an Independent Director, without any executive responsibilities.
- A member of the Investment Committee must sit on the Audit Committee and vice-versa to ensure the flow of relevant information between the two committees.
- Other Directors who are not members of the Audit Committee are entitled to attend Committee meetings and will receive appropriate copies of the papers.
- The Chairman shall appoint the Secretary who will normally be the Chief Financial Officer.

### **4. Meetings & Reporting**

- The Chief Executive Officer shall attend the meetings if requested.
- Meetings shall be held half annually, and as required, having due regard to the company's reporting and audit cycle.
- A notice and agenda shall be prepared and circulated to all members and attendees within a reasonable time frame.
- Minutes shall be kept of all meetings and circulated to all Committee members, Directors, and as appropriate, to attendees.
- A quorum for a meeting shall be two.

- Any executive in attendance may be excluded from the part of the meeting at which the Committee wishes to discuss any matters without the presence of management, particularly when the External Auditor are present.
- Copies of all reports submitted to the Committee will be circulated to all Directors.
- After each Committee meeting the chairman shall report the Committee's findings and recommendations to the Board.

## **5. Authority**

- The Committee is authorised by the Board to investigate any activity within its charter or as directed by the Board.
- The Committee is authorised to seek any information it requires from any employee who will be directed to co-operate with any request made by the Committee.
- The Committee is authorised to obtain, at the expense of the Company, outside legal or other independent professional advice and to arrange for the attendance at meetings, at the expense of the company, of outside parties with relevant experience and expertise if it considers this necessary.
- The Committee shall have direct communication with, and unrestricted access to, the independent auditor and any internal accountants.

## **6. Responsibilities and Duties of the Committee**

The duties and responsibilities of the Audit Committee are as follows:

- Provide an independent review of the Company's financial reporting and the financial information prepared by management including overseeing accounting policies and associated requirements.
- Recommend to the Board for approval, the financial statements of the Veritas Group.
- Provide assurance on the governance and control for the Company covering key business processes including risk frameworks.
- Review the processes that are used to reach the opinions provided in the regulatory certifications of the CEO and management's report on internal control over financial reporting, and the disclosures made.
- Oversee any statutory reporting requirements and provide independent review of Veritas's reporting under these requirements.
- Oversee, where required, the nomination of the external auditor to the Board for approval of the appointment by the shareholders, and review and approve the external auditor's fee.
- Oversee and appraise at least annually the independence, adequacy and effectiveness of the external auditors (including the rotation of the external audit partner), and the scope and progress of their audit plans.
- Review and advise, for the purposes of the directors' report to be included in the annual financial report, the provision of all non-audit services by or on behalf of the external auditor during the year to the Company, whether those services comply with the regulatory auditor independence requirements and the reasons why.
- Confirm the appointment or dismissal of the Company's external Auditor.
- Oversee and monitor the resolution of significant internal control deficiencies identified by the Company's external auditor.

## **7. Review of the Committee**

- The Board shall undertake a regular review, at least annually of the Committee's performance, objectives and responsibilities.
- The Committee may recommend to the Board any amendments to this Audit Committee Charter.
- This Audit Committee Charter has been approved and is reviewed by the Board every three years, or earlier if review is requested by a Director or the Chief Financial Officer.



## **Remuneration Committee Charter**

### **1. Constitution**

The Remuneration Committee shall be a Committee of Veritas Investments Ltd, established by resolution of the Board.

### **2. Purpose & Objectives of the Remuneration Committee**

The objectives of the Remuneration Committee are: -

- To oversee a formal and transparent method of recommending director remuneration to shareholders.
- To assist the Board in establishing remuneration policies and practices for the company and in discharging its responsibilities for reviewing and setting the remuneration of the Managing Director (or Chief Executive Officer) and senior executives.
- To assist the Board in reviewing the Board's composition and the competencies required of prospective directors, identifying prospective directors, developing succession plans for the Board and making recommendations to the Board accordingly.
- To oversee a formal and transparent method for nominating and appointing directors to the Board.
- To ensure that the Company maintains best practice corporate governance.

### **3. Membership**

- The Remuneration Committee shall have at least two members, a majority of whom shall be independent directors.
- The Managing Director shall attend all meetings other than at times that their own remuneration is being determined.

### **4. Meetings & Reporting**

- Directors (other than the Managing Director) who are not members of the Remuneration Committee shall only attend meetings at the invitation of the Remuneration Committee.
- The Remuneration Committee may invite an advisor (or advisors), including any member of the management team, to attend meetings to provide information and assistance as required.
- The Remuneration Committee shall meet at least once per annum.
- A quorum for meetings shall be two independent directors.
- The Remuneration Committee shall ensure that minutes are kept of all meetings. The chairman of the Committee will report the Remuneration Committee's recommendations and findings to the Board.

### **5. Remuneration Responsibilities**

The Remuneration Committee shall:

- At least annually review directors' fees and make recommendations to the Board regarding any proposed increases within the total already approved by shareholders or for consideration by shareholders at the annual meeting.
- Review and recommend to the Board the terms of any share and option schemes for directors and/or employees.

- Review and recommend to the Board the remuneration of the Managing Director including the parameters of any incentive or bonus schemes and payments to be made pursuant to those schemes.
- Approve the terms of employment agreements for the Managing Director.
- On the recommendation of the Managing Director, approve the remuneration of staff who report directly to them, including the parameters of any incentive or bonus schemes and payments to be made pursuant to those schemes.
- Receive reports from management on the annual remuneration review and incentive schemes and, from time to time, review the company's remuneration policies and practices.
- Attend to any other matter relating to remuneration issues put to the Remuneration Committee for consideration by the Board or by management.
- Be responsible for:
  - developing recommendations to the Board on corporate governance matters;
  - undertaking an annual review of the alignment of the Board's operations with best corporate governance practice;
  - convening on an as required basis to address specific corporate governance or independence (auditor / director / supplier) issues that arise;
  - approving the corporate governance statements of Veritas as included in the annual report; and
  - determining the independence of the directors and monitor the ongoing independence status of those directors.

## **6. Board Appointments and Nominations Responsibilities**

The Remuneration Committee shall:

- Having reviewed the composition of the Board and the balance of skills, qualifications, experience and background on the Board, identify and recommend for the approval of the Board candidates to fill Board vacancies as and when they arise.
- Consider any nominations received for the election of directors by shareholders and make appropriate recommendations to the Board.
- Attend to any other matter relating to Board appointment and nomination issues put to the Remuneration Committee for consideration by the Board.

## **7. Review of Committee**

- The Board shall undertake a regular review, at least annually of the Committee's performance, objectives and responsibilities.
- The Committee may recommend to the Board any amendments to this Remuneration Committee Charter.

## **Board and Officers Remuneration Policy**

### **1. Policy Purpose and Scope**

Veritas is committed to ensuring that the remuneration of the Board of Directors and the officers (including the Chief Executive Officer) is fair, simple and transparent. It is designed to promote a high-performance culture and to align remuneration to the development and achievement of strategies and business objectives to create sustainable value for shareholders.

### **2. Statement of Purpose**

This policy applies to Directors and the officers (including the Chief Executive Officer).

### **3. Directors**

Directors' remuneration is paid in the form of Directors' fees. The total fees available to Directors (the "Director fee pool") is approved by shareholders. The Board determines the actual fees paid to Directors within the overall Director fee pool, reflecting Director roles, responsibilities and contributions. Any increase in the Director fee pool must be approved by Shareholders. Additional fees are paid to the Chairman of the Board to reflect the additional responsibilities of the position. The Board may determine that additional fees and allowances be paid to individual Directors to reflect additional services provided to Veritas.

Non-executive Directors do not receive any:

- Performance or equity-based remuneration; or
- Superannuation of any other scheme entitlements or retirement benefits.

Details of the Director fee structure and fees paid are provided in Veritas's Annual Report. The Board regularly reviews Director remuneration to ensure it is fair and reasonable.

### **4. Officers**

Veritas provides the opportunity for the officers to receive, where performance merits, a total remuneration package for equivalent market-matched roles. Veritas's Remuneration Committee reviews the annual performance appraisal outcomes for all officers, including the Chief Executive Officer. The review takes into account external benchmarking to ensure competitiveness with comparable market peers, along with consideration of an individual's performance, skills, expertise and experience.

Total remuneration is made up of two components: fixed remuneration and short-term performance-based cash remuneration. Fixed remuneration consists of base salary and benefits. Short Term Incentives (STI) are at-risk payments designed to motivate and reward for performance, typically in that financial year. The target value of an STI payment is set annually, usually as a percentage of the officer's base salary. The relevant percentage ranges is 20%.

### **5. Review**

The Board reviews this Board and officers Remuneration Policy annually.

## **Veritas Investments Limited**

### **External Financial Auditors' Independence Policy**

#### **Policy Statement**

Veritas Investments Limited ("**Veritas**" or the "**Company**") will maintain external financial auditor independence consistent with regulatory and stock exchange requirements and current best practice.

#### **1.0 Procedures for Selection and Appointment**

1.1 The procedures for the selection and appointment of the external financial auditors ("**Auditors**") are based on the following framework:

- (a) the Auditors are reappointed every year at Veritas' Annual Meeting unless:
  - (i) the Auditors cease to be qualified for appointment; or
  - (ii) the Company passes a resolution at the meeting appointing another person or persons as Auditors; or
  - (iii) the Auditors have given notice to Veritas that they do not wish to be reappointed.

In the case of (i) and (ii), Veritas will appoint new Auditors at the relevant Annual Meeting in accordance with the Companies Act 1993.

- (b) Veritas' Audit Committee is responsible for:
  - (i) monitoring the performance, and independence, of the Auditors; and
  - (ii) implementing a selection process and making a recommendation to the Board (if required).

1.2 The assessment of responses from potential Auditors takes into account a number of key criteria, including audit approach and methodology, internal governance processes, resources, key personnel and cost.

1.3 Once the review process has taken place, the Audit Committee provides the Board with information concerning the process adopted in undertaking the review, the recommended Auditors and the reasons for the final recommendation.

#### **2.0 Rotation of External Financial Audit Engagement Partners**

2.1 In line with current professional standards, Veritas requires the lead partner and review partner of its Auditors to change every five years.

#### **3.0 Policy to Ensure External Financial Auditors' Independence**

3.1 This policy is designed to ensure that the Auditors remain independent.

- (a) The Auditors will annually agree the scope of audit services and fees with the Audit Committee.
- (b) The Auditors are required to abide by the independence regulations set out in the Code of Ethics: Independence in Assurance Engagements issued by CAANZ.
- (c) The Chairman of the Audit Committee will ensure that services are only procured from the Auditors in accordance with the principles listed in the Services section below.
- (d) The Chairman of the Audit Committee will report annually the fees paid to the Auditors for non-audit services.

#### **4.0 Services**

##### **(a) Services which can be performed**

Non-audit work which can be performed by the Auditors includes:

- (i) financial audits, both of financial statements and existing Company systems and processes;
- (ii) audits of regulatory requirements;
- (iii) reporting engagements to third parties e.g. prospectus opinions, bank compliance;
- (iv) advice on appropriate accounting standards and the interpretation and application of those standards;
- (v) secondments of junior staff;
- (vi) internal audit assistance; and
- (vii) taxation services of an assurance nature e.g. review of tax computations and returns prior to filing.

##### **(b) Services which cannot be performed**

Non-audit work which cannot be performed by the Auditors includes:

- (i) design and implementation of key financial information systems and processes;
- (ii) valuation of assets and liabilities other than as required to complete regulatory audit requirements;
- (iii) liquidations and receiverships;
- (iv) taking responsibility for the preparation of financial statements;
- (v) taking responsibility for internal audit;
- (vi) tax computations; and

(vii) tax planning and strategy development.

**(c) Services which may be performed by the Auditors subject to the prior approval of the Chairman of the Audit Committee**

- (i) Strategic business planning;
- (ii) secondments to management positions;
- (iii) advice on the structuring or pricing of any deal, asset or company acquisition;
- (iv) due diligence activities; and
- (v) advice that has a significant impact on the value of a material asset or liability.

Where a service is not specifically addressed above, or where a variation to this policy is sought, the Chairman of the Audit Committee is to be consulted.

## **5.0 Reporting**

5.1 The Auditors are required to report in writing to the Audit Committee on an annual basis:

- (a) all relationships that may bear on independence, including but not limited to:
  - (i) the provision of non-audit service;
  - (ii) financial relationships; and
  - (iii) employment relationships;
- (b) any other matters that may reasonably be thought to have a bearing on the Auditors' independence; and
- (c) that the Auditors are independent, having regard to their firm's policies, and the CAANZ rules regarding auditor independence.

## Veritas Investments Limited

### Code of Conduct

#### Policy Statement

This Code of Conduct (“**Code**”) sets out the framework of standards that Veritas Investments Limited’s (“**Veritas**” or the “**Company**”) Directors and employees are expected to conduct their professional lives by. This Code is not intended to prescribe an exhaustive list of acceptable and non-acceptable behaviour, rather it is intended to facilitate decisions that are consistent with Veritas’ values, business goals and legal and policy obligations thereby enhancing performance outcomes.

Veritas’ Directors are expected to lead according to these standards of ethical and professional conduct and to ensure that they are communicated to the people who report to them.

Any questions or concerns about an ethical question, or a possible breach of a legal obligation or one of Veritas’ policies should be communicated to the Chairman as soon as possible.

#### 1.0 Conduct

- 1.1 The actions and statements of Veritas’ Directors and employees, whether to suppliers, prospects or colleagues, can impact on the way people see Veritas and whether they choose to do business with Veritas.
- 1.2 Veritas’ Directors and employees will:
  - (a) conduct themselves in a way that demonstrates that their honesty is beyond question and will not commit behaviour that has the potential to bring Veritas’ image into disrepute;
  - (b) deal honestly with Veritas, its professional advisors, prospects and suppliers;
  - (c) not enter into transactions or make promises on behalf of Veritas that Veritas does not intend to honour;
  - (d) undertake their duties with care and diligence;
  - (e) ensure that any personal opinions expressed are clearly identified as their own and are not represented to be the views of Veritas;
  - (f) if relevant and to the best of their ability, use reasonable endeavours to ensure that Veritas’ records and documents, including financial reports, are true, correct and conform to Veritas’ reporting standards and internal controls;
  - (g) co-operate with external auditors, and neither mislead nor conceal information; and
  - (h) not accept or offer bribes or improper inducements to or from anyone.

## **2.0 Conflicts of interest**

- 2.1 A conflict of interest occurs when an individual's interests interfere, or appear to interfere, with Veritas' interests. Veritas expects its people to act in its interests at all times.
- 2.2 Veritas' Directors and employees will not, without the prior written consent of Veritas:
- (a) engage in any other business or commercial activities which would conflict with their ability to perform their duties to Veritas;
  - (b) support a political party or organisation other than in a personal capacity;
  - (c) be direct or indirectly interested or concerned in any capacity including as a material shareholder (ie a shareholder who holds more than 25% of the shares), or as a director, employee, or independent contractor, with any other business in the same industry as Veritas; and
  - (d) engage in any other activity which could conflict with Veritas' interests.

## **3.0 Corporate opportunities**

- 3.1 Veritas expects its Directors and employees to advance its legitimate interests when the opportunity to do so arises.
- 3.2 Veritas' Directors and employees will not:
- (a) take any opportunity discovered through the use of Veritas' property, information or position for themselves; or
  - (b) use Veritas' property, information or position for personal gain; or
  - (c) compete with Veritas; or
  - (d) trade in shares, or any other kind of property, based on knowledge that comes from their roles if that information has not been reported publicly. See *Veritas' Securities Trading Policy and Procedures* for further information.

## **4.0 Confidentiality**

- 4.1 Veritas, its suppliers, prospects and other stakeholders entrust Veritas' Directors and employees with their confidential communications and information. Confidential information includes all information not in the public domain that has come to the attention of one of the Company's Directors or employees by virtue of working for Veritas.
- 4.2 Veritas' Directors and employees will maintain and protect the confidentiality of confidential information entrusted to Veritas about suppliers, prospects, stakeholders and Veritas' business and financial affairs, except where disclosure is required or allowed by law.
- 4.3 All information that is received by you as a result of your connection to Veritas is Company property. You should not use that information without Veritas's approval. Veritas personnel will:
- follow Company policy in dealing with Company information;



- take all reasonable precautions to protect Company information from unintended disclosure;
- not use Company information for their own purposes; and
- not in any other way use information in a way that may not be in Veritas best interests.

## **5.0 Gifts**

- 5.1 Veritas' Directors and employees will not accept gifts or personal benefits of any value from external parties if it could be perceived this could materially compromise or influence any decision by Veritas.
- 5.2 "Gifts" and "personal benefits" can include accommodation, goods, services, discounts and special terms on loans.

## **6.0 Compliance with Laws and Policies**

- 6.1 The Company's Directors and employees will:
- (a) familiarise themselves with and at all times comply with Veritas' policies;
  - (b) abide by the laws, rules and regulations of New Zealand and of any other countries in which Veritas may be operating from time to time;
  - (c) undertake training on legal obligations and policies as required by the Chairman or their manager (as the case may be); and
  - (d) comply with all statutory and internal disclosure requirements on a timely basis.

## **7.0 Delegation of Authority**

- 7.1 Only employees of Veritas who are specifically authorised may commit Veritas to others. A "commitment" includes the execution of any written agreement or any undertaking that obligates or binds Veritas in any respect, whether or not it involves the payment of money. Employees must never execute a document or otherwise commit Veritas unless they have clear authority to do so.

## **8.0 Reporting Concerns**

- 8.1 If one of Veritas' Directors or employees becomes aware of a possible breach of this Code or any possible breach of a legal obligation or other policy of Veritas, they are responsible for reporting it to the Chairman or their manager. If this is not appropriate in the circumstances, they should report the breach to another Director or their manager's manager.
- 8.2 Veritas will stand behind any Director or employee who, acting in good faith reports a breach, serious problem or wrongdoing. The identity of the person making the report will be kept confidential where possible – there may be situations however where the proper investigation of the matter inadvertently identifies the reporter or requires their identification.

8.3 Upon completion of the investigation, Veritas will take appropriate action to endeavour to rectify any wrongdoing or other issues.

8.4 Any person who knowingly makes a false report of a legal or policy breach may be subject to disciplinary action.

## **9.0 Valuing personnel**

Veritas personnel will:

9.1 treat others with dignity, respect and justice, taking into consideration cultural sensitivities;

9.2 not discriminate on the grounds of race, religion, colour, age, nationality, sex, sexual orientation or any other personal or social condition different from merit and capacity;

9.3 not permit any form of violence, harassment or abuse at the workplace;

9.4 promote the professional development, training and promotion of Veritas personnel where appropriate;

9.5 link remuneration and promotion to merit and capacity;

9.6 prioritise health and safety on the job, taking any such measures as are considered reasonable to maximise prevention of occupational risk; and

9.7 look to reconcile work at Veritas with personal and family life, recognising that sometimes extra effort is required to meet Veritas goals and Veritas personnel should commit whatever is reasonably required to achieve those goals.

## **10.0 Waiver**

9.1 Waivers from this Code may only be granted by the Board.

## **11.0 Review**

10.1 This Code is subject to annual review.

## **Risk Management Policy**

Veritas has a number of risk management policies, as well as related internal compliance systems that are designed to:

- (a) optimise the return to, and protect the interests of, stakeholders;
- (b) safeguard Veritas's assets and maintain its reputation;
- (c) improve Veritas's operating performance; and
- (d) fulfil Veritas's strategic objectives.

The risk management approach focuses on management of the following material business risks:

- 1. Operating risks;
- 2. Financial risks;
- 3. Organisational risks; and
- 4. Corporate risks.

The Board is ultimately responsible for overseeing the effectiveness of the risk management system, and the adequacy of the internal compliance and controls, which it believes should be monitored and managed on a continuing basis. Veritas has in place number of mechanisms and internal controls intended to identify and manage areas of material business risk. These include:

- (a) Board committees, such as the Audit Committee;
- (b) a quality management system;
- (c) information management systems;
- (d) detailed management and financial accounting reporting systems;
- (e) systems to ensure that capital expenditure and leasing commitments above a certain size obtain prior Board approval and that business transactions are properly authorised and executed;
- (f) financial controls and procedures;
- (g) established organisational structures, setting out clear lines of responsibility for staff;
- (h) occupational and safety and health policies;
- (i) regular building services monitoring and maintenance; and
- (j) comprehensive human resources policies.

Veritas, through the Board, Audit Committee and senior management, continually monitors and, where necessary, updates the operation and implementation of the risk management

system to ensure that Veritas continues to have an appropriate and effective system in place to manage material business risks.

Day to day management and oversight of material business risks, and internal compliance and control systems, is carried out by the senior managers and staff through systems designed and implemented by the senior management under the guidance of the Board. Those systems provide senior managers and staff with:

1. A systematic and uniform process, together with the necessary tools and resources, to enable them to assist in the identification, assessment, monitoring and management of material business risks within their sphere of responsibility.
2. Clear communication channels regarding the reporting of material business risk issues and if necessary, the procedure for escalating the issues which arise, or which have the potential to arise, to senior management.

The CEO and senior management have the primary responsibility to advise the Audit Committee of any material business risk issues, and for taking steps to address or prevent the occurrence or reoccurrence of such issues.

**The Audit Committee:**

- (a) Regularly reports to the Board on:
  - (i) whether the risk management system and systems of internal compliance and control are operating efficiently and effectively in all material respects, which includes reporting to the Board on any material business risk issues raised by senior management; and
  - (ii) whether the material business risks are being managed effectively.
- (b) Reviews the interim and full year financial statements of Veritas in conjunction with the external auditors and senior management of Veritas, and requires the CEO and CFO to state in writing to the Board that to the best of their knowledge:
  - (i) the financial statements present a true and fair view in all material respects of the Company's financial condition and operating results under the relevant accounting standards; and
  - (ii) the financial statements are founded on a sound system of risk management and internal control and that system is operating effectively in all material respects in relation to financial reporting risks.
- (c) Reviews written confirmations from senior management that relevant legal and regulatory requirements have been satisfied and Veritas's internal management compliance system has been adhered to.

**Board is ultimately responsible**

The Board ultimately has responsibility for internal compliance and control. The Board will report annually to investors and stakeholders on risk management and identification.

**Veritas Investments Limited**  
**Securities Trading Policy and Procedures**

**Policy Statement**

All Directors and employees of Veritas Investments Limited (“**Veritas**” or the “**Company**”) and its subsidiaries are restricted in terms of trading securities of Veritas. The restrictions require consent to be granted to any transactions involving such persons and securities of Veritas. The policy expressly prohibits trading by any Director or employee when they are an information insider in possession of material information.

**1.0 Background**

- 1.1 Restrictions on share trading by insiders are contained in various items of legislation, particularly the Financial Markets Conduct Act 2013. The Board of Veritas has adopted a policy that applies to all Directors and employees to ensure that any risk of illegal trading in the shares of the Company is mitigated.
- 1.2 In this policy “**trade**” includes buying or selling Veritas securities, or agreeing to do so, whether as principal, agent, or trustee but it does not include subscription for, or the issue of, **new** securities.

**2.0 Introduction and purpose**

- 2.1 This document details Veritas’ policy on, and rules for dealing in the following Restricted Financial Products:
  - (a) Veritas ordinary shares listed on the NZX; and
  - (b) any other securities of Veritas or its subsidiaries that may from time to time be listed on any exchange, and any listed derivatives (including futures contracts listed on an authorised futures exchange) in respect of Veritas securities, from time to time.
- 2.2 The requirements imposed by this policy are separate from, and in addition to, the legal prohibitions on insider trading in New Zealand.
- 2.3 **If you do not understand any part of this policy, or how it applies to you, you should raise the matter with the Company’s Chairman or Chief Financial Officer before dealing with any securities covered by this policy.**
- 2.4 Strict compliance with this policy is a condition of employment. Any breach of this policy will be subject to appropriate disciplinary action, which may include termination of employment.

**3.0 Fundamental Rule – Insider trading is prohibited at all times**

- 3.1 If you possess “**material information**” (as defined below), then you must not:
  - (a) trade Veritas’ Restricted Financial Products;
  - (b) advise or encourage another person to trade or hold Veritas’ Restricted Financial Products;
  - (c) advise or encourage a person to advise or encourage another person to trade or hold Veritas’ Restricted Financial Products; or
  - (c) pass on material information to anyone else – including colleagues, family or friends – knowing (or where you ought to have known) that the other person will use that information to trade, continue to hold, or advise or encourage someone else to trade, or hold, Veritas’ Restricted Financial Products.

3.2 Material information is information relating to Veritas (or its subsidiaries) that:

- (a) is not generally available to the market;
- (b) a reasonable person would expect, if it were generally available to the market, would have a material effect on the price of the listed issuer's Restricted Financial Products; and
- (b) relates to particular financial products, a particular listed issuer, or particular listed issuers, rather than to financial products generally or listed issuers generally.

Information is generally available to the market if it has been made known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in relevant financial products and since it was made known, a reasonable period for it to be disseminated among those persons has expired. This may include information that has been released as an NZX announcement or in a manner that investors that commonly invest in the Company's relevant financial products can readily obtain the information (whether by observation, use of expertise, purchase or other means).

It does not matter how you come to know the material information (including whether you learn it in the course of carrying out your responsibilities, or in passing in the corridor, or in a lift, or at a social function). Information includes rumours, matters of supposition, intentions of a person (including the Company), and information which is insufficiently definite to warrant disclosure to the public.

3.3 Failure to comply with these insider trading rules may result in criminal liability including large fines and/or imprisonment, and civil liability, which may include being sued by another party or by Veritas for any loss suffered as a result of illegal trading.

**4.0 Clearance Procedure**

4.1 Before trading (or agreeing or entering into any commitment to trade) Restricted Financial Products of Veritas, the Director or employee (whether in their personal capacity or through an associated entity, e.g. family trust or company) must give written notice to the Board via the Chairman of his or her intention to trade Veritas Restricted Financial Products, which notice must be signed and dated and include:

- (a) the name and address of the Director or employee;
- (b) the office or position held by that person in the Company;
- (c) the class and number of securities that are the subject of the proposed transaction;
- (d) a statement describing the type of transaction;
- (e) details of the intended purchaser (e.g. the Director or employee in their personal capacity, family trust, or company);
- (f) a statement as to whether it is intended that the transaction will take place on a stock exchange, and if not, details of the transaction;
- (g) the likely date of the transaction;
- (h) a statement that you do not possess any material information and are not an information insider;
- (i) in the case of a purchase of securities, a statement that the Director or employee does not intend to sell the securities within six months of purchase;
- (j) a statement that the Director or employee believes the transaction will be at a fair value;
- (k) a request that the Board consent to the sale or purchase of the securities; and

- (l) in the case of a Director or senior officer, a confirmation that he/she will comply with the disclosure requirements of the NZX, namely that notification of the transaction is provided to the NZX within five days of it occurring, using the appropriate disclosure form.

4.2 On receiving the notice, the Board, must consider the request contained in the notice and, if reasonably satisfied as to the truth of the statements required in paragraphs (h), (i) and (j) of clause 4.1, **may** (but is not obliged to) consent in writing to the proposed transaction. The securities must not be sold or purchased unless:

- (a) the Board has consented to the transaction in accordance with this clause;
- (b) arrangements exist to ensure that copies of every consent given in accordance with this clause are distributed; and
- (c) the date of the transaction is within the periods set out in clause 4.3 of this procedure.

In the case of a consent granted to a Director and senior officer, the written consent will affirm the Directors' obligations of disclosure to the NZX and request confirmation of details as per clause 4.4 below to the Company and advice to the NZX within five business days following the acquisitions or disposition.

4.3 The securities must be sold or purchased not later than 15 trading days after the consent of the Board is given (or such other period as the Board may determine), provided that at no time may a Director or employee either buy or sell a security in the company when an information insider (i.e. in possession of material information). If you become aware of any material information prior to completing a trade which has been approved by the Board pursuant to clause 4.2, you must immediately cancel any trade.

4.4 Directors and officers who have received approval in accordance with this policy and have subsequently transacted to acquire or dispose of a relevant interest in a security of the Company must give written notice to the Board and to the Exchange as soon as possible and in any event no later than five business days following the acquisition or disposition.

- (a) the nature of the relevant interest;
- (b) the number and class of securities to which the relevant interest relates;
- (c) the date of the acquisition or disposition;
- (d) the consideration paid or received for the acquisition or disposition; and
- (e) the date of the last disclosure by the Director.

4.5 For a period of six months after the date on which a Director or officer ceases to hold office as a Director or officer of the Company, he/she will disclose the same information and within the same timeframe as in clause 4.4 to the Board and the Exchange in regard to any acquisition or disposal he/she has made of a relevant interest in a security of the Company.

## 5.0 What are some examples of material information?

The following list is illustrative only. Material information could include information concerning:

- the financial performance of the Company;
- a possible change in the strategic direction of the Company;
- the introduction of an important new product or service;
- a possible acquisition or sale of any assets or company by the Company;
- entry into or the likely entry into or termination or likely termination of material contracts or other business arrangements which are not publicly known;
- a possible change in the Company's capital structure;
- a change in the historical pattern of dividends;
- senior management changes;
- a material legal claim by or against the Company; or
- any other unexpected liability,

which has not been released to the market.

## **6.0 Warnings**

- 6.1 If in doubt, don't. The rules contained in this policy do not replace your legal obligations. The boundary between what is, and is not, a breach of the law is not always clear. Sometimes behaviour that you consider to be ethical, actually may be insider trading.
- 6.2 Strict compliance with this policy is a condition of employment. Breaches of this policy will be subject to disciplinary action, which may include termination of employment.
- 6.3 The Company may monitor the trading of Directors, Officers, Employees and Contractors as part of the administration of this policy.
- 6.4 You should not engage in short term trading (the buying or selling of Restricted Financial Products within a 3 month period), unless there are exceptional circumstances discussed with and approved by the Chief Financial Officer. Short term trading can be a key indicator of insider trading, particularly if undertaken on a regular basis or in large amounts. Therefore, to reduce the risk of an allegation of insider trading, do not trade Restricted Financial Products on a short-term basis.

## **7.0 Application of policy**

- 7.1 The Board of the Company has approved this policy. The Board may approve updates, amendments to and exemptions to this policy from time to time, which may be implemented by circulate memo to you or by posting on the Company's intranet. To the extent of any inconsistency with any previous policy or rules relating to this subject matter, this policy prevails over them.

## **8.0 Additional trading restrictions**

- 8.1 The additional trading restrictions set out below apply to all Directors, Officers, Employees and Contractors of the Group, and trusts and companies controlled by such persons. Persons covered by these additional restrictions are called "Restricted Persons". Directors, Officers, Employees and Contractors will be considered responsible for the actions of trusts and companies controlled by them. In this respect, "control" is not to be construed in a technical way but by looking at how decisions are made in practice.
- 8.2 Restricted Persons are prohibited from trading in any Restricted Financial Products during the following specific "black-out" periods:
  - 30 days prior to the Company's half-year balance date, until the first trading day after the half year results are released to NZX;
  - 30 days prior to the Company's year-end balance date, until the first trading day after the full year results are released to NZX; and
  - 30 days prior to release of a prospectus for a general public offer of the same class of Restricted Financial Products.
- 8.3 In addition, the Company's Chief Financial Officer may notify Restricted Persons of additional "black-out" periods from time to time (without the need for explanation to those affected). The Restricted Persons are not permitted to trade any Restricted Financial Products during a black-out period unless the Company's Board provides a specific exemption. Please note that if you hold material information you must not trade Restricted Financial Products at any time – regardless of these periods.
- 8.4 Persons to whom these restrictions apply must advise the Chief Financial Officer promptly following completion of any trade, and must comply with any disclosure obligations he or she may have under subpart 6 of Part 5 of the FMCA (Disclosure of Relevant Interests in Quoted Financial Products by Directors and Senior Managers of Listed Issuers).



Application to Buy / Sell Shares in Veritas Investments Limited

**To: The Chairman**  
**Veritas Investments Limited**

Before buying or selling securities in the Company it is required that a Director or employee of the Company gives written notice to the Board via the Chairman of their intention to buy or sell the securities by completing this form. Consent is required before the intended transaction can be undertaken.

Name:	
Address:	
Telephone:	Mobile:
Email:	
Position in the Company:	
Class and number of securities of proposed transaction:	
Describe type of transaction (e.g. buying or selling):	
Details of purchaser (e.g. in personal capacity, family trust, company)	
Is it intended that the transaction will take place on a stock exchange, and if not, details of the transaction:	
Likely date of transaction:	
If a Director, confirm that you will comply with the disclosure requirements of the NZX:	

In making this application I confirm as follows:

- I do not possess any material information and I am not an information insider.
- In the case of a purchase of securities, I do not intend to sell the securities within six months of purchase.
- I believe the transaction will be at a fair value.

I seek consent to the security transaction.

Signed \_\_\_\_\_

Date \_\_\_\_\_

Approval to the above transaction by _____ is hereby granted.	
Chairman Veritas Investments Limited	Date _____

### Checklist for Authorisation of Securities Transactions by Directors & Employees

This checklist is designed to be used as a guide for the Board in considering whether or not to authorise dealings in the Company's shares by Directors and employees under the Company's "Policy and Procedures for Share Trading by Directors and Employees" (the "**Procedure**")

ITEM	STATUS
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#### Notice of Intended Sale or Purchase

<ol style="list-style-type: none"> <li>1. Check that the Board has received a notice of intended sale or purchase from the Director or employee in the form attached as an Appendix to the Procedure ("<b>Notice</b>").</li> <li>2. Check that the Notice is completed in all respects.</li> <li>3. Check that the Notice is signed.</li> <li>4. Check that the Notice is dated.</li> </ol>	
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#### Identity of Seller or Buyer

<ol style="list-style-type: none"> <li>5. Check whether the shares are to be sold or bought:               <ol style="list-style-type: none"> <li>(a) in the Director or employee's own name;</li> <li>(b) in the name or on behalf of the Director or employee's spouse or child; or</li> <li>(c) another purchasing vehicle (e.g. trust, company).</li> </ol> </li> </ol>	
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#### Is there any Price Sensitive Information?

<ol style="list-style-type: none"> <li>6. Consider whether the Director or employee has or could have any information which has not been publicly released and which would or would be likely to affect materially the Company's share price if it was publicly released.  Examples of matters which <i>could</i> be price sensitive if known to the Director or employee could (depending on the circumstances) include:               <ul style="list-style-type: none"> <li>• indication that a third party is considering making a takeover offer for the Company's shares;</li> <li>• indication that a third party is considering acquiring a substantial shareholding in the Company;</li> <li>• discussions or negotiations with a third party for some other form of merger or amalgamation;</li> <li>• a proposal for the Company to make a material acquisition of a business or assets;</li> <li>• a proposal for the Company to make a material disposal of a business or assets;</li> </ul> </li> </ol>	
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ITEM	STATUS
<b>Is there any Price Sensitive Information – cont'd</b>	
<ul style="list-style-type: none"> <li>• a proposal for the Company to enter into a significant joint venture or partnership;</li> <li>• a proposal to change the Company's capital structure in any way (such as a share issue or share buy back);</li> <li>• a proposal for the Company to make a distribution of any kind;</li> <li>• any material variation between the Company's financial position, performance or outlook and the market's expectation of its financial position, performance or outlook;</li> <li>• a likelihood that the Company is about to gain any material contracts;</li> <li>• a likelihood that the Company is about to lose any material contracts;</li> <li>• any other material event or circumstances which have not been announced to the market.</li> </ul> <p><i>Note: If any of the events or circumstances set out above do exist the Board should consider whether it is appropriate to make a Stock Exchange announcement</i></p>	
<b>Board Satisfied as to Truth of Statements in Notice</b>	
<p>7. Ensure that the Board is reasonably satisfied as to the truth of the statements in the Notice that:</p> <ul style="list-style-type: none"> <li>(a) the Director or employee does not possess any material information and is not an information insider;</li> <li>(b) in the case of a purchase, the Director or employee does not intend to sell the shares within 6 months of purchase; and</li> <li>(c) the Director or employee believes the sale or purchase will be at a fair value.</li> </ul>	
<b>Consent to Transaction</b>	
<p>8. If it is appropriate for consent to be given to the transaction, ensure that the Board consents in writing to the transaction.</p>	
<b>Notice of Consent</b>	
<p>9. Ensure that a written copy of the consent is given immediately to the Director or employee.</p> <p><i>Note: If the Board declines to give consent, ensure that a written notice declining to give consent is given immediately to the Director or employee.</i></p>	
<b>Timing of Approved Transaction</b>	
<p>10. Check that any transaction consented to (if it occurred) occurred within the period specified in the notice of consent given by the Board.</p>	

ITEM	STATUS
<b>Notice by Directors and Officer</b>	
<p>11. If the transaction is a sale or purchase by a Director or officer (or associated person of a Director or officer) check that immediately after the sale or purchase:</p> <ul style="list-style-type: none"> <li>(a) the Director gives a disclosure of share dealing to the Company under section 148 of the Companies Act; and</li> <li>(b) the Director or officer notifies the NZX of the change to the Director or officer's "notifiable interest".</li> </ul> <p><i>Note: This must occur within 5 business days after the change occurs.</i></p>	
<b>Entries in Registers</b>	
<p>12. Ensure that entries are immediately made in the interests register required to be kept under section 19Z of the Securities Markets Act and section 189 of the Companies Act.</p>	

## **Takeover Response**

If Veritas receives a takeover notice or understands one to be imminent the following people will have the key responsibilities to implement the response strategy:

### **Chairman**

- Chair response team and manage overall responsibility.
- Lead communications with shareholders.
- Report back to Board.
- Appoint advisors.

### **CFO**

- Support Board in managing overall response.
- Run internal valuation model.

### **Professional Advisors**

- Provide advice on all aspects of Veritas's response, including appropriate response strategy.
- Support internal valuation and provide comparable company metrics.
- Analysis of terms and implied value of bid.
- Comparison of bid to fundamental valuation.
- Assist with negotiations.
- Assist with advice on continuous disclosure obligations – “material information” assessment.
- Advise on legal aspects of response.
- Analysis of legal and regulatory aspects relevant to the bid.
- Draft/review communications and announcements (including the Target Company Statement) prior to release.
- Advise on legal matters as required throughout the takeover process.
- Provide accounting and taxation advice.
- Organise timing and location of media statement/conference.
- Coordinate ongoing media relations / strategy.
- Drafting communications and announcements.
- Provide regular information on changes in share register including identification of underlying beneficial holders.
- Provide outbound mailing of shareholders letters and other documentation to shareholders.
- Receiving calls from shareholders and contacting shareholders with information based on a prepared script.

### **An Independent Adviser's Report is required for all Takeover Offers or Schemes**

- The Independent Adviser must be approved by the Takeovers Panel.
- Potential candidates include corporate finance divisions of major accounting firms (although Veritas's auditors and tax advisers would not be considered sufficiently independent) or an advisory house that specialises in independent valuations (e.g. Grant Samuel).
- Consideration of actual and perceived conflicts of interest will be required prior to appointment.

## The Approach

The approach can take a variety of forms ranging from expressions of interest, a non-binding indicative offer, on-market incremental offer, purchase of shares under 20% and an unsolicited takeover offer.

## Director's Responsibilities

- Act in good faith and what you believe to be the best interests of the company.
- Exercise your powers for a proper purpose.
- Act with due care, diligence and skill.
- Keep shareholders fully informed in relation to an offer.
- Act honestly and give shareholders your genuine view on offer's merits.
- Inform shareholders of all matters relevant to their decision whether to accept or reject an offer.
- Particular care around statements in formal documents and media.
- Prohibition on defensive tactics (does not prevent encouraging competing offers).
- Takeovers Code prohibits conduct that is misleading or deceptive or likely to mislead or deceive.

## Continuous Disclosure Obligations

- The first thing to consider if an approach is received is "Do we have a disclosure obligation?"
- Incomplete proposal: Veritas does not have an obligation to immediately disclose "material information" if:
  - a reasonable person would not expect the information to be disclosed;
  - the information is confidential and its confidentiality is maintained; and
  - the information concerns an incomplete proposal or negotiation.
- Need to continually assess whether a disclosure obligation has arisen, e.g. a "leak" in the media or a "spike" in the share price could indicate confidentiality is lost.
- Where an offer is imminent, Veritas may consider issuing a "Don't Sell" notice so that shareholders do not sell and lose the opportunity to participate in the offer.

## Takeover Offer versus Scheme of Arrangement

Issue	Takeover	Scheme of Arrangement
Description	An offer by bidder to shareholders under the Takeovers Code Can be hostile Bidder led process	Court approved scheme led by Veritas under the Companies Act Requires cooperation with bidder
Key thresholds	90% acceptances enables compulsory purchase to 100% Minimum acceptance threshold to >50%	Two voting thresholds: 75% of the votes actually voted (by interest class) voted in favour >50% of the total voting rights in target, whether or not voted
Ability to block	>10% stake will block compulsory acquisition	Depends on several factors including voter turnout, composition of share register and interest classes. 10% could be influential. 20% could block

Obtaining control	>50% minimum acceptance condition required. Can have 90% condition (which can be waived) Compulsory acquisition rights are triggered upon reaching 90% Acceptance commitments from target shareholders (up to any level) can be obtained	All or nothing result Voting undertakings possible up to 20% Public statement of intention can provide comfort above 20%
Timing	Minimum period is usually around 45 days from the date of the takeover notice Maximum period is ~ 150 days (with some ability to extend)	Given the structured Court timetable, the timing of a scheme can be more certain than a takeover Potentially a faster method for acquiring 100% control (if acceptances under takeover offer are slow) However, regulatory approvals (e.g., OIO) can remove timetable certainty and mean schemes not faster

### Common Questions and Answers

Does Veritas have to engage with a potential bidder? No specific requirement to engage. Directors will need to have regard to their general duties before deciding to engage, or not to engage, with a potential bidder.

What is Veritas required to disclose to the market? Disclosure only required once proposal becomes complete – unless leaks.

Is Veritas required to offer due diligence? No. There is no obligation to provide due diligence information - although may do so if in the best interests of the company (e.g. if it is likely to promote or enhance an offer the Board believes shareholders should have the opportunity to consider).

How does Veritas disclose confidential information if it engages? Price sensitive information cannot be disclosed to any party without putting appropriate confidentiality measures in place.

Can Veritas give a potential bidder exclusivity or agree to non-solicit? May provide exclusivity where consistent with duty to act in the best interests of the company (e.g. if it may enhance offer where competing offer unlikely).

Can Veritas agree to break fees? Break fees are permitted provided that they do not constrain the company's ability to deal with another potential acquirer, provided not excessive.

What actions are permitted prior to receiving an offer? Directors are unrestricted in actions subject to acting in best interests of the company and not engaging in defensive tactics. Directors can speak with potential acquirers, enter into break fees, or non-solicit agreements.

**The following amendments to the constitution of Salvus Strategic Investments Limited  
were approved by a special resolution of shareholders on 19 October 2011**

**New clauses:**

**22 Liquidation**

Upon the Board having resolved to do so at any time after 19 October 2011 (and provided that the resolution to dispose of the Company's assets to be voted on at the special meeting of shareholders of the Company to be held on 19 October 2011 (or any adjournment of that meeting) is passed) the Board may appoint a liquidator to the Company under section 241 (2)(b) of the Act.

**23 Delisting and Removal**

If the Company:

- (a) has ceased to carry on business, has discharged in full its liabilities to all known creditors, and has distributed its surplus assets in accordance with this Constitution and the Act; or
- (b) has no surplus assets after paying its debts in full or in part, and no creditor has applied to the Court for an order putting the Company into liquidation under section 241 of the Act,

the Board may request that the Company cease to be listed on the NZSX and may request the Registrar of Companies to remove the Company from the New Zealand Register of Companies.



# **Salvus Strategic Investments Limited**

## **Constitution**

# Interpretation and Relationship with Rules

## 1 Interpretation

### 1.1 Definitions: In this Constitution, unless the context otherwise requires:

“**Act**” means the Companies Act 1993 as amended from time to time and any enactment passed in substitution or replacement therefor.

“**Company**” means Salvus Strategic Investments Limited.

“**Rules**” means the Listing Rules applying to the NZSX market (or any successor to that market) as altered from time to time by NZX.

“**NZX**” means New Zealand Exchange Limited, its successors and assigns and, as the context permits, includes any duly authorised delegate of NZX.

“**Ordinary Resolution of the Company**” has the same meaning as “Ordinary Resolution of the Issuer” in the Rules.

### 1.2 Rules of Interpretation: In this Constitution:

- a. Terms used in this Constitution which have defined meanings in the Act and/or the Securities Act 1978 shall have the same meanings in this Constitution unless the context requires otherwise. Terms defined in the Rules shall, where used in this Constitution, have the same meaning as is given to those terms in the Rules. Where a term is defined in both the Act and the Rules, or the Securities Act 1978 and the Rules, that term shall have the same meaning as given to the term in the Rules unless this Constitution expressly provides otherwise.
- b. Unless otherwise indicated references to section numbers are to sections of the Act.
- c. Headings are for guidance only and shall not affect the interpretation of this Constitution.
- d. Clauses in this Constitution which expressly refer to a section in the Act shall not prevent any other clause in this Constitution from affecting or relating to that section.
- e. References to any legislation or provision of any legislation are deemed to be references to that legislation or provision as amended, substituted or re-enacted and unless the context requires otherwise include any statutory instruments issued under that legislation or provision.
- f. The singular includes the plural and vice versa, and words importing one gender include the other genders.
- g. The schedules form part of this Constitution.

## 2 **Relationship with the Rules**

- 2.1 **Compliance with the Rules:** So long as the Company is Listed, the Company shall comply with the Rules, but this provision takes effect subject to the requirements of any law and to clause 2.4.
- 2.2 **Incorporation of Rules:** So long as the Company is Listed, those provisions of the Rules which are required to be contained or incorporated by reference in this Constitution, as they may be modified by any Ruling relevant to the Company, will be deemed to be incorporated in this Constitution and have the same effect as if they were set out in full with any necessary modification.
- 2.3 **Effect of Changes in Rules:** Where any modifications made to the Rules by NZX would, but for clause 2.2, require a change in this Constitution, those modifications will be deemed to be incorporated by reference in this Constitution upon the date specified (either as a certain date or the date of expiry of any period of notice) by NZX as the date upon which such incorporation by reference is deemed to take effect.
- 2.4 **Effect of Rulings:** If NZX has made a Ruling in relation to the Company authorising any act or omission which in the absence of such Ruling would be in contravention of the Rules or this Constitution, that act or omission shall unless a contrary intention appears in this Constitution, be deemed to be authorised by the Rules and by this Constitution.
- 2.5 **Rules to Prevail:** Nothing in this Constitution will prohibit or restrict any action which is or may be expressly permitted by the Rules or NZX to be taken by the Company, the Board, each Director or the holders of Securities of the Company. In the event of any inconsistency between the Rules, as modified by any Ruling relevant to the Company, and this Constitution, the Rules shall prevail.
- 2.6 **Transactions not Affected:** Any failure to comply with the Rules shall not itself affect the validity or enforceability of any transaction, contract, action or other matter whatsoever (including the proceedings of, or voting at, any meeting) done or entered into by, or affecting the Company, except that a party to a transaction or contract who knew of the failure at the time of entering into the transaction or contract to comply with the Rules or those provisions of this Constitution shall not be entitled to enforce that transaction or contract provided however that this clause does not affect the rights of any holder of Securities of the Company against the Company, or the Directors of the Company arising from the failure to comply with the Rules or those provisions of this Constitution.

## Securities: Issue, Transfer and Voting

### 3 Issue of Securities

3.1 **Issues Must Comply with Rules:** While the Company is Listed, the Board may issue new Equity Securities and other securities in the Company provided it does so in a manner permitted by the Rules, the Act, and this Constitution.

3.2 **Types of Equity Securities:** Subject to clause 3.1, any Security in the Company may be issued with such preferred, deferred, or other special rights or such restrictions (whether in regard to dividends, voting, return of capital or otherwise) as the Board may from time determine, and in particular, Securities in the Company may:

- a. be issued as Securities that are redeemable:
  - i. at the option of the Company where the option is exercised in relation to all holders of the same class of Securities of the Company and in a manner that will leave unaffected relative voting rights;
  - ii. at the option of the Company where the option is exercised in relation to one or more holders of Securities of the Company and the procedure set out in section 71 (which relates to special redemption of shares) is complied with;
  - iii. at the option of the holder of the Securities; or
  - iv. on a date specified in the terms of issue of the Securities for a consideration that is:
    - A. specified;
    - B. to be calculated in accordance with a formula; or
    - C. required to be fixed by a suitably qualified person who is not associated with or interested in the Company; or
- b. be Convertible Securities with such rights or such restrictions (including as to transfer in conjunction with Securities) as the Board may from time to time determine; or
- c. confer preferential rights to distributions of capital or income; or
- d. confer special, limited, or conditional voting rights; or
- e. not confer voting rights; or
- f. have limitations or restrictions on transferability (subject to the Rules).

3.3 **Consolidation and subdivision of Shares:** Subject to compliance with the Rules the Board may:

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

3.4 **Bonus issues:** Subject to compliance with the Rules, the Board may resolve to apply any amount which is available for Distribution either:

- a. in paying up in full Shares or other Securities of the Company to be issued credited as fully paid to:
  - i. the Shareholders who would be entitled to that amount if it were distributed by way of dividend, and in the same proportions; and
  - ii. if applicable, the holders of any other Securities of the Company who are entitled by the terms of issue of such Securities to participate in bonus issues by the Company, whether at the time the bonus issue is made to the Shareholders, or at some later time, in accordance with their respective entitlements; or
- b. in paying up any amount which is unpaid on any Shares held by the Shareholders referred to in sub-clause (a)(i);

or partly in one way and partly in the other.

3.5 **Pre-emptive Right on Issue:** The requirements of section 45 shall not apply provided the relevant issue of Equity Securities complies with this clause 3 and the Rules.

3.6 **Further Issue not an Alteration of Rights:** For the purposes of section 117(3) the issue of further shares ranking equally with, or in priority to, existing shares, whether as to voting rights or distributions, is permitted provided such issue is made in accordance with this Constitution.

#### 4 **Sales of Less than Minimum Holdings**

4.1 **Procedure:** The Board may at any time give notice to any person holding less than a Minimum Holding of listed Securities of any Class that if at the expiration of three months after the date the notice is given the holder still holds listed Securities which are less than a Minimum Holding, the Board may exercise the power of sale of those Securities set out in this clause. If that power of sale becomes exercisable:

- a. the Board may arrange for the sale of those Securities through NZX or in some other manner approved by NZX;
- b. the holder of the listed Securities shall be deemed to have authorised the Company to act on the holder's behalf and to execute all necessary documents for the purposes of that sale;

- c. the net proceeds of sale of the listed Securities (after deduction of reasonable sale expenses and any unpaid calls or any other amounts owing to the Company in respect of the Securities) shall be held on trust for the holder of the Securities by the Company and paid to such holder on surrender of any certificates for the Securities sold; and
- d. the title of a purchaser of any Securities sold pursuant to this clause shall not be affected by any irregularity or invalidity in the exercise of the power of sale or the sale itself.

## **5 Rights and Powers Attaching to Securities**

- 5.1 **Shareholders' Rights:** The rights specified in section 36(1) are subject to the provisions of the Rules.

## **6 Share Register**

- 6.1 **Place of Share Register:** The share register may be divided into two or more registers kept in different places.

## Special Powers relating to Securities, Indemnities and Insurance

### 7 Acquisition of Own Securities

- 7.1 **Company may acquire its own Securities:** Subject to the Rules, the Company is permitted to purchase or otherwise acquire Securities issued by it, and it may also hold its own Securities, in accordance with the Act.

### 8 Acquisition of Own Securities other than Pro Rata

- 8.1 **Company may acquire own Securities other than pro rata:** Subject to the Rules the Company may make an offer to one or more holders of Securities of the Company to purchase or otherwise acquire Securities issued by the Company other than on a pro rata basis, in accordance with the Act.

### 9 Redeemable Securities

- 9.1 **Company may redeem Securities:** The Company may redeem Securities (which by their terms of issue fixed in accordance with clause 3.2 are redeemable) in accordance with the Act and any applicable provisions of the Rules:

- a. at its option; or
- b. at the option of the holder of the Security if permitted by the terms of issue; or
- c. on a date specified in this Constitution or the terms of issue of the Security,

in each case for a consideration that is either specified, calculated by reference to a formula, or required to be fixed by a suitably qualified and independent person as provided in section 68.

### 10 Redemption of Securities other than Pro Rata

- 10.1 **Company may redeem Securities other than pro rata:** Subject to the Rules, the Company may exercise an option to redeem Securities issued by the Company in relation to one or more holders of Securities of the Company other than on a pro rata basis, in accordance with the Act.

### 11 Financial Assistance

- 11.1 **Company may provide Financial Assistance:** The Company may give financial assistance for the purpose of, or in connection with, the acquisition of Equity Securities issued or to be issued by the Company provided that it is given in accordance with the Act and is permitted by the Rules.

## 12 Indemnity and Insurance

12.1 **Indemnity of Directors:** Subject to clause 12.3, the Company may, with the prior approval of the Board, indemnify a Director or Employee of the Company:

- a. for any costs incurred by him or her in any proceeding that relates to liability for any act or omission in his or her capacity as a Director or Employee of the Company or a Director or Employee of a subsidiary of the Company and in which judgement is given in his or her favour, or in which he or she is acquitted, or which is discontinued; and
- b. in respect of liability to any person other than the Company or a related company for any act or omission by him or her in his or her capacity as a Director or Employee of the Company or a Director or Employee of a subsidiary of the Company, and costs incurred by him or her in defending or settling any claim or proceeding relating to any such liability.

12.2 **Other indemnities:** Subject to clause 12.3, the Company may, with the prior approval of the Board, indemnify a Director or Employee of a related company:

- a. for any costs incurred by him or her in any proceeding that relates to liability for any act or omission by him or her in such capacity and in which judgement is given in his or her favour, or in which he or she is acquitted, or which is discontinued; and
- b. in respect of liability to any person other than the Company or a related company for any act or omission by him or her in such capacity, and costs incurred by him or her in defending or settling any claim or proceeding relating to any such liability.

12.3 **Exceptions:** An indemnity conferred by clause 12.1(b), or given pursuant to clause 12.2(b), shall not apply in respect of:

- a. any criminal liability; or
- b. in the case of an Employee of the Company, a subsidiary of the Company or a related company, any liability in respect of a breach of any fiduciary duty owed to the Company, a subsidiary of the Company or related company; or
- c. in the case of a Director of the Company, a subsidiary of the Company or a related company, any liability in respect of a breach of the duty specified in section 131 of the Act.

12.4 **Insurance:** The Company may, with the prior approval of the Board, effect insurance for a Director or Employee of the Company or a Director or Employee of a related company, in respect of:

- a. liability, not being criminal liability, for any act or omission by him or her in such capacity; or
- b. costs incurred by him or her in defending or settling any claim or proceeding relating to any such liability; or
- c. costs incurred by him or her in defending any criminal proceedings:



- i. that have been brought against the Director or Employee in relation to any act or omission in his or her capacity as a Director or Employee; and
- ii. in which he or she is acquitted.

12.5 **Extended Meanings of Certain Terms:** In this clause 12 words given extended meanings in section 162(9) of the Act have those extended meanings.

## Directors

### 13 Appointment and Removal of Directors

13.1 **Sections 153 and 156(2):** The provisions of section 153 and 156(2) shall be read subject to this clause 13 and to the provisions of the Rules which govern the appointment and removal of Directors.

13.2 **Directors' Appointments:** The Directors shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a vacancy or as an addition to the existing Directors.

13.3 **Alternate Directors:** Subject to the requirements of the Rules, a Director may by notice in writing to the Company appoint another person to be an alternate Director during his or her absence or inability to act as Director. A person holding office as an alternate Director shall be entitled to all notices of meetings of the Directors and any paper minutes or documents sent to Directors and to attend and vote at any meetings of Directors but shall not vote at that meeting except in the place of the Director for whom he or she is an alternate and he or she shall not require any share qualification and shall not be entitled to be remunerated otherwise than out of the remuneration of the Director appointing him or her. Any appointment so made may be revoked at any time by the appointer. Any appointment or revocation under this clause shall be effected by notice in writing to the Company.

13.4 **Removal from Office:** The office of Director is vacated if the person holding that office:

- a. resigns; or
- b. being an employee of the Company, ceases such employment. A person who ceases to be a Director by reason of ceasing employment may be reappointed as a Director pursuant and subject to the provisions of clause 13.2; or
- c. is removed from office in accordance with the Act or the Rules; or
- d. becomes disqualified from being a Director pursuant to the Act; or
- e. dies or becomes of unsound mind; or
- f. is absent from meetings of the Board for more than 6 months without the Board's permission, and the Board resolves that the office be vacated.

### 14 Directors' Remuneration

14.1 **Expenses and Special Remuneration:** Notwithstanding the Rules governing Directors' remuneration:

- a. each Director is entitled to be paid or reimbursed for all reasonable travelling, accommodation and other expenses incurred by the Director in connection with the Director's attendance at meetings or otherwise in connection with the Company's business; and

- b. subject to those Rules governing transactions with Related Parties (if applicable), the Board may authorise, without the approval of holders of Securities of the Company, the payment of special remuneration to any Director who is or has been engaged by the Company to carry out work or perform any services which are not in the capacity of a Director.

## 15 Directors' Meetings

- 15.1 **Compliance with Schedule 1:** Meetings of Directors of the Company shall be conducted in accordance with Schedule 1 attached to and forming part of this Constitution.

## 16 Delegation By Directors

- 16.1 **Delegation by Directors:** Without limiting section 130 but excluding from any such delegation any of the matters set out in the Second Schedule to the Act:
  - a. the Directors may from time to time appoint one or more of their body to the office of Managing Director or Managing Directors of the Company for a fixed term not exceeding 5 years. The Directors may fix his, her or their remuneration (except his, her, or their remuneration in his, her or their capacity as a Director or Directors) which may be in addition to his, her or their remuneration as an ordinary Director or Directors and may be either by way of salary, commission on profits earned or participation in the profits of the Company or any Security scheme or by a combination of two or more of those modes;
  - b. one Managing Director while he or she continues to hold that office shall not be liable to retire by rotation under the Rules but he or she shall be taken into account in determining the number of other Directors to retire by rotation, and he or she shall be subject to the same provisions as regards resignation, removal and disqualification as the other Directors of the Company, and if he or she ceases to hold the office of Director for any cause he or she shall ipso facto cease to be a Managing Director. The Managing Director shall be exempted from the requirement in the Rules to retire by rotation provided that where there are two or more Managing Directors the Board shall nominate which Managing Director shall be exempt from the requirement to retire by rotation;
  - c. the Directors may entrust to and confer upon a Managing Director any of the powers exercisable by the Directors (except the power to make calls, forfeit Securities, borrow money or issue debentures) upon such terms and conditions and with such restrictions as they may think fit and either collaterally with or to the exclusion of their own powers and may from time to time revoke, withdraw, alter or vary all or any of those powers;
  - d. the Directors may delegate any of their powers to committees consisting of such persons as they think fit and may from time to time remove such delegation;
  - e. any Managing Director appointed under this clause 16 is an executive Director and the Rules shall be construed accordingly.

## **Shareholders' Meetings**

### **17 Shareholders' Meetings**

- 17.1 Compliance with Schedule 2:** Meetings of shareholders of the Company shall be conducted in accordance with Schedule 2 attached to and forming part of this Constitution.

## Other Provisions

### 18 Calls on Securities

- 18.1 **Ability to Call:** The Directors may from time to time make calls upon the holders of Securities in respect of any money which is unpaid on their Securities and which is not by the conditions of allotment thereof made payable at a fixed time or times, **provided that** no call shall be payable at less than 1 month from the date fixed for the payment of the last preceding call. Subject to receiving at least 14 days' notice specifying the time or times and place of payment each holder of Securities shall pay to the Company at the time or times and place so specified the amount called on their Securities. Subject to Rule 8.4 a call may be reduced, revoked or postponed as the Directors may determine.
- 18.2 **Call deemed made:** A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be required to be paid by instalments.
- 18.3 **Joint holders' liability:** The joint holders of a Security shall be jointly and severally liable to pay all calls in respect thereof.
- 18.4 **Interest:** Subject to Rule 8.4, if a sum called in respect of a Security is not paid before or on the day appointed for payment thereof the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate as the Directors (acting reasonably) may determine, but the Directors shall be at liberty to waive payments of that interest wholly or in part.
- 18.5 **Payment on allotment:** Any sum which by the terms of issue of a Security becomes payable on allotment or at any fixed date shall for the purposes of this Constitution be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable and in case of non-payment all the relevant provisions of this Constitution as to payment of interest and expenses, forfeiture or otherwise shall apply as if the sum had become payable by virtue of a call duly made and notified.
- 18.6 **Proof of Holding:** On the trial or hearing of any action for the recovery of any money due for any call it shall be sufficient to prove that the name of the holder of the Security sued is entered in the Register of the Company as the holder or one of the holders of the Securities in respect of which such debt accrued, that the resolution making the call is duly recorded in the records of the Company and that notice of such call was duly given to the holder sued in pursuance of this Constitution; and it shall not be necessary to prove the appointment or qualification of the Directors who made such call nor any other matter whatsoever; and the proof of the matters aforesaid shall be conclusive evidence of the debt.
- 18.7 **Directors' discretion to differentiate:** The Directors may on the issue of Securities, differentiate between the holders as to the amounts to be paid and the times of any calls or payment.
- 18.8 **Payments in advance:** The Directors may if they think fit receive from any holder of Securities willing to advance the same all or any part of the money uncalled and unpaid upon any Securities held by that holder and upon all or any part of the money so advanced may

(until the same would, but for the advance, become payable) pay interest at such rate as may be agreed upon between the Directors and the holder of Securities paying the sum in advance; but no holder shall be entitled as of right to any interest on any money so paid in advance and the Directors may decline to pay any interest. The Directors may at any time repay the amount so advanced upon giving to the holder of Securities three months' notice in writing.

## 19 Forfeiture and Lien

- 19.1 **Notice from Directors:** If a holder of a Security fails to pay any call or instalment on the day appointed for payment thereof the Directors may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him 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.
- 19.2 **Due date specified:** The notice shall name a further day (not earlier than the expiration of 14 days from the date 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 Securities in respect of which the call was made will be liable to be forfeited.
- 19.3 **Directors' Resolution:** If the requirements of any such notice as aforesaid are not complied with, any Security in respect of which the notice has been given may at any time thereafter before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited Securities and not actually paid before the forfeiture.
- 19.4 **Note on Register:** When any Security shall have been so forfeited notice of the resolution shall be given to the holder in whose name it stood immediately prior to the forfeiture; and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register, and any certificate of any Securities so forfeited as aforesaid shall be immediately cancelled by the Company and the holder in whose name such cancelled Security stood immediately prior to such cancellation shall return the certificate for such Security so forfeited to the Company within 14 days of receiving notice of such resolution as aforesaid.
- 19.5 **Sale of forfeited Security:** Subject to Rule 8.4, a forfeited Security may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.
- 19.6 **Liability remains following sale:** A person whose Securities have been forfeited shall cease to be a holder in respect of the forfeited Securities, but shall, notwithstanding, remain liable to pay to the Company all money which at the date of forfeiture was payable by that holder to the Company in respect of the Securities but that holder's liability shall cease if and when the Company receives payment in full of all such money in respect of the Securities.
- 19.7 **Non-payment:** 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 Security becomes payable at a fixed time on account of the issue price of the Security as if the same had been payable by virtue of a call duly made and notified.

19.8 **Lien:** The Company shall have a first and paramount lien upon all the Securities registered in the name of each holder of Securities whether solely or jointly with others and upon the proceeds of sale thereof, and on distributions from time to time declared in respect of such Securities for:

- a. unpaid calls, instalments, or other amounts, and any interest payable on such amounts, relating to the specific Securities; and
- b. such amounts as the Company may be called upon to pay under any legislation in respect of the specific Securities,

**and** for the purpose of giving better effect to the provisions of this clause each holder of Securities irrevocably appoints the Company and each officer of the Company as attorney for that holder authorising the Company to complete an assignment to the Company of any moneys owing by that holder under the provisions of this clause and each holder agrees to ratify and confirm any act carried out by the Company in that behalf.

19.9 **Sale of Securities subject to lien:** The Company may sell in such manner as the Directors think fit any Securities on which the Company has a lien but no sale shall be made unless a sum in respect of which the lien exists is presently payable nor until the expiration of 14 days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable has been given to the registered holder for the time being of the Securities or the person entitled thereto by reason of his or her death or bankruptcy.

19.10 **Accounting for proceeds:** If Securities are forfeited and sold, or are sold to enforce a lien, any residue after the satisfaction of unpaid calls, instalments, premiums or other amounts and interest thereon, and expenses, shall be paid to the previous holder, or to the executors, administrators or assigns of the previous holder.

19.11 **Evidence of forfeiture:** A certificate under the hand of a Director and countersigned by a second Director that the power of sale hereinbefore mentioned has arisen and is exercisable by the Company under this Constitution, or that a Security in the Company has been duly forfeited on the date stated therein, shall be conclusive evidence of the facts stated therein.

19.12 **Authority to transfer:** For giving effect to any such sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given the Directors may authorise some person to transfer the Securities sold to the purchaser thereof. The purchaser shall be registered as the holder of the Securities comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall such purchaser's title to the Securities be affected by any irregularity or invalidity in the proceedings in reference to the sale. The remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively. If the certificate for forfeited Securities is not delivered up to the Company the Directors may issue a new certificate distinguishing it as they think fit from the certificate not delivered up.

## 20 **Distributions**

20.1 **Power to authorise:** The Board, if satisfied on reasonable grounds that the Company will immediately after the distribution satisfy the solvency test may, subject to the Act and this

Constitution, authorise distributions by the Company at times, and of amounts, and to any holders of Securities, as it thinks fit and may do everything which is necessary or expedient to give effect to any such distribution.

20.2 **Form of Distribution:** Subject to the rights of holders of any Securities in a Class, the Board may make a distribution in such form as it thinks fit, but except as provided in clause 20.3 shall not differentiate between holders as to the form in which a distribution is made without the prior approval of the holders of Securities.

20.3 **Currency of payment:** The Board, if it thinks fit, may differentiate between holders of Securities as to the currency in which any distribution is to be paid. In exercising its discretion the Board may have regard to the registered address of a holder of Securities, the register on which a holder's Securities are registered and such other matters (if any) as the Board considers appropriate. If the Board determines to pay a distribution in a currency other than New Zealand currency, the amount payable shall be converted from New Zealand currency in such manner, at such time, and at such exchange rate, as the Board thinks fit.

20.4 **Entitlement to dividends:** The Board shall not authorise a dividend:

- a. in respect of some but not all the Securities in a Class; or
- b. that is of a greater value per Security in respect of some Securities of a Class than it is in respect of other Securities of that Class;

unless the amount of the dividend in respect of a Security of that Class is in proportion to the amount paid to the Company in satisfaction of the liability of the holder under this Constitution or under the terms of issue of the Security, but a holder of Securities may waive that holder's entitlement to receive a dividend or any part thereof by written notice to the Company signed by or on behalf of the holder.

20.5 **Deduction of expenses:** The Directors may deduct from any distribution due to any holder of Securities all sums of money, if any, which are:

- a. presently payable to that holder of Securities to the Company on account of any liability in respect whereof the Company has a lien on the Securities on which such distribution is payable; or
- b. required by law to be deducted by the Company.

20.6 **Method of payment:** Any distribution payable in cash in respect of the Securities may be paid by direct bank credit (if so authorised by the holder) or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders (subject to any arrangement between such joint holders consented to by the Directors), to the registered address of any one of the joint holders or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. Any one of two or more joint holders may give effectual receipts for any distributions payable in respect of the Securities held by them as joint holders but the Company may require the receipt of all the joint holders. The Company shall not be responsible for the loss in transmission of any cheque or warrant sent through the post as aforesaid whether sent at the request of a holder of Securities or otherwise.



- 20.7 **No interest:** No distribution shall bear interest against the Company.
- 20.8 **Unclaimed distributions:** All distributions unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and all distributions unclaimed for five years after having been declared may be forfeited by the Directors for the benefit of the Company **provided always that** the Directors must at any time after such forfeiture annul the same and, subject to the Company meeting the Solvency Test, pay the distributions so forfeited to any person producing evidence of entitlements to the same and shall do so unless in the opinion of the Directors such payment would adversely affect the Company.
- 20.9 **Directors establish reserves:** The Directors may, from time to time, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall at the discretion of the Directors be applicable for any purpose to which the profits of the Company may be properly applied, and pending any such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments as the Directors may from time to time think fit. The Directors may also without placing the same to reserve carry forward any profits which they think prudent not to distribute.
- 21 **Execution of Deeds**
- 21.1 **Procedure:** a deed which is to be entered into by the Company may be signed on behalf of the Company by:
- a. two or more Directors;
  - b. any Director, or any person authorised by the Board, whose signature must be witnessed; or
  - c. one or more attorneys appointed by the Company in accordance with Section 181 of the Act.

## Schedule 1: Directors' Meetings

All meetings of Directors of the Company shall be conducted in accordance with the Third Schedule to the Act, except where varied by the following provisions:

- 1     **Procedure:** The Directors may meet together for the despatch of business, adjourn, or otherwise regulate their meetings and proceedings as they may think fit and may determine the quorum necessary for the transaction of business. The quorum for meetings of Directors shall be three Directors unless:

- a.     a majority of the Directors for the time being otherwise determine; or
- b.     in respect of a matter to be considered by the Board, there would be less than three Directors eligible to be counted in a quorum and vote, in which case the quorum shall be the number of Directors present at the meeting and eligible to vote on the relevant matter.

If a quorum shall not be present at a meeting then the meeting may be adjourned for at least 48 hours and notice of the day, time and place for such adjourned meeting shall be given to all Directors who are in New Zealand at least two days prior to the time of such adjourned meeting. Provided however that if the chairperson, in his or her absolute discretion, forms the opinion that it is in the interests of the Company to convene the adjourned meeting within 48 hours of the original meeting, the adjourned meeting shall be convened at such earlier time as the chairperson deems appropriate, provided that notice of the adjourned meeting is given to all Directors who are in New Zealand at least 10 hours before the time set for such adjourned meeting. If at that further meeting a quorum is not present within 30 minutes after the time appointed for the meeting any Director present is a quorum.

- 2     **Notice:**

- a.     **Usual Notice for Meetings:** Every Director who is in New Zealand shall be given not less than five clear days' notice of a meeting unless the Director waives that right. Notice may be given to a Director by:

- i.     delivery of the notice to the Director in which case the notice will be deemed to be given when delivered;
- ii.    sending the notice by facsimile transmission to the facsimile number given by the Director to the Company for the purposes of receiving notices, in which case the notice will be deemed to be given when sent;
- iii.   posting the notice to the address given by the Director for the purpose of receiving notices, in which case the notice will be deemed to be given three days after it is posted; or
- iv.    sending the notice by electronic means if requested by the Director, in which case the notice will be deemed to be given when transmitted.

- b.     **Urgent Meeting:** If, in the opinion of the chairperson or in his or her absence the deputy chairperson (if any) or in the absence of both the Managing Director (if any), a

meeting is required in the interests of the Company to be convened on less than five clear days' notice, the meeting may be convened on short notice **provided that:**

- i. not less than three-quarters of the Directors entitled to be given notice consent to such shorter notice; or
- ii. the chairperson, or in his or her absence the deputy chairperson (if any), or in the absence of both the Managing Director (if any) and at least one other Director reasonably consider that by reason of extreme urgency, a meeting on short notice is required in the interests of the Company and that it is not practicable to give five clear days' notice.

In the case of a meeting convened on short notice pursuant to this clause:

- A. a copy of the notice convening the meeting shall be given to every Director entitled to be given notice either personally or shall be sent by facsimile transmission to his or her facsimile prior to the holding of a meeting;
  - B. the Managing Director or in his or her absence the next most senior executive of the Company, shall use all reasonable endeavours to contact every Director either personally or by telephone prior to the holding of the meeting to try to ensure that every Director is aware that the meeting is to be held;
  - C. every Director shall be entitled to attend the meeting telephonically; and
  - D. the business to be transacted at the meeting shall be limited to business related to the urgent matter or matters which necessitated the meeting being called on short notice.
- c. **Powers of Quorum:** A meeting of the Directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under this Constitution or the Act for the time being vested in or exercisable by the Directors generally.

3 **Meeting Methods:** For the purposes of this Constitution the contemporaneous linking together with simultaneous audio or audio and visual means of a number of the Directors not less than the quorum, whether or not any one or more of the Directors is out of New Zealand, shall be deemed to constitute a meeting of the Directors and all the provisions in this Constitution as to meetings of the Directors shall apply to such meetings by telephone so long as the following conditions are met:

- a. All the Directors for the time being entitled to receive notice of a meeting of the Directors (including any alternate for any Director) shall be entitled to notice of such a meeting and to be linked by such means for the purposes of such meeting. Notice of any such meeting may be given by such means.
- b. Each of the Directors taking part in such a meeting must be able to hear each of the other Directors taking part at the commencement of the meeting.

- c. At the commencement of the meeting each Director must acknowledge his or her presence for the purpose of a meeting of the Directors of the Company to all the other Directors taking part.

A Director may not leave the meeting by disconnecting unless he or she has previously obtained the express consent of the chairperson of the meeting and a Director shall be conclusively presumed to have been present and to have formed part of the quorum at all times at such a meeting unless he or she has previously obtained the express consent of the chairperson to leave the meeting as aforesaid. Neither the meeting nor any business conducted at the meeting shall be invalidated if a Director does leave a meeting conducted in this manner without the express consent of the Chairperson.

A minute of the proceedings at such meeting by telephone shall be sufficient evidence of such proceedings and of the observance of all necessary formalities if certified as a correct minute by the chairperson of the meeting.

- 4 **Calling of Meeting:** The chairperson of Directors, the Managing Director or any two Directors may at any time summon a meeting of the Directors.
- 5 **Voting:** Questions arising at any meeting of the Directors shall be determined by vote of the Directors. Except as provided in the Rules the chairperson shall have a casting vote and each Director shall have one vote.
- 6 **Chairperson:** The Directors shall from time to time appoint a chairperson and (if they think fit) a deputy chairperson and determine the period, not exceeding three years, for which they respectively are to hold office and may from time to time reappoint such chairperson or deputy chairperson for further periods not exceeding three years at any one time. The chairperson, or failing him or her the deputy chairperson (if any), shall preside at all meetings of the Directors, but if no such chairperson or deputy chairperson is present within 10 minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairperson of such meeting, and the Director so chosen shall preside at such meeting accordingly.
- 7 **Proceedings of Committee:** Any committee of Directors shall in the exercise of the powers so delegated conform to any regulation that may be imposed upon it by the Directors. Save as aforesaid the meetings and proceedings of a committee shall be governed by the provisions of this Constitution regulating the proceedings and meetings of Directors, including those relating to the signing of written resolutions.
- 8 **Defects:** All acts done by any meeting of the Directors or a committee of Directors or by any person acting as a Director, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid or that they or any of them were disqualified, shall be as valid as if every such person had been duly appointed and was qualified to be a Director.
- 9 **Resolution in Writing:** A resolution in writing signed by a majority of the Directors for the time being entitled to vote on that resolution (or their alternate Directors) shall be as valid and effective as if it had been passed at a meeting of the Directors duly called and constituted **provided that** prior notice of the resolution has been given to Directors not entitled to vote and those Directors have acknowledged in writing that they do not require a meeting to be

held. Any such resolution may consist of several documents in like form each signed by one or more Directors.

10 **Minutes:** The Directors shall cause minutes to be made in books provided for the purpose of recording:

- a. The names of the Directors present at each meeting of the Directors and of any committee of the Directors.
- b. All resolutions and proceedings at all meetings of the Company and of the Directors and of committees of Directors.

Any such minutes of any meeting of the Directors or of any committee if purporting to be signed by the chairperson of such meeting or by the chairperson of the next succeeding meeting shall be receivable as prima facie evidence of the matters stated in such minutes.

## Schedule 2: Shareholders' meetings

All meetings of shareholders of the Company shall be conducted in accordance with the First Schedule to the Act, except where varied by the following provisions:

- 1 **Chairperson:** If the Directors have elected a chairperson, he or she shall chair a meeting of shareholders. If there is no such chairperson, or if he or she is not present within 15 minutes after the time appointed for the holding of the meeting, or is unwilling to act, the Directors present shall elect one of their number to be chairperson of the meeting. If at any meeting no Director is willing to act as chairperson, or if no Director is present within 15 minutes after the time appointed for holding the meeting, the shareholders present shall choose one of their number to be chairperson of the meeting.
- 2 **Quorum:** The quorum for a general meeting of shareholders of the Company shall be at least five shareholders present in person or by proxy or representative.
- 3 **Proxies:** A shareholder may exercise the right to vote either by being present in person or by proxy. Postal voting shall only be permitted at any particular meeting if the Directors designate such meeting as one at which postal votes may be cast and so identify the meeting in the relevant notice of meeting given to shareholders.

A proxy for a shareholder is entitled to attend and be heard at a meeting of shareholders as if the proxy were the shareholder.

No proxy is effective in relation to a meeting unless it has been received by or on behalf of the Company at any place specified for the purpose in the notice of meeting at least 48 hours before the start of the relevant meeting.

A proxy form shall be sent with each notice of meeting of Quoted Security holders and:

- a. shall (so far as the subject matter and form of the resolutions reasonably permits) provide for two-way voting on all resolutions, enabling the Security holder to instruct the proxy as to the casting of the vote; and
- b. shall not be sent with any name or office (e.g., chairperson of Directors) filled in as proxy holder.

So far as is reasonably practicable, resolutions shall be framed in a manner which facilitates two-way voting instructions for proxy holders.

A proxy is effective in relation to a meeting notwithstanding the previous:

- a. death of the principal; or
- c. insanity of the principal; or
- d. revocation of the proxy; or
- e. transfer of the Securities in respect of which the proxy is given;

unless notice in writing of any such matter has been produced to the satisfaction of the chairperson before the start of the meeting at which the proxy is to be used.

- 4     **Adjournment:** The chairperson may adjourn a meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- 5     **No voting if disqualified:**
  - a.     Notwithstanding anything to the contrary in the Act or this Constitution, a person is not entitled to cast a Vote in favour of a resolution where that person is disqualified from voting by the Rules.
  - b.     Paragraph 5(a) shall not prevent a person who:
    - i.       is disqualified from voting under paragraph 5(a); and
    - ii.      has been appointed as a proxy or representative by another person (who is not disqualified from voting),  
  
from voting in respect of the Securities held by that other person in accordance with the express instructions of that other person.
- 6     **Procedure:** Except as provided in this Constitution, or as required by the Act, the chairperson of the meeting shall regulate the procedure at any meeting of shareholders.