

CONSTITUTION

of

ALLIANCE GROUP LIMITED

This conformed copy of the Constitution incorporates the Constitution adopted on 24 April 1997 and amendments dated 19 December 1997, 19 December 2003 and 14 December 2012

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FIRST SCHEDULE - PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

SECOND SCHEDULE - PROCEEDINGS OF MEETINGS OF THE BOARD

CONSTITUTION

ALLIANCE GROUP LIMITED

1. EFFECT OF THIS CONSTITUTION

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

2. INTERPRETATION

2.1 In this Constitution, unless the context otherwise requires:

“Board” means Directors of the Company who number not less than the required quorum acting together as a board of Directors.

“Companies Act” means the Companies Act 1993.

“Company” means Alliance Group Limited.

“Constitution” includes any amendment or extension for the time being in force.

“Convertible Security” means a Security that may be converted into, or exchanged for, a Security of a different sort, whether at the option of the holder, or of the Company, or otherwise, and includes a right to subscribe for, or obtain, a Security of a different sort, pursuant to any right conferred by the first mentioned Security.

“Co-op Act” means the Co-operative Companies Act 1996.

“Directors” means the directors for the time being of the Company.

“Financial Year” means the period of 12 months ending on expiration of the 30th day of September, or such other date as the Directors may settle as the end of the Company’s financial year from time to time.

“Managing Director” means a person appointed as the Managing Director for the time being in accordance with clause 17.11.

“Member” or “Shareholder” means the registered holder for the time being of shares in the Company, whether or not that Member or Shareholder is also a Transacting Shareholder.

“Personal Representative” means:

- (a) in relation to a deceased individual Shareholder, the executor, administrator or trustee of the estate of that Shareholder;

- (b) in relation to a bankrupt individual Shareholder, the assignee in bankruptcy of that Shareholder; and
- (c) in relation to any other individual Shareholder, a person appointed or deemed to have been appointed to administer property under the Protection of Personal and Property Rights Act 1988, a manager appointed or deemed to have been appointed thereunder, and a donee of an enduring power of attorney complying with that Act.

“Relevant Interest” shall have the same meaning as is given to it by the Securities Amendment Act 1988, as if the Company was a public issuer under that Act.

“Secretary” means the executive of the Company appointed to that role by the Company.

“Security” means any interest in, or right to an interest in, any capital, assets, earnings, royalties, or other property of the Company and includes any interest in or right to be paid money deposited with, lent to, or otherwise owing by the Company.

“Standard Shareholding” means that number of ordinary nominal value shares in the Company required from time to time to be held by any Transacting Shareholder as Supply Shares and calculated in accordance with clause 5, and, in the case of a surrender at the option of the Company under the provisions of section 21(5) Co-op Act, having regard to the requirements of clause 8.1(d).

“Supply Shares” means ordinary nominal value shares of the Company held by a Transacting Shareholder in respect of such Member’s Standard Shareholding.

“Transacting Shareholder” means, having regard to the co-operative activity of the Company under clause 3, a Shareholder who:

- (a) supplies or provides goods to the Company, or having ceased to supply or provide goods to the Company, is, in the reasonable opinion of the Board, likely to resume doing so; or,
- (b) purchases or acquires services from the Company, or having ceased to purchase or acquire services from the Company, is, in the reasonable opinion of the Board, likely to resume doing so; or,
- (c) enters into other commercial transactions with the Company or, having ceased to enter into other commercial transactions with the Company, is, in the reasonable opinion of the Board, likely to resume doing so; or,
- (d) has incurred an obligation to do an act referred to in any of the foregoing paragraphs (a), (b) or (c).

For the purposes of this Constitution a Shareholder may carry on one of the activities referred to in (a) – (d) above with the Company in one or more of the following ways:

- (i) directly
- (ii) through a subsidiary of the Company

- (iii) with another person who or which is carrying on the activity on behalf of the Company.
- 2.2 Expressions defined in the Companies Act and the Co-op Act where used in this Constitution have the meanings so defined.
- 2.3 Headings have been included for convenience only and shall not affect the interpretation of clauses in this Constitution.
- 2.4 The schedules form part of this Constitution.
- 2.5 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.
- 2.6 The singular includes the plural and vice versa, and words importing one gender include the other genders.

3. PRINCIPAL ACTIVITY

The principal activities of the Company are to supply and provide Shareholders with services, to process and market goods supplied or provided by Shareholders, and to enter into any other commercial transaction with Shareholders, all being co-operative activities under section 3 Co-op Act.

4. ISSUE OF SHARES AND CONVERTIBLE SECURITIES

4.1 Classes of Shares

Subject to clause 4.2, the Board may issue shares in different classes and may in the terms of issue of any or all classes of shares, negate, alter or add to the rights attaching to any share specified in section 36(1) Companies Act. Such rights may also be negated, altered, or added to, by this Constitution.

4.2 Ordinary Shares With a Nominal Value

Ordinary nominal value shares in the Company shall have a nominal value of \$1.00 each.

4.3 Pre-Emptive Rights

The requirements of section 45 Companies Act regarding the issue of shares are hereby negated.

4.4 Controls on Issue

The Board may in its discretion:

- (a) Refuse to issue, reissue or allot any shares to a person who in the opinion of the Board will not qualify as a Transacting Shareholder, except where an issue or allotment is made upon conversion of any Securities from time to time

issued by the Company, if the terms of issue or allotment of those Securities provided for conversion to shares of the kind to be issued or allotted.

- (b) Decline to accept any application for shares.

The decision of the Board as to any matter under this clause shall be final and not subject to any review except by the Board in the exercise from time to time of the powers contained in this Constitution.

4.5 **Consideration**

The consideration for the issue of ordinary nominal value shares must be the nominal value of the shares or class or shares concerned. The consideration for the issue of shares without a nominal value shall be decided by the Board in accordance with the provisions of the Companies Act.

- 4.6 If by the terms or conditions of the allotment of any share, the whole or part of the amount payable as the issue price shall be payable by instalments, every such instalment shall, when due, be payable to the Company by the person who for the time being is registered as the holder of the share.

4.7 **Convertible Securities**

The Board may from time to time, at its discretion, issue Convertible Securities upon such terms and conditions as the Board thinks fit, including, at its discretion, the right for the holders of the Convertible Securities to participate, in the same manner and to the same extent (subject to any discretion which the Board has under this Constitution) as the holders of any class or classes of shares as those shares for or to which the Convertible Securities are to be exchanged or converted:

- (a) In any issue of shares or Convertible Securities offered to such holders of such class or classes of shares;
- (b) In any issue of shares or Convertible Securities made in pursuance of any capitalisation of the profits or reserves of the Company.

4.8 **Alteration Of Shareholder Rights**

Shares in the Company which rank equally with, or in priority to, existing shares, whether as to voting rights or distributions, may be issued.

5. **STANDARD SHAREHOLDING**

- 5.1 So long as the Company shall be registered as a Co-operative Company the following provisions shall apply:

- (a) Subject to the provisions of this Constitution, Transacting Shareholders shall be required to hold a minimum number of ordinary nominal value shares in the Company. The number of such shares required to be held by a Transacting Shareholder shall be such number as is from time to time fixed by the Board based on the level of co-operative activity in relation to the Company by or on behalf of that Transacting Shareholder. The decision of the Board as to the

number of Supply Shares which any Transacting Shareholder shall hold in the Company, and the method by which, and the period in respect of which, such number shall be calculated, or as to any other matters questions or things rendered necessary by or incidental to this clause for giving due effect thereto, shall be final and conclusive to all intents and for all purposes whatsoever.

- (b) The Board may establish a minimum number of Supply Shares required to be held by a Transacting Shareholder from time to time under this clause and in respect of any particular Transacting Shareholder may set a maximum for that Transacting Shareholder. The Board may from time to time vary the number of Supply Shares required to be held by a Transacting Shareholder and alter any method, period, or other factor used as the basis, or part of the basis, to calculate the number of such shares required to be held by a Transacting Shareholder from those factors previously applying, and may from time to time also alter any maximum or minimum number established.
- (c) For the purpose of bringing the number of Supply Shares in the Company at any time held by any Transacting Shareholder up to, or towards, the Standard Shareholding applicable to that Transacting Shareholder or for the purpose of maintaining such number of shares at the Standard Shareholding, the Board, by written notification to any Transacting Shareholder, and subject to the provisions of subclause (g) below, may allocate further shares to such Transacting Shareholder in accordance with this Constitution to adjust that Member's shareholding to or towards the Standard Shareholding applicable to that Transacting Shareholder, or require such Transacting Shareholder to make such adjustment by acquiring further shares to be held as Supply Shares.
- (d) Each Transacting Shareholder to whom such a notice is sent shall, if required to acquire additional shares, within 28 days of the date on which such notice shall be deemed to have been received, increase their shareholding in the Company by applying in writing to the Company for and taking the required holding of additional Supply Shares in the Company, which shares shall thereupon be issued, reissued, or allotted by the Board so that such Transacting Shareholder shall hold the number of Supply Shares as required by the notice.
- (e) In the event of any Transacting Shareholder not so applying to take up additional shares required to be taken up under subclause (d) above, or in the case of proposed allocation notified to the Transacting Shareholder by the Board, the Board in their absolute discretion, may issue, reissue, or allot such number of additional Supply Shares to such Transacting Shareholder as may be required to give effect to the provisions of this clause as to the Standard Shareholding requirements of that Transacting Shareholder. The Board may thereafter alter the share register so that such Transacting Shareholder shall appear therein as being the holder of such Supply Shares as are required to meet the Standard Shareholding requirement of that Transacting Shareholder, as if the Transacting Shareholder had made the application for those Supply Shares necessary to adjust the holding of that Transacting Shareholder to or towards the Standard Shareholding applicable to that Transacting Shareholder.
- (f) The Board may fix either a minimum proportion, or minimum amount, of a Standard Shareholding, which is required to be held in fully paid up Supply

Shares by each Transacting Shareholder, and may from time to time alter such minimum proportion or amount or vary the minimum from a proportion to an amount and vice versa.

- (g) The Board shall not in exercise of its powers under subclause (e) above:
 - (i) issue, reissue, or allot Supply Shares to any Transacting Shareholder, unless such Supply Shares are reasonably likely to be able to be fully paid up from the amount of rebates, refunds, bonuses (including pool payments), or other similar amounts payable and amounts reasonably likely to become payable, by the Company, to that Transacting Shareholder, within the period of 12 months following such issue, reissue, or allotment to the Member concerned; nor,
 - (ii) make calls in respect of any amount unpaid on any Supply Shares where that call is greater (or is reasonably likely to be greater) than the amount of rebates refunds, bonuses (including pool payments), or other similar amounts payable and amounts reasonably likely to become payable by the Company, to that Transacting Shareholder holding such Supply Shares, before the amount of such call is due for payment,

unless and until a meeting of Shareholders otherwise resolves by ordinary resolution.

- (h) In determining whether any amount is reasonably likely to become due under the provisions of subclause (g) above, the Board may assume that a Transacting Shareholder will supply, provide, purchase or acquire goods or services to a value equivalent to the value of co-operative activity in relation to the Company by or on behalf of that Transacting Shareholder in the then immediately preceding 12 months unless that Transacting Shareholder has retired from, or substantially reduced, the farming activity previously carried on by that Transacting Shareholder, and that Transacting Shareholder has given the Company written notice of such retirement or reduction, as the case may be.
- (i) Subject to the relevant provisions of the Co-op Act, the decision of the Board as to whether any Member is a Transacting Shareholder, and the number of Supply Shares, comprising that Transacting Shareholder's Standard Shareholding, required to be held by that Transacting Shareholder, shall be final and binding on that Member.

6. ACQUISITION BY THE COMPANY OF ITS OWN SHARES

6.1 Acquisition by Company

The Company may purchase or otherwise acquire shares issued by it in accordance with the Companies Act and this Constitution.

6.2 Special Offers by Company

For the purposes of section 60(1)(b)(ii) Companies Act, the Company may make an offer to one or more Shareholders to acquire shares issued by it without making such an offer to any other Shareholder or Shareholders in the Company.

6.3 Additional Power to Surrender Shares

The powers conferred by clauses 6.1 and 6.2 are in addition to the powers of the Company to surrender ordinary nominal value shares pursuant to the Co-op Act and to this Constitution.

7. REDEMPTION OF SHARES

7.1 Redeemable Shares

The Company may redeem shares in accordance with the Companies Act:

- (a) at its option; or
- (b) at the option of the holder of the share; or
- (c) on a date for redemption specified by a special resolution which alters this Constitution by adding such a date;

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 by section 68 Companies Act.

7.2 Special Redemption

The Company may exercise an option to redeem shares in relation to one or more Shareholders in accordance with section 69(1)(b) Companies Act.

8. SURRENDER OF NOMINAL VALUE SHARES

8.1 At the Option of Company

The Company may require any Shareholder to surrender to the Company any or all ordinary nominal value shares held by that Shareholder provided that:

- (a) The Shareholder has ceased to be a Transacting Shareholder; or
- (b) The Shareholder has failed to comply in a material respect with the requirements of transactions with the Company contained in any contract between the Company and the Shareholder; or
- (c) The Board forms the view that the Shareholder, or a person having a Relevant Interest in the shares held by that Shareholder is a person who or which is in competition with the Company directly or indirectly, and whether as partner, joint venturer, manager, shareholder, or director of any competitor; or

- (d) The surrender relates to shares held in excess of that Transacting Shareholder's Standard Shareholding. In such case, in ascertaining that excess, the Board shall use transactions constituting co-operative activity by or on behalf of the Transacting Shareholder in relation to the Company during at least the then immediately preceding Financial Year in calculating the relevant Standard Shareholding, together with such other Financial Years as chronologically precede that period, as the Board may choose from time to time; or
- (e) The Shareholder has satisfied the Board that the Shareholder's financial circumstances are such that it would relieve undue hardship to that Shareholder if the Company required such a surrender.

8.2 At the Option of the Shareholder

Subject to the Company complying with any applicable statutory conditions a Shareholder may require the Company to surrender any or all ordinary nominal value shares held by that Shareholder in accordance with the provisions of section 20 Co-op Act.

8.3 Consideration for Ordinary Nominal Value Shares

Subject to clauses 8.4 to 8.6 the consideration for the surrender of ordinary nominal value shares shall be the nominal value of the shares at the date the surrender takes effect or, the amount paid up on the shares, if it is less than the nominal value of the shares.

8.4 Valuation of Ordinary Nominal Value Shares

- (a) The Board may procure that a fair and reasonable price for shares to be surrendered is set by an independent valuation derived from a methodology which is appropriate having regard to:
 - (i) the current profitability of the Company, calculated before any rebate;
 - (ii) any known circumstances which are reasonably likely to affect the Company's business or profitability in the future;
 - (iii) the requirement of subclause (2) below; and
 - (iv) any other matter which the Board, acting reasonably, considers has a bearing on the value of the shares to be surrendered.

For the purposes of this clause "independent" shall mean a valuer selected by the Company who does not have any significant commercial relationship with the Company which might give rise to a perception, reasonably held, that the valuer is compromised in that valuer's ability to give an independent view as to share price. As part of its instruction to the independent valuer the Company shall require that notice of the price settled by the valuer shall:

- (1) be sent to the Shareholders whose shares are the subject of a surrender, at the same time as it is sent to the Company; and
- (2) that the price may not exceed the nominal value of the shares concerned, or, if less, the amount paid up on those shares.

8.5 Arbitration

If either the Company or a surrendering Shareholder considers that the price ascertained under clause 8.4, being a price less than either nominal value or the amount paid in respect of nominal value, is not fair and reasonable, either may notify the other of an objection to the price within 10 working days of receiving notice of the price, and section 112 Companies Act shall apply with all necessary modifications, as if the Board had agreed to purchase the shares, and the price ascertained was the nominated price fixed by the Board and properly notified under section 112(1) Companies Act, but subject to clause 8.7 of this Constitution in respect of any payment of interest or principal to be made and subject also to the Company and the surrendering Shareholder being deemed to have agreed for the purposes of such arbitration that the final price shall be less than nominal value or the amount, if not fully paid, actually paid in respect of the nominal value of such shares.

8.6 Agreement

Notwithstanding clauses 8.3 and 8.4, the consideration payable for surrender may be an amount agreed by the Company and the Shareholder, provided that it is less than the amount which would be determined under clause 8.3.

8.7 Payment of Consideration

The consideration owed by the Company for any surrender of shares to the Company shall be payable at a date decided by the Board being a date no later than 12 months after a surrender takes effect where surrendered under the provisions of section 20(2) or (3)(a) Co-op Act or no later than 5 years in any other case. No interest shall be payable by the Company on any surrender proceeds due unless otherwise resolved by the Board.

9. COMPANY MAY HOLD ITS OWN SHARES

9.1 Company may hold its own Shares

The Company may hold any of its own shares acquired under the Companies Act, or surrendered under the Co-op Act.

9.2 Transfer of own shares

Clauses 4.4 and 4.5 of this Constitution, applying to the issue of shares by the Company, shall apply to the transfer of a share in the Company held by the Company itself.

10. TRANSFER OF SHARES

10.1 Delay or Refusal to Register Transfers

The Board may delay or refuse to register a transfer of shares in the Company:

- (a) Where the Company has a lien on a share or shares included in the transfer;

- (b) Where a call is due and unpaid or any other money is due to the Company and unpaid in respect of a share or shares included in the transfer;
- (c) Where the form of transfer and any other documentation required has not been provided or has not been duly executed;
- (d) Where the Board is of the opinion (not acting unreasonably or arbitrarily) that the proposed transferee is not a desirable person to become a Shareholder of the Company;
- (e) Where the Board is of the opinion (not acting unreasonably or arbitrarily) that the proposed transferee is, or is directly or indirectly associated with the ownership management or operation of, a commercial competitor of the Company;
- (f) Where the transferee is not, and is not likely to become, a Transacting Shareholder of the Company;
- (g) Where the transfer would cause the Company to become subject to any special regulatory or statutory control which could reasonably be expected to adversely affect the Company's business or assets;
- (h) Where the transfer would result in the transferor holding a lesser number of shares than the minimum required for such Member under the Standard Shareholding provisions of this Constitution.

10.2 Custody of Form of Transfer

All forms of transfer shall when registered be retained by the Company, but any form of transfer which the Board refuses to register or registration of which the Board delays shall be returned to the person who delivered the form to the Company within 5 working days after the date on which the Board passed the resolution to refuse or delay registration of the transfer.

11. TRANSMISSION OF SHARES

11.1 Transmission on Death of Shareholder

In the event of the death of a Shareholder, the Personal Representative of a deceased sole holder of a share shall be the only person recognised by the Company as having any title to or interest in the share. In the case of a share registered in the names of two or more persons, the survivor or survivors or where all survivors of the first deceased joint holder are later deceased the Personal Representative of the last surviving joint holder on his or her death shall be the only person recognised by the Company as having any title to the share. Nothing in this clause 11.1 shall release the estate of a deceased joint Shareholder from any liability in respect of any share or constitute a release of any lien which the Company may have in respect of any share.

11.2 Right of Personal Representative

A Shareholder's Personal Representative is entitled to (upon production of such evidence as may from time to time be required by the Board to confirm the Personal Representative's appointment as such):

- (a) exercise all rights (including, without limitation, the rights to receive distributions, to attend meetings and to vote in person or by representative), and is subject to all limitations, attached to the shares held by that Shareholder; and
- (b) be registered as holder of those shares, but such registration shall not operate as a release of any rights (including any lien) to which the Company was entitled prior to registration of the Personal Representative pursuant to this clause 11.2(b).

11.3 Joint Personal Representatives

Where a share is subject to the control of two or more persons as Personal Representatives, they shall, for the purposes of this Constitution, be deemed to be joint holders of the share.

12. SHARE REGISTER

12.1 Closure of Share Register

The share register may be closed during such times as the Board think fit not exceeding in aggregate 30 working days in each year.

12.2 No Recognition of Trusts

The Company shall be entitled to treat the person whose name appears on the register as the absolute owner of that share, and shall not be under any obligation to recognise any trust or equity, or partial, equitable, or other claim to or interest in any share whether or not it has express notice of such claim or interest.

12.3 Receipts from Joint Holders

If several persons are registered as joint holders of any share, any one of those persons may give receipts for any money payable in respect of that share.

13. CALLS

13.1 Power to Call

Subject to clause 5.1(g)(ii), the Board may from time to time make such calls as it thinks fit upon the Shareholders in respect of all money unpaid on the shares held by them respectively and which is not by the conditions of allotment made payable at fixed times. Each Shareholder shall pay the amount of every call so made to the persons and at the times and places appointed by the Board. A call may be made payable by instalments and may be revoked or postponed as the Board may determine.

13.2 Notice and Arrears of Call

Fourteen days notice of any call shall be given specifying the time and place of payment and the person or persons to whom the call shall be paid.

13.3 Joint Holders

The joint holders of a share shall be jointly and severally liable to pay all calls.

13.4 Call Made

A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed.

13.5 Interest

If the call payable in respect of any share is not paid on or before the day appointed for payment, the holder for the time being of the share shall be liable to pay interest on the same at such rate as the Board may determine from the day appointed for payment to the time of actual payment. However, the Board may waive payment of that interest wholly or in part.

13.6 If by terms of any prospectus, by the terms or conditions of allotment, or by the exercise of Directors' discretion under clause 22.1(c), any amount is payable in respect of any share by instalments, every such instalment shall be payable as if it were a call duly made by the Directors and of which due notice had been given and all provisions hereof with respect to the payment of calls and of interest thereon and to the forfeiture of shares for non-payment of calls shall apply to such instalments and to the shares in respect of which they are payable.

13.7 The provisions of these regulations as to the liability of joint holders and as to payment of interest shall apply in the case of non-payment of any sum which by the terms of issue of a share becomes payable at a fixed time whether on account of the amount of the share as if the same had become payable by virtue of a call duly made and notified.

13.8 Proof of Liability

In any proceedings for the recovery of any money due for any call, it shall be sufficient to prove that:

- (a) the name of the Shareholder sued is entered in the register of Shareholders of the Company as the holder or one of the holders of the shares in respect of which the debt accrued;
- (b) the resolution making the call is duly recorded in the minute book; and
- (c) notice of the call was duly given to the Shareholder

and it shall not be necessary to prove the appointment or qualification of the Directors who made the call nor any other matter whatsoever. Proof of the matters aforesaid shall be conclusive evidence of the debt.

13.9 **Different Amounts**

Notwithstanding anything in this Constitution but subject to any applicable rule of law, the Board may, if it deems it advisable so to do, call up the balance due by any Shareholder upon their shares without the necessity of making a similar call on all or any of the other Shareholders for the time being.

14. **FORFEITURE OF SHARES**

14.1 **Failure to Pay**

If any Shareholder fails to pay any call, or instalment of a call, on or before the day appointed for payment, the Board may serve notice upon the Shareholder requiring that Shareholder to pay the call or instalment, together with interest and any expenses that may have accrued by reason of the non-payment.

14.2 **Notice**

The notice shall:

- (a) name a further day (not being less than 10 days from the date of the notice) on or before which the call or instalment and all interest and expenses (if any) that have accrued by reason of the non-payment are to be paid;
- (b) name the place where payment is to be made, the place so named being either the registered office of the Company or some other place at which calls of the Company are usually made payable; and
- (c) state that, in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call or instalment is made will be liable to be forfeited.

14.3 **Non-Compliance**

If the Shareholder does not comply with requirements of any such notice, any shares in respect of which the notice has been given may at any time thereafter, before payment of all calls or instalments, interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all distributions authorised in respect of the forfeited shares.

14.4 **Forfeited Shares**

Any share or shares so forfeited shall be deemed to be the property of the Company, and may be disposed of in such manner as the Board thinks fit and as this Constitution permits.

14.5 **Ceasing to be a Shareholder**

Any Shareholder whose shares have been forfeited shall cease to be a Shareholder in respect of the forfeited shares, but shall remain liable to pay to the Company all money which at the date of forfeiture was payable by the Shareholder to the Company in respect of the shares. The Shareholder's liability shall cease if and when the Company receives payment in full of the amount so owing by the Shareholder.

14.6 Evidence of Forfeiture

A statutory declaration in writing that the declarant is a Director of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

14.7 Sale of Shares

The Company may receive the consideration, if any, given for the share on any sale or disposition thereof, and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of, and such person shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall his or her title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, or disposal of the share.

14.8 Fixed Time Payments

The provisions of this Constitution as to forfeiture shall also apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time as if the same had been payable by virtue of a call duly made and notified.

14.9 Cancellation of Forfeiture

If all calls, instalments, and interest due in respect of any forfeited share are paid before the share has been disposed of, together with such sum as the Board may require to repay expenses incurred in respect of non-payment, the forfeiture may be cancelled by the Board at its discretion; and if the forfeiture is cancelled and an entry thereof made in the minutes of the Board, the share shall then revert to the person entitled to it before the forfeiture and be held by him or her thereafter in the same manner as if no such forfeiture had taken place.

14.10 Proof on Forfeiture

An entry in the minute book of the Board that a share in the Company has been duly forfeited on a date stated in the minute shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may if necessary execute a transfer of the share in favour of the person to whom the share is sold or disposed of and may receive the consideration therefor. In the case of a re-allotment the person to whom the share shall have been re-allotted and in the case of a sale or other disposition the person or persons to whom the share shall be sold or disposed of shall be entered upon the register as the holder of the share and shall not be bound to see to the application of the purchase money nor shall that person's title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture re-allotment sale or other disposal of the share.

15. LIEN

15.1 The Company shall have a first and paramount lien upon all the shares registered in the name of each Member, whether solely or jointly with others, for all debts, obligations, engagements, and liabilities of such Member, whether absolute or

contingent, and whether solely or jointly with any other person, and whether payable or to be performed or discharged presently or in future to or with the Company and no equitable interest in any share shall be created and such lien shall extend to all distributions in respect of such shares and all rebates and other payments made or credited under clause 22 payable to the holders of such shares.

The registration of a transfer of shares on which the Company has any lien shall, unless notice to the contrary shall first be given to the transferee, operate as a waiver of such lien.

- 15.2 The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen 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 shares or their Personal Representative.
- 15.3 The proceeds of any sale shall be received by the Company and applied first in payment of all costs and expenses of such sale or any attempted sale and next in payment of such part of the amount in respect of which the lien exists as is presently payable and the residue shall (subject to a like lien for sums not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the date of the sale.
- 15.4 For giving effect to any such sale, the Company may execute a transfer of the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer, and thereupon that person shall be the holder of such shares discharged from all calls due prior to such purchase. The purchaser shall not be bound to see to the application of the purchase money nor shall the purchaser's title to the shares be affected by an irregularity or invalidity in the proceedings in reference to the sale. The remedy of the former holder of such shares and of any person claiming under or through that former holder, shall be against the Company exclusively and in damages only.

16. MEETINGS OF SHAREHOLDERS

16.1 Proceedings at Meetings

The proceedings of meetings of Shareholders shall be governed by the First Schedule to this Constitution.

16.2 Votes of Shareholders

- (a) The use of voting rights attaching to shares may be affected by the provisions of this Constitution.
- (b) Every Shareholder present in person, by representative under clause 8 of the First Schedule to this Constitution, or by proxy, and entitled to vote, shall have one vote by voice or on a show of hands, and upon a poll shall have one vote for every fully paid share held or represented by that Shareholder. On a postal

ballot for election of Directors, every Shareholder shall have one vote for every fully paid share held by that Shareholder.

- 16.3 No Member shall be entitled to vote at any general meeting if that Member shall be in default of any payment of any call or other sum presently payable in respect of shares in the Company for one month after notice has been sent to that Member in writing under the hand of the Secretary requiring payment of such call or other sums.
- 16.4 Shareholders entitlement to vote shall be established in respect of any particular meeting or postal ballot at a date to be fixed by the Board from time to time, which date shall be not more than twenty working days prior to the meeting, or closing date for ballot, as the case may be.

17. DIRECTORS

[Clauses 17.1 to 17.6 were deleted by an amendment to the Constitution dated 19.12.97]

17.7 Number of Directors

There shall be not more than 10 Directors of the Company, of which not less than 6 Directors, nor more than 8 Directors, shall be elected Directors.

- 17.8 (a) Provided that the total number of Directors does not at any time exceed 10, the Board may from time to time appoint, on such terms and conditions as it thinks fit, up to four persons as Directors, who, in the opinion of the Board are capable of rendering special services in relation to the affairs of the Company, and may revoke any such appointment.
- (b) Any Director appointed pursuant to this clause shall not require any qualification by way of membership of the Company, nor be required to be a Transacting Shareholder or be actively involved in livestock farming.
- (c) Any Director so appointed shall be appointed for a maximum period of three years.
- (d) A Director whose term expires in accordance with clause 17.8(c) (or, in turn, under this clause 17.8(d)) shall be eligible to be re-appointed in like manner by the Board from the date of such expiry and if so appointed shall remain in office for a further maximum period of three years.
- 17.9 Subject to clause 17.8(b) and clause 17.10, a Director or person nominated as a Director must:
- (a) be actively involved in livestock farming;
- (b) directly or indirectly (through an entity or other ownership structure) have a beneficial ownership interest in ordinary nominal value shares in the Company of a nominal amount of not less than \$5,000;

- (c) be a Transacting Shareholder, or the entity or other ownership structure through which he or she holds his or her beneficial ownership interest in the Company must be a Transacting Shareholder; and
- (d) not be an employee of the Company or any subsidiary of the Company (other than the Managing Director).

17.10 Whether a Director or person nominated as a Director satisfies the requirements of clause 17.9 is a matter to be determined solely by the Board and its decision in this regard shall be final. For this purpose, the Board may call upon any Director or person nominated as a Director to provide such evidence of any matter the Board deems relevant or necessary.

17.11 **Managing Director**

- (a) The Board may from time to time appoint a suitable person to be the Managing Director of the Company for such term (not exceeding 5 years), at such remuneration, and generally on such terms and conditions as they may think fit; and may, subject to any contract between him or her and the Company, from time to time remove or dismiss him or her from office and appoint another in his or her place. Subject to the terms and conditions of any agreement between the Company and its Managing Director, the general and routine business of the Company shall be managed by the Managing Director, who shall at all times faithfully observe and obey all resolutions of the Board and provide regular reports to the Board in respect of such appointment as Managing Director.
- (b) A Managing Director shall not while he or she holds office as such be subject to retirement by rotation, and shall not be taken into account in determining the rotation or retirement of Directors, but (subject to the provisions of any contract between him or her and the Company) he or she shall be subject to the same provisions as to resignation and removal as the other Directors of the Company.

Rotation and Election of Directors

17.12 Nothing in the next succeeding clauses 17.13 to 17.17 (both inclusive) as to rotation of Directors shall apply to Directors appointed pursuant to clause 17.8.

- 17.13 (a) At the Annual Meeting of the Shareholders of the Company each year one-third of the Directors for the time being, or if their number is not a multiple of three, then the number nearest one-third, shall retire from office.
- (b) Every Director who shall have attained the age of 70 years shall retire at the next Annual Meeting of the Company held after he or she attains that age and after such retirement he or she shall not thereafter be eligible for election as a Director.

17.13A Any resignation of a Director during the relevant period, or retirement of a Director as referred to in clauses 17.13(b) or 17.18, shall be taken into account in satisfying the retirements required by clause 17.13(a).

- 17.14 Subject to any resignations or retirements occurring as noted in clause 17.13A, the Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day, those to retire shall (unless they agree otherwise among themselves) be determined by lot.
- 17.15 A retiring Director shall be eligible for re-election if that retiring Director otherwise retains any necessary qualification to be a Director.
- 17.16 The Company at the meeting of Shareholders at which a Director retires in manner aforesaid may fill the vacated office if it has not been so filled by ballot in manner hereinafter provided.
- 17.17 A retiring Director shall retain office until the dissolution or adjournment of the meeting at which he is to retire.
- 17.18 Any casual vacancy occurring in the Directors elected by the Members may be filled by the elected Directors but the person so chosen shall retire at the next annual meeting of the Company, and shall be eligible for re-election.

[Clause 17.19 was deleted by an amendment to the Constitution dated 19.12.97]

- 17.20 The procedure for election of Directors by ballot shall be:
- (a) Not less than thirty (30) clear working days before the annual meeting of Shareholders of the Company, the Board shall take such steps as may be reasonably required to advise Shareholders of the date and time for closing of nominations for the office of Director, the number of Director vacancies including those arising from the retirement of Directors, and whether any of those retiring Directors are available for re-election.
 - (b) Nominations shall be closed not later than 4.00 pm on the twentieth working day before the date of such meeting.
 - (c) Nomination for the office of Director shall be in writing and shall be signed by the nominee being a person who satisfies the requirements of clause 17.9.
 - (d) If the nominations for office do not exceed the number required those nominated shall be declared elected and shall take office at the dissolution or adjournment of the relevant general meeting of the Company following their nomination.
- 17.21 If the nominations for the office exceed the number required, an election for office shall be made by postal ballot as follows:-
- (a) The Directors shall cause voting papers to be prepared showing in alphabetical order those persons who have been nominated for office as Directors.
 - (b) The voting paper shall be in the form following or in such other form as the Board shall approve:-

ALLIANCE GROUP LIMITED
Ballot Paper for Election of Directors

Serial No: _____ Number of Votes: _____

VOTE HERE (✓) [Names of Candidates:]

()

()

()

()

Instructions and Information for Voters

This voting paper shows, at the top right hand corner, the number of votes to which you are entitled. Each fully paid Share carries one vote and any candidate for whom you vote will receive from you that number of votes shown above (which equals the number of fully paid Shares you hold).

Place a tick (✓) in the brackets beside the name of the candidate(s) you wish to vote for.

The number of Directors required is []. You must not vote for more than [] candidates. Your voting paper will be disregarded if more than the required number of names are marked with a tick.

You may decline to vote at all, or vote for less than the number of candidates sought, if you wish.

This voting paper, to be valid, must be deposited at the registered office of the Company not later than forty-eight hours before the time appointed for the holding of the meeting of the Shareholders of the Company, ie not later than am/pm on the day of 19 .

- (c) Not less than fourteen days before the meeting of Shareholders of the Company the necessary voting papers shall be posted to every Member entitled to vote on election of Directors to the address entered in the register of Members and provided the Secretary (or in default of the Secretary such other officer as is authorised by the Board to issue such voting papers) shall cause such voting papers to be posted to such addresses within the prescribed time, no objection shall be taken by any Member that he or she did not receive the same. The declaration of the Secretary or other person authorised as aforesaid that such voting papers were duly posted shall be accepted as conclusive evidence that they were so posted.
- (d) The Secretary or other person authorised as aforesaid to issue voting papers to Members shall show thereon the number of votes to which the Member to whom it is to be posted is entitled. Each voting paper shall have printed thereon a serial number and the Secretary or other person so authorised to issue voting papers shall keep a record of the serial number of the voting paper sent to each Member.

- (e) Subject as provided in this clause each Shareholder entitled to vote on election of Directors shall be entitled to one vote for every fully paid Share held in the Company by that Shareholder.
- (f) Any Member who shall lose or destroy their voting paper shall as of right be entitled to apply to the Secretary for and to receive another voting paper in the place of that so lost or destroyed. The voting paper issued in replacement of that lost or destroyed shall be endorsed at the top thereof so as to show that it is a replacement voting paper and shall show the serial number of the voting paper which it replaces. Neither the original voting paper issued to the Member nor the replacement voting paper shall be deemed to be valid if both such voting papers shall be deposited at the registered office of the Company for the purpose of voting upon any election of Directors.
- (g) Voting shall be undertaken by placing a tick against the name or names of nominees for whom the voter wishes to vote. The vote of any person who votes for more than the number of Directors required or who defaces his or her voting paper by any writing thereon or whose voting paper is deposited at the registered office of the Company later than forty-eight hours before the time for holding the relevant meeting of Shareholders shall be treated as invalid and shall not be counted.
- (h) A returning officer, a deputy returning officer and such poll clerks as the Directors shall consider necessary shall be appointed by the Directors to count the votes and report to the chairperson the result of the voting. The candidates for the vacant positions receiving the highest number of votes in the election of Directors shall be declared elected.
- (i) Any Member who at the time of posting of the voting papers for the election of Directors as aforesaid shall be in default in payment of any call or other sum presently payable by that Member in respect of shares in the Company for one month after notice has been sent in writing under the hand of the Secretary requiring that Member to pay such call or other sum, shall not be entitled to have a voting paper nor to vote in respect of such election.

17.22 No remuneration shall be paid to a Director in his or her capacity as a director of the Company or any subsidiary thereof unless that remuneration has been authorised by ordinary resolution at a meeting of Shareholders. Each resolution shall express Directors' remuneration as a monetary sum per annum payable to either:

- (a) all Directors taken together; or
- (b) any person who from time to time holds office as a Director.

17.23 Where Directors' remuneration is expressed as a monetary sum per annum payable to all Directors taken together:

- (a) the remuneration may be distributed among the Directors in such manner as the Board from time to time determines; and
- (b) then in the event of an increase in the total number of Directors holding office, the Directors may, without the authorisation of a meeting of Shareholders,

increase the total remuneration by such amount as is necessary to enable the Company to pay to the additional Director or Directors remuneration not exceeding the average amount then being paid to each of the other Directors (other than the Chairperson) of the Company.

- 17.24 No resolution which increases the amount fixed pursuant to a previous resolution shall be passed at a meeting of Shareholders unless notice of the amount of increase has been given in the notice of meeting.
- 17.25 Nothing in clauses 17.22 to 17.24 shall affect the remuneration of any Managing Director in his or her capacity as an executive.
- 17.26 Each Director is entitled to be paid 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.

18. MEETINGS OF DIRECTORS

18.1 Proceedings of Meetings

The proceedings of meetings of Directors shall be governed by the Second Schedule to this Constitution.

19. INDEMNITY AND INSURANCE

- 19.1 The Company may give such indemnities and effect such insurances as are referred to in section 162 Companies Act to the fullest extent permitted by that section.

20. AUDIT

- 20.1 Auditors shall be appointed and their duties regulated in accordance with section 196 to 203 Companies Act.

21. NOTICES

21.1 Notice to Joint Holders

A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder named first in the share register in respect of the share.

21.2 Notice to Personal Representative

A notice may be given by the Company to any Personal Representative of a Shareholder by any method specified in section 391 Companies Act addressed to him or her by name or by the title at the address (if any) or to the telephone number (if any) within New Zealand supplied for the purpose by the person claiming to be so entitled, or (until such an address or telephone number has been so supplied) by giving notice in any manner in which the same might have been given if the death or bankruptcy or incapacity had not occurred.

21.3 Notice to Overseas Shareholders

Each Shareholder whose place of address is not in New Zealand shall notify in writing to the Company a place in New Zealand which shall be deemed his or her registered place of address. In the absence of any such notification the registered office of the Company shall be deemed the registered address of the Member for all purposes whatsoever, and all proceedings taken without other notice to any such Member shall be as valid as if that Member had due notice thereof.

22. DISTRIBUTIONS AND REBATES

22.1 Application of Profits and Rebates

The Board may from time to time, as it deems necessary or expedient in the interests of the Company, apply the gross returns arising from the conduct of the Company's business in or towards the following matters:

- (a) In setting aside and establishing any reserves, suspense accounts, or special funds for meeting contingencies or for furthering or extending the business of the Company including reserves to be used at the discretion of the Board for the purpose of replacement of any assets of the Company, or for making rebates, refunds, bonuses (including pool payments) or other similar payments or for stabilising or making more uniform any such payments, or for any capital expenditure incurred, or to be incurred, or for equalising dividends, or for any other purpose to which the funds of the Company may properly be applied. Pending such application, and at the discretion of the Board, such amounts may either be employed in the business of the Company or be invested in such investment, including any reserve for acquisition, redemption or surrender of shares in the Company as the Board may think fit;
- (b) In making rebates, refunds, bonuses (including pool payments) or other similar payments to Transacting Shareholders, calculated on the basis of the level of transactions constituting co-operative activity between the Company and Transacting Shareholders in respect of any Financial Year of the Company. The Board may from time to time determine how such calculation shall be made having regard to all or any of the quantity, value, grade, quality, type, or method of sale or purchase of stock, produce, services supplied, number of fully paid Supply Shares held, or the proportion of Standard Shareholding held in fully paid Supply Shares, by any Transacting Shareholder and the Board may determine different rates of payment as between Transacting Shareholders or the exclusion of some Transacting Shareholders, having regard to all or any of the foregoing factors, and they may also apply a varying rate of payment of rebates, refunds, bonuses (including pool payments) or other similar payments to any Transacting Shareholders based on volume, value, or time of transactions constituting co-operative activity with that Transacting Shareholder;
- (c) The Board may pay the whole or any part of any rebate, refund, bonus (including pool payments) or other similar payment in cash. Upon the issue, reissue or allotment of any shares, the Board may forthwith and without any

authority of the Members other than this clause apply all or part of the amounts due to any Transacting Shareholder to pay up in full or in part Supply Shares so issued, reissued, or allotted to each such Transacting Shareholder.

- (d) Where any Transacting Shareholder has paid in full all of the Supply Shares issued, reissued or allotted and required by that Transacting Shareholder as a Standard Shareholding, the Board shall pay (subject as provided below) the whole of the amount due to such Member under clause (b) and (c) above in cash, unless the Transacting Shareholder agrees to take all or part of the amount due in fully paid shares.
- (e) Any rebates, refunds, bonuses (including pool payments), dividends, or similar payments granted, allowed or declared by the Company which have been unclaimed for three years or longer from the date on which the same were granted, allowed or declared may be forfeited by the Board for the benefit of the Company. After forfeiture the person or persons who would have been entitled to payment thereof had the same not been forfeited, shall be entitled to payment (subject to such person having fully paid shares in respect of all Supply Shares forming part of that person's Standard Shareholding) upon adducing to the satisfaction of the Board sufficient evidence that such person would have been entitled thereto had the same not been forfeited.

[Clause 22.2 was deleted by an amendment to the Constitution dated 19.12.97]

22.3 Payments

- (a) If several persons are registered as joint holders of any share any one of them may give effectual receipts for any dividend or other moneys payable on or in respect of the share.
- (b) Any distribution or rebate may be paid by cheque or warrant sent through the post to the registered address of the Member or person entitled thereto or in the case of joint holders to any one of such joint holders at his registered address or to such person and such address as the Member or person entitled or such joint holders as the case may be may direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to the order of such other person as the Member or person entitled or such joint holders as the case may be may direct.
- (c) The Board may deduct from any distribution or rebate payable to any Member all such sums of money as may be due from that Member to the Company on account of calls instalments or otherwise of any debts liability or engagement.
- (d) A transfer of any shares shall not pass the right to any dividend declared thereon or other distribution in respect thereof, before the registration of the transfer.

22.4 Interest

No distribution or rebate shall bear interest against the Company.

23. LIQUIDATION

- 23.1 On a liquidation of the Company, and after paying all claims, together with any interest due thereon, the surplus assets of the Company shall be distributed between all Shareholders of the Company pro rata to the number of shares that Shareholder holds in the Company, having regard to the total number of shares on issue by the Company at the time of such distribution. Joint holders of shares shall be treated as one Shareholder.

24. METHOD OF CONTRACTING

- 24.1 In addition to the procedures set out in section 180 Companies Act an obligation which, if entered into by a natural person, would, by law, be required to be by deed, may be entered into on behalf of the Company in writing signed under the name of the Company by a Director and the Chief Executive Officer, or by a Director and the Secretary, and in such case the signatures of those persons must be witnessed.

25. TRANSACTING SHAREHOLDER STATUS

- 25.1 Any Shareholder who or which is a Transacting Shareholder and who or which has ceased co-operative activity with the Company, which activity is not intended to recommence, shall give the Company written notice of such cessation as soon as is reasonably practicable and failure to do so shall entitle (but not oblige) the Board to assume that the Shareholder concerned is likely to resume co-operative activity with the Company at some time in the future.

FIRST SCHEDULE

Proceedings at Meetings of Shareholders

1. CHAIRPERSON

The Chairperson of the Board shall take the chair at every general meeting, or if there be no such Chairperson, or if at any meeting he or she shall not be present within 15 minutes after the time appointed for holding the meeting, the Deputy Chairperson of the Board shall take the chair, or if there be no such Deputy Chairperson or if at any meeting he or she shall not be present as hereinbefore provided, the Shareholders present and entitled to vote shall choose another Director as Chairperson of the meeting; and if no Director be present, or if all Directors present decline to take the chair, then the Shareholders present and entitled to vote shall choose one of their number to be Chairperson of that meeting.

2. NOTICE OF MEETING

- 2.1 Written notice of the time and place of a meeting of Shareholders must be sent to every Shareholder entitled to receive notice of the meeting and to every Director and an auditor of the Company not less than 10 working days before the meeting.
- 2.2 The notice must state:
- (a) the nature of the business to be transacted at the meeting in sufficient detail to enable a Shareholder to form a reasoned judgment in relation to it; and
 - (b) the text of any special resolution to be submitted to the meeting.
- 2.3 An irregularity in a notice of a meeting is waived if all the Shareholders entitled to attend and vote at the meeting attend the meeting without protest as to the irregularity, or if all such Shareholders agree to the waiver.
- 2.4 The accidental omission to give notice of a meeting to, or the failure to receive notice of a meeting by, a Shareholder does not invalidate the proceedings at that meeting.
- 2.5 The Chairperson of any meeting at which a quorum is present may and shall, if so directed by the meeting, adjourn any 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. When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of the original meeting. When a meeting is adjourned for less than 30 days, notice of the time and place of the adjourned meeting may be given by announcement at the meeting which is adjourned.

3. METHODS OF HOLDING MEETINGS

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

- (a) being assembled together at the place, date, and time appointed for the meeting; or
- (b) by means of audio, audio and visual or electronic communication; or
- (c) by a combination of both of the methods described in clauses 3(a) and (b) of this First Schedule.

4. QUORUM

- 4.1 Subject to clause 4.3 of this First Schedule, no business may be transacted at any general meeting if a quorum is not present.
- 4.2 No business shall be transacted at any general meeting or class meeting unless a quorum of Members is present at the time when the meeting proceeds to business. At least five Transacting Shareholders, present in person or by proxy or representative, shall constitute a quorum.
- 4.3 If a quorum is not present within 30 minutes after the time appointed for the meeting:
 - (a) In the case of a meeting called under section 121(b) Companies Act, the meeting is dissolved;
 - (b) In the case of any other meeting the meeting is adjourned to the same day in the following week at the same time and place, or to such other date, time and place as the Board may appoint and, if at the adjourned meeting, a quorum is not present within 30 minutes of the time appointed for the meeting, the Shareholders entitled to vote or their proxies or representatives present shall be a quorum.
- 4.4 A Shareholder participating in a meeting (either in person or by proxy or representative) by means of audio, audio and visual, or electronic communication is present at the meeting and part of the quorum.

5. VOTING

- 5.1 In the case of a meeting of Shareholders held under clause 3(a) of this First Schedule, unless a poll is demanded, voting at the meeting shall be by whichever of the following methods is determined by the Chairperson of the meeting:
 - (a) Voting by voice; or
 - (b) Voting by show of hands.
- 5.2 In the case of a meeting of Shareholders held under clause 3(b) or (c) of this First Schedule, unless a poll is demanded, voting at the meeting shall be by any method permitted by the Chairperson of the meeting.

- 5.3 A declaration by the Chairperson of the meeting that a resolution is carried by the requisite majority is conclusive evidence of that fact unless a poll is demanded in accordance with clause 5.4 of this First Schedule.
- 5.4 At a meeting of Shareholders a poll may be demanded by:
- (a) not less than 5 Shareholders having the right to vote at the meeting;
 - (b) a Shareholder or Shareholders representing not less than 10 percent of the total voting rights of all Shareholders having the right to vote at the meeting; or
 - (c) by a Shareholder or Shareholders holding shares in the Company that confer a right to vote at the meeting and on which the aggregate amount paid up is not less than 10 per cent of the total amount paid up on all shares that confer that right.
- 5.5 A poll may be demanded either before or after the vote is taken on a resolution.
- 5.6 If a poll is taken, votes must be counted according to the votes attached to the shares of each Shareholder present in person or by proxy and voting.
- 5.7 The Chairperson of a Shareholders' meeting is not entitled to a casting vote.
- 5.8 For the purposes of this clause, the instrument appointing a proxy to vote at a meeting of the Company confers authority to demand or join in demanding a poll and a demand by a person as proxy for a Shareholder has the same effect as a demand by the Shareholder.
- 5.9 Subject to clause 5.10 of this First Schedule, if a poll is demanded it shall be taken in such manner and at such time and place as the Chairperson of the meeting may direct and either at once or after an interval of adjournment or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn.
- 5.10 Any poll duly demanded on the election of a Chairperson of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment.
- 5.11 The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.
- 5.12 The Board may permit, in relation to a particular meeting or generally:
- (a) the appointment of proxies or representatives to be made by electronic means;
 - (b) postal votes to be cast by electronic means (including in relation to any ballot for the election of Directors); and
 - (c) to the extent permitted by law, votes to be cast on resolutions at meetings of Shareholders (or of other groups) by electronic means.

The procedures in relation to such electronic appointment or electronic voting shall be those required by law (if any) together with any other procedures determined by the Board. If the Board permits electronic appointment of proxies or representatives or

electronic voting in accordance with this clause, such electronic appointments may be made or electronic votes cast notwithstanding any other provision of this Constitution.

6. PROXIES

6.1 A Shareholder may exercise the right to vote either by being present in person or by proxy.

6.2 A proxy for a Shareholder is entitled to attend and be heard at a meeting of Shareholders as if the proxy were the Shareholder.

6.3 A proxy must be appointed by notice in writing signed by or, in the case of an electronic notice, sent by the Shareholder and the notice must state whether the appointment is for a particular meeting or a specified term not exceeding 12 months.

6.4 **[Clause 6.4 was deleted by an amendment to the Constitution dated 19.12.03]**

6.5 A proxy is not effective unless it and the power of attorney (if any) under which it is signed, or a certified copy, is produced to the Company at its registered office at least 48 hours before the start of a meeting.

6.6 The notice appointing a proxy shall be in the following form or any other form which the Board approve:

ALLIANCE GROUP LIMITED

*I/We, _____
of _____
being a Member/Members of the abovenamed Company, hereby appoint

of _____
as my/our proxy to vote for me/us on my/our behalf at the _____
(annual or extraordinary, as the case may be) meeting of the Company to be held
on the _____ day of _____ 20____
and at any adjournment thereof.*

Signed this _____ day of _____ 20____

Signature: _____

6.7 Where it is desired to afford Members an opportunity of voting for or against a resolution the instrument appointing a proxy shall be in the following form or any other form approved by the Board:

ALLIANCE GROUP LIMITED

*I/We, _____
of _____
being a Member/Members of the abovenamed Company, hereby appoint

of _____
as my/our proxy to vote for me/us on my/our behalf at the _____*

10. PRIVATE MEETINGS

- 10.1 The meetings of the Company shall be regarded as private meetings. Except as provided in clause 11 persons other than Shareholders or persons holding proxies for Members may be present there only during the pleasure of the Chairperson of the meeting.
- 10.2 A Director who is not a Shareholder of the Company is entitled to attend and speak at meetings of Shareholders.

11. VOTING BY ADMINISTRATOR ETC

If any person otherwise entitled by this Constitution to a vote is a minor, a mentally disordered person within the meaning of the Mental Health (Compulsory Assessment & Treatment) Act 1992, or a person subject to a property order under the Protection of Personal and Property Rights Act 1988 he or she may vote by his or her guardian or committee or manager or administrator or attorney under an enduring power of attorney, as the case may be.

12. OTHER PROCEEDINGS

- 12.1 Except as provided in the First Schedule of the Companies Act, and subject to the Constitution of the Company, a meeting of Shareholders may regulate its own procedure.
- 12.2 Upon the holding of a postal ballot for the election of Directors, every Shareholder shall be entitled to the number of votes as set out in and in accordance with clauses 16.2 and 17.21.
- 12.3 A postal ballot for the election of Directors shall be conducted as set out in clause 17.20 and 17.21.
- 12.4 There shall be no postal voting in respect of any meeting of the Company except as expressly provided in this Constitution, or except in respect of any resolution specifically notified by the Board as being a resolution on which postal votes will be allowed.

SECOND SCHEDULE

Proceedings of Meetings of the Board

1. The Directors may meet together for the despatch of business adjourn and otherwise regulate their meetings as they think fit. No resolution proposal or motion submitted to or proposed at a meeting of the Directors shall be carried or be deemed to be carried or be given effect to unless a majority of the Directors present at the meeting and who vote do so vote in favour of such resolution proposal or motion and all questions arising at any such meeting shall be determined by a majority of the Directors present at the meeting and voting on any such question.

A Director may and the Secretary on the requisition of a Director shall at any time summon a meeting of the Directors.

2. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed shall be five. Seven days notice at least shall be given of any meeting of Directors, unless Directors numbering not less than a quorum otherwise agree at the relevant meeting of Directors.
3. The continuing Directors may act notwithstanding any vacancy in their body but if and so long as their number is reduced below the number fixed by or pursuant to the regulations of the Company as the necessary quorum of Directors the continuing Directors may act for the purpose of increasing the number of Directors to that number or of summoning a general meeting of the Company but for no other purpose.
4. The Directors may elect one of their number chairperson of their meetings and determine the period for which he or she is to hold office but if no such chairperson is elected or if at any meeting the chairperson is not present within 15 minutes after the time appointed for holding the same the Directors present may choose another of their number to be chairperson of the meeting.
5. It shall not be necessary to give notice of a meeting of Directors to a Director who is not within the Dominion of New Zealand, provided a notice addressed to that Director has been sent to such Director's last known address in New Zealand.
6. A resolution in writing signed by all the Directors for the time being in New Zealand (being not less than six) shall be as valid and effectual as if it had been passed at a meeting of Directors duly called and constituted.
7. For the purposes of this Constitution the contemporaneous linking together by 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 of 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 such a meeting unless he or she has previously obtained the express consent of the chairperson to leave the meeting as aforesaid.

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.

8. In all other respects the provisions of the Third Schedule to the Companies Act shall apply to meetings of the Board. In the event of a conflict between this Second Schedule and the Third Schedule to the Companies Act, this Schedule shall prevail.