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**Chatham Rock Phosphate  
Limited**

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**THE COMPANIES ACT 1993**  
**CONSTITUTION**  
of  
**CHATHAM ROCK PHOSPHATE LIMITED**

**1. INTERPRETATION**

1.1 In this Constitution the following expressions have the following meanings:

“**Act**” means the Companies Act 1993;

“**Board**” means Directors who number not less than the required quorum acting together as the board of directors of the Company;

“**Company**” means Chatham Rock Phosphate Limited (No. 1508940);

“**Constitution**” means this Constitution as amended from time to time;

“**Director**” means a person appointed as a director of the Company in accordance with this Constitution;

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

“**Rules**” means the Listing Rules applying to any market operated by NZX on which the Company is listed and its Securities quoted, as altered from time to time by NZX;

“**Schedule**” means a Schedule to this Constitution;

“**Securities**” means Shares, options or any other class of equity securities that confer voting rights in the Company and may be issued by the Company in accordance with the Constitution, the Rules and the Act;

“**Share**” means an ordinary share in the Company.

1.2 Subject to clause 1.1:

(a) Expressions which are defined in the Rules (whether or not expressed with an initial capital letter) have the meanings given by the Rules.

(b) Expressions which are defined in the Act (whether generally or for the purposes of one or more particular provisions) have the meanings given to them by the Act. Where an expression is defined in the Act more than once and in different contexts, its meaning will be governed by the context in which it appears in this Constitution.

1.3 In this Constitution:

(a) headings appear as a matter of convenience and do not affect the interpretation of this Constitution;

- (b) the singular includes the plural and vice versa, and words importing one gender include the other genders;
- (c) a reference to an enactment or any regulations is a reference to that enactment or those regulations as amended, or to any enactment or regulations substituted for that enactment or those regulations;
- (d) a reference to a Rule or the Rules includes that Rule or the Rules as from time to time amended or substituted or modified by any NZX ruling relevant to the Company;
- (e) a reference to permitted by the Act or permitted by the Rules means not prohibited by the Act or not prohibited by the Rules;
- (f) a Schedule forms part of this Constitution.

## **2. RELATIONSHIP BETWEEN CONSTITUTION AND RULES**

2.1 Notwithstanding any other provision in this Constitution, and for so long as the Company is listed:

- (a) this Constitution is deemed to incorporate all provisions of the Rules required under the Rules to be contained or incorporated by reference in this Constitution;
- (b) the Company must comply with the Rules and the Rules prevail over any inconsistent provision in this Constitution;
- (c) on the NZAX market operated by NZX, the Company may adopt the 'PreBreak Disclosure' procedure;
- (d) shareholders shall not cast a vote if prohibited from doing so by the Rules; and
- (e) Directors shall not cast a vote if prohibited from doing so by the Rules.

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

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

## **3. SHARES AND SHAREHOLDERS**

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

3.2 Subject to this Constitution, the Board may issue Securities that rank as to voting or distribution rights, or both, equally with or in priority to any existing Securities without affecting the rights of existing Securities under section 117 of the Act.

3.3 The Board may consolidate and divide, or subdivide, Securities or any class of Securities in proportion to those Securities or the Securities in that class.

- 3.4 The Board may determine in a notice of meeting for the purpose of voting at that meeting that those registered Security holders as at 5 p.m. on a day not more than 2 working days before the meeting will be the only persons entitled to exercise the right to vote at that meeting.
- 3.5 A holder of Securities of the Company or a transferee may request the Company to register the Securities held by that person in two or more separately identifiable parcels. Where the Company agrees to such a request, the Company may, so far as it considers convenient, communicate with the holder of the Securities, pay dividends and otherwise act in respect of such parcel, as if the separately identifiable parcels belonged to different persons.
- 3.6 Subject to clause 2, the Board may in its absolute discretion refuse or delay the registration of any transfer of Securities (subject to their terms of issue) if permitted to do so by the Act.
- 3.7 The Company may at any time give notice to a security holder holding less than a minimum holding that if, at the expiration of 3 months after the date the notice is given, Securities then registered in the name of the holder are less than a minimum holding the Company may sell those Securities through NZX or in some other manner approved by NZX.
- 3.8 The Board may authorise the transfer of the Securities sold under *clause 3.7* to a purchaser of the Securities and the holder is deemed to have authorised the Company to act on behalf of the holder and to sign all necessary documents relating to the sale. The purchaser is not bound to see to the application of the purchase money, nor shall the title to the Securities be affected by any irregularity or invalidity in the procedures under this Constitution relating to the sale. The remedy of any person aggrieved by the sale is in damages only and against the Company exclusively.
- 3.9 The proceeds of the sale of any Securities sold under *clause 3.7* must be applied as follows:
- (a) first, in payment of any reasonable sale expenses.
  - (b) second, in satisfaction of any unpaid calls or any other amounts owing to the Company in respect of the Securities.
  - (c) the residue, if any, must be paid to the person who was the holder immediately before the sale or his or her executors, administrators or assigns.
- 3.10 A certificate, signed by a Director that records that a power of sale under *clause 3.7* has arisen and is exercisable by the Company is conclusive evidence of the facts stated in that certificate.
- 3.11 The Board may make calls on any shareholder for any money that is unpaid on that shareholder's Securities and not otherwise payable at a specified time or times under this Constitution or the terms of issue of those Securities or any contract for the issue of those Securities. The Company has a lien on all of a shareholder's Securities and all dividends authorised in respect of such Securities for unpaid calls and instalments in respect of such Securities.
- 3.12 Subject to clause 2, the Company may:
- (a) purchase or otherwise acquire Securities issued by the Company and may hold Securities as treasury stock; and
  - (b) make an offer to one or more holders of Securities to acquire Securities issued by the Company in such number or proportions as it thinks fit,

in accordance with the Act.

- 3.13 Subject to clause 2, the Company may:
- (a) issue or redeem redeemable Securities; and
  - (b) exercise an option to redeem redeemable Securities issued by the Company in relation to one or more holders of redeemable Securities, in accordance with the Act.
- 3.14 The Board may, at its discretion, deduct from any dividend or other distribution payable to a shareholder any amount owed by the shareholder to the Company in respect of which the Company has a lien over the specific Securities on which the dividend or other distribution is payable. The Board must deduct from any dividend or other distribution payable to any shareholder any amount it is required by law to deduct, including withholding and other taxes.
- 3.15 No dividend or other distribution shall bear interest against the Company unless the applicable terms of issue of the Security expressly provide otherwise.
- 3.16 All dividends and other distributions unclaimed for one year after the due date for payment may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. The Company shall be entitled to mingle the distribution with other money of the Company and shall not be required to hold it or to regard it as being impressed with any trust but, subject to compliance with the solvency test, shall pay the distribution to the person producing evidence of entitlement.
- 3.17 Each holder of Securities will, as a condition of holding Securities, be subject to the provisions of Schedule Two.

#### **4. PROCEEDINGS AT MEETINGS OF SHAREHOLDERS AND INTEREST GROUPS**

- 4.1 The First Schedule to the Act governs the proceedings at meetings of shareholders except as follows:
- (a) Subject to clause 2, the quorum shall be 2 shareholders, whether present in person or having submitted duly completed proxy forms.
  - (b) A proxy form must be sent with each notice of meeting, in such form as the Board may direct. No appointment of a proxy is effective in relation to a meeting unless a copy of the notice of appointment is produced to the Company at least 48 hours before the time for holding the meeting or an adjourned meeting at which the person named in the notice proposes to vote. If the written notice appointing a proxy is signed under power of attorney, a copy of the power of attorney (unless already deposited with the Company) and a signed certificate of non-revocation of the power of attorney must accompany the notice.
- 4.2 Where:
- (a) the Security holder has died or become incapacitated; or
  - (b) the proxy, or the authority under which the proxy was executed, has been revoked; or
  - (c) the Security in respect of which the notice of proxy is given has been transferred,

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

- 4.3 A Security may exercise the right to vote at a meeting by casting a postal vote only if the Board, prior to the giving of notice of a meeting, has so determined.
- 4.4 Except as provided in this Clause 4, the chairperson of a meeting of shareholders may regulate the proceedings at the meeting.

## **5. DIRECTORS**

- 5.1 Subject to clause 2, any natural person who is not disqualified under the Act may be appointed as a Director by an ordinary resolution of security holders.
- 5.2 Subject to clause 2, the Board may appoint any person who is not disqualified under the Act to be a Director to fill a casual vacancy or as an addition to the existing Directors.
- 5.3 The persons holding office as directors of the Company on adoption of this Constitution continue in office and are deemed to have been appointed as Directors pursuant to this Constitution. Similarly the chairperson of the Board continues in office and is deemed to have been appointed as chairperson pursuant to this Constitution.
- 5.4 The Directors may elect one of their number as chairperson and, if they so determine a deputy chairperson, of the Board.
- 5.5 The chairperson of the Board and, if one has been elected, the deputy chairperson of the Board holds that office until he or she vacates that office or the Directors elect a chairperson or deputy chairperson (as the case may be) in his or her place.

## **6. MEETINGS OF THE BOARD**

- 6.1 Schedule One governs the proceedings at meetings of the Board, except where otherwise agreed by all Directors in relation to a particular meeting or meetings. The third schedule to the Act does not apply to proceedings at meetings of the Board.
- 6.2 A written resolution signed or assented to by a majority of the Directors then entitled to receive notice of a meeting of the Board and who together would constitute a quorum at a meeting is as valid and effective as if it had been passed at a meeting of the Board duly convened and held. Within 5 working days of a resolution being passed in accordance with this clause, the Company must send a copy of the resolution to every Director who did not sign the resolution or on whose behalf the resolution was not signed.
- 6.3 Any written resolution may consist of several copies of the resolution, each signed or assented to by one or more of the Directors. A copy of a written resolution, which has been signed and is sent by facsimile or any similar means of communication, will satisfy the requirements of this clause.
- 6.4 In exercising the Board's delegated powers, any committee of Directors, Director, employee, or any other person must comply with any regulations that the Board may impose.
- 6.5 The provisions of this Constitution relating to meetings and proceedings of the Board also apply to meetings and proceedings of any committee of Directors, except to the extent the Board determines otherwise.
- 6.6 A Director may be reimbursed for reasonable travelling, accommodation and other expenses incurred in the course of performing duties or exercising powers as a Director without requiring the prior approval of shareholders.

6.7 Every Director may:

- (a) appoint any person who is not a Director and is not disqualified by the Act or this Constitution from being a Director, and whose appointment has been approved in writing by a majority of the other Directors, to act as an alternate Director in his or her place either for a specified period, or generally during the absence or inability to act from time to time of such Director; and
- (b) remove his or her alternate Director from that office,

by giving written notice to that effect to the Company. A majority of the other Directors may similarly remove an alternate of a Director from that office.

6.8 While acting in the place of the Director who appointed him or her, an alternate Director:

- (a) has, and may exercise and discharge, all the powers, rights, duties and privileges of that Director (including the right to receive notice of, be counted as part of the quorum of, and participate in a meeting, of the Board, and to sign any document, including a written resolution, and to act as chairperson of the Board, but excluding the right to appoint an alternate Director);
- (b) is also subject to the same terms and conditions of appointment as that Director, except that he or she is not entitled to receive remuneration other than such proportion (if any) of the remuneration otherwise payable to his or her appointer as the appointer may direct by notice in writing to the Company.

6.9 The appointment of an alternate Director terminates automatically if the Director who appointed him or her ceases to be a Director or if an event occurs which would cause him or her to vacate office if he or she were a Director. A Director retiring by rotation and being re-elected under the Rules is not to be treated as having ceased to be a Director for the purposes of this clause.

## 7. GENERAL

7.1 The Company shall indemnify a director or employee of the Company or a related company for any liability or costs for which a director or employee may be indemnified under the Act. The Board may determine the terms and conditions of such an indemnity.

7.2 The Company may, with the prior approval of the Board, effect insurance for a director or employee of the Company or a related company for any liability or costs for which a company may effect insurance for a director or employee under the Act. The Board may determine the amounts and the terms and conditions of any such insurance.

7.3 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, or any other person authorised by the Board, whose signature must be witnessed, or as otherwise permitted by the Act.

7.4 If the Company is liquidated the liquidator may, with the approval of Security holders by special resolution, but subject to any other sanction required by the Act:

- (a) divide among the shareholders in kind the whole or any part of the surplus assets of the Company and for that purpose the liquidator may:
  - (i) fix such values for surplus assets as the liquidator considers to be appropriate, and

- (ii) determine how the division will be carried out as between shareholders or different classes of shareholder; and
- (b) vest the whole or any part of any such surplus assets in trustees upon such trusts for the benefit of such of those shareholders as the liquidator thinks fit,

but so that no shareholder is compelled to accept any shares or other Securities on which there is any liability.

## SCHEDULE ONE - PROCEEDINGS OF THE BOARD

### 1. NOTICE OF MEETING

- 1.1 A Director, or any other person at the request of a Director, may convene a meeting of the Board by giving notice in accordance with this Schedule.
- 1.2 The notice of meeting must be a written notice delivered by hand to the Director, or sent to the address or facsimile number, or an electronic mail message sent to the electronic mail address, which the Director provides to the Company for that purpose, or if an address or facsimile number, or electronic mail address, is not provided, then a written notice to his or her last place of employment or residence or facsimile number known to the Company.
- 1.3 The notice of meeting must include the date, time and place of the meeting and the matters to be discussed in sufficient detail to enable a reasonable Director to appreciate the general import of the matters.
- 1.4 At least two days' notice of a meeting of the Board must be given unless the chairperson (or, in the chairperson's absence from New Zealand, the deputy chairperson (if any), and in the deputy chairperson's absence, any other Director) believes it is necessary to convene a meeting of the Board as a matter of urgency, in which case shorter notice of the meeting of the Board may be given, so long as at least two hours' notice is given. Any such shorter notice may be given by telephone communication to each Director at the telephone number provided to the Company by each Director provided that written notice shall be given to the Directors within the shorter notice period where it is practicable to do so.
- 1.5 If a Director, who is for the time being absent from New Zealand, supplies the Company with a facsimile number or address to which notices are to be sent during his or her absence, then notice must be given to that Director. Otherwise notice need not be given to any Director for the time being absent from New Zealand. However, if he or she has an alternate Director who is in New Zealand, then notice must be given to that person.
- 1.6 Any irregularity in the notice of a meeting, or failure to comply with *clauses 1.1 to 1.6* of this Schedule is waived if all Directors entitled to receive notice of the meeting attend the meeting without protest as to the irregularity or failure, if all Directors entitled to receive notice of the meeting agree to the waiver.

### 2. MEETING AND QUORUM

- 2.1 A meeting of the Board may be held either:
- (a) by a number of Directors who constitute a quorum, being assembled together at the place, date and time appointed for the meeting; or
  - (b) by means of audio, or audio and visual, communication by which all Directors participating can simultaneously hear each other throughout the meeting.
- 2.2 Unless otherwise determined by the Board, the quorum necessary for the transaction of business at a meeting of the Board is a majority of the Directors. No business may be transacted at a meeting of the Board unless a quorum is present.
- 2.3 If a quorum is not present within 30 minutes after the time appointed for a meeting of the Board, the chairperson will adjourn the meeting to a specified day, time and place, the day being within the next 2 days. If no such adjournment is made the meeting will be adjourned automatically until the following working day at the same time and place. If at the adjourned

meeting a quorum is not present within 30 minutes from the time appointed for the meeting, the Directors present will constitute a quorum.

### **3. CHAIRPERSON**

- 3.1 The chairperson or, in the absence of the chairperson, the deputy chairperson of the Board will chair all meetings of the Board. If no chairperson or deputy chairperson is elected, or if at a meeting of the Board the chairperson or deputy chairperson is not present within 15 minutes after the time appointed for the commencement of the meeting, then the Directors present may elect one of their number to be chairperson of the meeting.

### **4. VOTING**

- 4.1 Each Director has one vote. A resolution of the Board is passed if it is agreed to by all Directors present without dissent or if a majority of the votes cast on it are in favour of it. A Director must not vote where that Director is not permitted to vote by the Rules or this Constitution. A Director present at a meeting of the Board may abstain from voting on a resolution, and any Director who abstains from voting on a resolution will not be treated as having voted in favour of it for the purposes of the Act.

- 4.2 The chairperson of the Board does not have a casting vote.

### **5. MINUTES**

- 5.1 The Board must ensure that minutes are kept of all proceedings of meetings of the Board. Minutes which have been signed correct by the chairperson of the meeting are evidence of the proceedings at the meeting unless they are shown to be inaccurate.

### **6. OTHER PROCEEDINGS**

- 6.1 Except as set out in this Schedule, the Board may regulate its own procedure.

## SCHEDULE TWO - DISCLOSURE BY SECURITY HOLDERS

### 1 DEFINITIONS AND INTERPRETATION

1.1 In this Schedule, if terms are not defined within the Constitution or not inconsistent with the subject or context:

“**Admission**” means the admission to trading on AIM of any Securities.

“**AIM**” means the AIM Market operated by London Stock Exchange plc.

“**arm’s length transfer**” in relation to any Securities means a transfer which is shown to the satisfaction of the Board to be pursuant to: a sale of those Securities to a *bona fide* unconnected third party on a recognised investment exchange, or on any stock exchange on which the Securities are normally traded; or an acceptance of a takeover offer for the Company, being an offer to acquire all the Securities (other than the Securities which on the date of the offer are already held by the offeror);

“**Family**”, in relation to a person, means:

- (a) his or her spouse or civil partner and any child where such child is under the age of eighteen years; and
- (b) any trust in which such person or the persons in (a) are trustees or beneficiaries and any company over which such person and the persons in (a) have control of more than 20% of its equity or voting rights (excluding treasury stock) in a general meeting.

“**Intermediaries**” mean persons that have an interest in Securities:

- (a) for the sole purpose of clearing and settlement within a settlement cycle not exceeding the period beginning with the transaction and ending at the close of the third trading day following the day of the execution of the transaction (irrespective of whether the transaction is conducted on-exchange);
- (b) as a custodian (or nominee) in its custodian (or nominee) capacity (whether operating from an establishment in the United Kingdom, New Zealand or elsewhere), provided such a person can only exercise the voting rights attached to such Securities under instructions given in writing or by electronic means; and
- (c) as a Market Maker acting in that capacity, provided the Market Maker is not interested in Securities equal to or in excess of 10% of all Securities on issue in the Company;

“**Market Maker**” means a person that is authorised by its home state to act as such, does not intervene in the management of the Company and does not exert any influence on the Company to buy Securities or support a given Security price;

“**Security Holder**” means a person whose name is entered in the Securities register’s of the Company as the holder of one or more Securities or fractional Securities.

### 2 EFFECTIVE DATE

2.1 The provisions of this Schedule shall become effective upon Admission and will cease to apply if at any time the Securities then cease to be quoted and traded on AIM.

### **3. DISCLOSURE OF INTERESTS IN SECURITIES AND COMPANY**

#### **3.1 For the purposes of this Schedule:**

- (a)** a person will be treated as having an “interest” in Securities if such person is not an Intermediary and:
- (i)** is registered as owning them;
  - (ii)** beneficially owns them or holds them through one or more controlled undertakings;
  - (iii)** has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to them;
  - (iv)** by virtue of any agreement to purchase, option or derivative they have the right or option to acquire them or call for their delivery; or they are under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute;
  - (v)** is party to any derivative whose value is determined by reference to their price and which results, or may result, in them having a long position in them;
  - (vi)** has received an irrevocable commitment in respect of them; or
  - (vii)** their Family has any of the foregoing rights to the Securities;
- (b)** a person’s interest shall be “notifiable” if the aggregate number of the Securities in which they have such interest is equal to or exceeds three per cent. of the aggregate of the relevant class of Security of the Company.; and
- (c)** “Relevant Securities” means, in relation to a Security Holder, those Securities in which the Security Holder has a notifiable interest.

#### **3.2 The provisions of this Schedule are in addition to and separate from any other rights or obligations arising at law, under the Rules or otherwise.**

### **4. NOTIFICATION OF INTERESTS IN SECURITIES**

#### **4.1 Where a Security Holder:**

- (a)** acquires or disposes of their interest in Relevant Securities; or
- (b)** knows that any other person has acquired or disposed of an interest in Relevant Securities; or
- (c)** becomes aware of any other change in circumstances affecting his or any other person’s interest in any Relevant Securities,

then, if the circumstances set out in paragraph 4.2 apply, the Security Holder shall become obliged to notify the Company of their interests (if any) in the Relevant Securities, and to the extent they are aware of such further information and are not prevented by applicable law from disclosing the same, to notify the Company of the interests of any other person in the Relevant Securities. If in any case the Security Holder is prevented by applicable law from disclosing information in relation to any other person pursuant to this paragraph, the Security Holder shall use their reasonable endeavours to procure that such other person themselves notify their interests in the Relevant Securities to the Company.

4.2 The circumstances in which the Security Holder is obliged to notify the Company of matters relating to interests in Relevant Securities pursuant to paragraph 4.1 are where:

- (a) the Security Holder or any other person has a notifiable interest in Relevant Securities immediately after the relevant acquisition or disposal, but did not have such an interest immediately before that time.
- (b) the Security Holder or any other person has a notifiable interest in Relevant Securities immediately before the relevant acquisition or disposal, but does not have such an interest immediately after it; or
- (c) the Security Holder or any other person has a notifiable interest in Relevant Securities immediately before the relevant acquisition or disposal, and has such an interest immediately after it, but the percentage level of their interest immediately after it is not the same as before.

For the purposes of this paragraph, “percentage level” means the percentage figure resulting when:

- (a) the number of Securities in which the person has an interest immediately before or after, as the case may be, the relevant acquisition or disposal (or the time when the Security Holder became aware of any other circumstance affecting interests in Securities) is expressed as a percentage of the Company’s aggregate issued and outstanding Securities; and
- (b) such percentage is rounded down, if it is not a whole number, to a whole number.

4.3 Any notification required to be made under paragraph 4.1 must be made in writing to the Company, without delay, and, to the extent that a Security Holder is not lawfully able to make such notification, such Security Holder shall use their reasonable endeavours to procure that the relevant person notifies their interest to the Company without delay.

4.4 The notification shall include the following particulars, so far as known to the person making the notification at the date when it is made:

- (a) the identity of such person, together with confirmation of residence, jurisdiction of incorporation (where relevant) and place of address;
- (b) the details of the acquisition, disposition or change in circumstances giving rise to the obligation;
- (c) the number of Securities in which such person (or any other relevant person) was interested at the time immediately prior to the time when the obligation arose;
- (d) the number of Securities in which such person (or any other relevant person) is interested in following acquisition, disposition or change in circumstances giving rise to the obligation;
- (e) the nature of the interest held by such person(s) in all such Securities, including disclosure of the registered holder(s), beneficial holder(s) and any other relevant party, including controlled undertakings, and the relationship between or among them, including, where applicable, any person entitled to exercise the voting rights attaching to any of the Securities where different from the registered holder; and
- (f) the date on which the relevant percentage level has been reached or crossed.

## **5. FAILURE TO NOTIFY OF INTERESTS IN SECURITIES**

**5.1** If the Directors should become aware that any Security Holder or any person appearing to be interested in Securities registered in the name of any Security Holder has not made or procured, as the case may be, the making of any notification required by paragraph 4.2, the Company may (at the absolute discretion of the Directors) at any time thereafter by notice to any Security Holder (a "Restriction Notice") direct that, in respect of the Securities in relation to which the default has occurred (the "Default Securities", which expression shall include any further Securities which are acquired by the defaulting Security Holder following the issue of the Restriction Notice), such Securities will not confer upon the Security Holder the right to vote at any meeting of Security Holders and/or will not carry any right to any dividends or other distributions (whether of income or of capital).

**5.2** The Company shall send a copy of the Restriction Notice to each other person appearing to be interested in the Securities that are the subject of such notice, but the failure or omission by the Company to do so shall not invalidate such notice. The Company may at the absolute discretion of the Directors at any time give notice to the Security Holder cancelling or suspending for a stated period the operation of a Restriction Notice in whole or in part.

**5.3** Any Restriction Notice shall have effect on the rights attached to Securities ten (10) business days from the date of its issue until one of, or unless one of, the following has occurred ("relevant event"):

**(a)** the default is remedied by a notification being given to the Company in accordance with this Schedule; or

**(b)** the Securities are registered in the name of a transferee, or that of their nominee, pursuant to an arm's length transfer.

**5.4** Should a Restriction Notice continue to have effect on the rights attached to Securities for a period of three (3) months then the Directors shall have the right to transfer and account for the Securities in accordance with clauses 3.8 to 3.10 of this Constitution (with all necessary modifications to fit the purpose and intent of this Schedule).