

AUCKLAND PHO LIMITED

CONSTITUTION

1. PRELIMINARY

1.1 **Interpretation:** In this Constitution unless the context otherwise requires:

"**Act**" means the Companies Act 1993;

"**Auckland**" means the boundaries for the time being of Auckland District Health Board, or such larger area as may be determined by the Board.

"**Board**" means the directors of the Company from time to time who number not less than the required quorum pursuant to clause 15.4;

"**Company**" means Auckland PHO Limited;

"**Community Director**" means a director appointed pursuant to clause 12.3.1;

"**Constitution**" means this constitution as amended from time to time;

"**enrolled population**" means the population that is enrolled with the Company in accordance with the PHO Contract;

"**General Practitioner**" means a medical practitioner registered with the Medical Council of New Zealand;

"**Iwi Director**" means a director appointed pursuant to clause 12.3.2;

"**Iwi Shareholder**" means the holder of the Iwi Share;

"**Office**" means the registered office of the Company;

"**PHO**" means a primary health organisation funded by the Auckland District Health Board from time to time to provide primary health care services for the enrolled population, being such persons who are eligible for public funded health services in accordance with the Health and Disability Services Eligibility Direction 2003 or any subsequent direction published in the New Zealand Gazette, which amends or replaces the Health and Disability Services Eligibility Direction 2003;

"**Provider Director**" means a director appointed pursuant to clause 12.3.3;

"**PHO Contract**" means the contract between the Auckland District Health Board and the Company as amended from time to time;

"**Provider Shareholder**" means a holder of a Provider Share;

"**Register**" means the share register to be kept in compliance with section 87 of the Act;

"**Secretary**" means the secretary of the Company appointed by the Board from time to time;

"**shares**" means any or all shares that are either or both Provider Shares and/ or Iwi Share;

"**Statement of Corporate Intent**" means a written statement setting out the objectives (including performance objectives) and other relevant aspects relating to the operations of the Company prepared by the Board for the Company's shareholders and finalised by the Board following consultation with the Company's shareholders on an annual basis in respect of each financial year of the Company or such other periods as may be determined by the Board from time to time.

- 1.2 Companies Act:** words or expressions shall be deemed to have the same meaning as they have in the Act;
- 1.3 Sections, Clauses and Paragraphs:** references to sections, clauses and paragraphs are references to sections, clauses and paragraphs of this Constitution;
- 1.4 Headings:** headings are for ease of reference only and shall not be deemed to form any part of the context or to affect the interpretation of these Articles;
- 1.5 Months:** references to months shall be deemed to be references to calendar months;
- 1.6 Persons:** references to persons shall be deemed to include references to individuals, companies, corporations, firms, partnerships, joint ventures, associations, organisations, trusts, states or agencies of state, government departments and local and municipal authorities in each case whether or not having separate legal personality;
- 1.7 Plural and Singular:** words importing the singular number shall include the plural and vice versa;
- 1.8 Statutes and Regulations:** references to a statute include references to regulations, orders or notices made under or pursuant to such statute, and references to a statute or regulation include references to all amendments to that statute or otherwise and also a statute or regulation passed in substitution for the statute or regulation referred to; and
- 1.9 Writing:** references to written material or to material in writing shall be deemed to include material which is written, printed, typewritten, painted, engraved, photocopied, lithographed or otherwise represented or reproduced in visible form.
- 1.10 Companies Act:** The provisions of the Act are negated, modified, adopted and extended as provided in this Constitution.

2. SPECIAL PROVISIONS

- 2.1 Special Provisions Paramount:** Clauses 2.1 to 2.8 are clauses paramount. Whenever these clauses paramount are inconsistent with clauses in the remainder of this Constitution, these clauses paramount prevail, except to the extent to which the other clauses merely reflect statutory provisions which are mandatory.
- 2.2 Company Carried on Exclusively for Charitable Purposes:** The Company has the capacity to carry on or undertake any business or activity, do any act or enter into any transaction as specified in this Constitution provided that the Company shall exercise all such powers and privileges and apply all Company property exclusively for furthering charitable purposes in New Zealand including, but without limitation:
- 2.2.1** improving the health status of the enrolled population of Auckland ;
 - 2.2.2** reducing disparities between the health of different groups within the enrolled population of Auckland;
 - 2.2.3** promoting and developing a fully integrated health delivery system;
 - 2.2.4** promoting good health and the prevention of disease;
 - 2.2.5** supporting the delivery of quality health services through a skilled health workforce;
 - 2.2.6** reducing barriers to access to primary health services;
 - 2.2.7** working with other health providers within the Auckland region to ensure that services are co-ordinated around the needs of the enrolled population;
 - 2.2.8** carrying on any activity incidental to the attainment or enhancement of the above objects and meeting the requirements of an organisation recognised as a PHO.
- 2.3 Charitable Purposes Paramount:** Notwithstanding anything else contained in this Constitution no power or reservation expressed or implied in this Constitution shall authorise the directors of the Company to do or suffer any act which does not further the charitable purposes expressed in clause 2.2 which shall at all times be paramount so as to exclude any act or omission which is or may be deemed to be not in accordance with such charitable purposes.
- 2.4 Company Not Carried On for Private Pecuniary Profit:** None of the capital or income of the Company shall be paid or transferred directly or indirectly by way of dividend, distribution or otherwise for the private pecuniary profit of any individual, provided that, subject to clause 2.5, nothing in this clause 2.4 shall prevent:

2.4.1 The payment of a donation or donations of capital and / or income to any shareholder of the Company where that shareholder is a trustee of a charitable trust which has obtained an exemption from income tax under sections CW 34(1)(a) and/or CW 35(1) of the Income Tax Act 2004 and that shareholder holds that payment in trust exclusively for the purposes expressed in clause 2.2 within New Zealand; or

2.4.2 The payment in good faith of reasonable remuneration to any directors, shareholders, employees or the secretary of the Company or to any other person for services rendered to the Company; or

2.4.3 The payment of interest to any person at a rate not exceeding the commercial rate of interest for the time being.

2.5 Further Proviso: Nothing in clause 2.4.1 to 2.4.3 shall permit or authorise any payment or provision that would result in the Company losing its exemption from income tax under sections CW 34(1)(a) and CW 35(1) of the Income Tax Act 2004

2.6 Certain Persons Not to Influence Benefits Received from Company: No person who falls within the ambit of section CW 35(5) of the Income Tax Act 2004, or any amendment thereof, shall, in the carrying on of the business of the Company, determine (whether directly or indirectly), or materially influence in any way the determination of, the nature or amount of any benefit or advantage, whether or not convertible into money, or any income of any of the kinds referred to in Part C of the Income Tax Act 2004, or any amendment thereof, received, gained, achieved, afforded or derived by that person, or the circumstances in which that benefit, advantage or income is or is to be received, gained, achieved, afforded or derived by that person, provided however that nothing in this clause 2.6 shall prevent:

2.6.1 The payment of a donation or donations of capital and / or income to any shareholder of the Company where that shareholder is a trustee of a charitable trust which has obtained an exemption from income tax under section CW 34(1)(a) and / or section CW 35(1) of the Income Tax Act 2004, or amendment thereof, and that member holds that payment in trust exclusively for charitable purposes within New Zealand; or

2.6.2 A payment made in the circumstances prescribed in section CW 35(7) of the Income Tax Act 2004, or amendment thereof;

provided also that nothing in clause 2.6.1 or 2.6.2 shall permit or authorise any payment or provision which would result in the Company losing its exemption from income tax under section CW 35(1) of the Income Tax Act 2004.

2.7 Liquidation of Company: If the Company is liquidated for any reason, the surplus assets of the Company, after payment of all costs, debts and liabilities, shall not be paid to or distributed to the shareholders of the Company except in their capacity as a society, association or trust which has obtained an exemption from income tax under sections CW 34(1)(a) and CW 35(1) of the Income Tax Act 2004, provided that the directors may also pay or distribute

any such surplus assets to any society, association or trust which has obtained an exemption from income tax under sections CW 34(1)(a) and CW 35(1) of the Income Tax Act 2004 and which has been established to improve the health status of the people living in the Auckland area.

2.8 Amendments to Special Provisions: The Company may amend this Constitution pursuant to the Act, provided that no amendments to clauses 2.1 to 2.8 shall be effected which would have the effect of disqualifying the Company from being a PHO and further that no amendments to clauses 2.1 to 2.8 shall be effected without the prior approval from the Commissioner of Inland Revenue that such amendments would not result in the Company losing its exemption from income tax under sections CW 34(1)(a) and CW 35(1) of the Income Tax Act 2004 or, if such approval is not forthcoming, or the terms upon which that approval is given is not acceptable in the opinion of the directors, by approval of the same by a Court of competent jurisdiction.

3. SHARES

3.1 Classes of Shares: Without prejudice to section 37 of the Act which allows for any number of different classes of shares of any type to be issued in the Company, as at the date of adoption of this Constitution the shares in the Company comprise shares divided into the following groups each of which constitute a separate class:

3.1.1 Provider Shares: redeemable shares to be known as Provider Shares; and

3.1.2 Iwi Share: one redeemable share to be known as Iwi Share,

and any shares (of any class) existing at the time of the adoption of this Constitution will be deemed to be Provider Shares.

3.2 Rights, Privileges and Restrictions Attaching to Provider Shares: Provider Shares have in addition to or as an extension of the rights conferred by section 36(1) of the Act (as negated, added to or altered by this Constitution), the following rights, privileges and restrictions:

3.2.1 no person may hold more than one Provider Share at any time;

3.2.2 no person may become the holder of a Provider Share unless the directors resolve that that person shall be entitled to become the holder of a Provider Share **and** subject to the proviso to this subclause 3.2.2, no person may become the holder of a Provider Share unless that person:

(a) is either:

(i) an individual who holds a practicing certificate which is issued under the Health Practitioners Competence Assurance Act 2003 ("HPCAA"); or

(ii) an organisation that provides health or disability services providing that the organisation is not

contracted by the Company to provide First Level Services as defined in the PHO Contract; or

- (iii) an individual who is a practice manager of a Member Contracted Primary Health Provider (as that term is defined in the PHO Contract) that provides First Level Services (as that term is defined in the PHO Contract) even though the individual may not hold a practicing certificate issued under the HPCAA provided that the organisation employing the individual agrees to in writing and endorses that individual becoming a Provider Shareholder;
- (b) provides health services predominantly to the public in the Auckland region;
- (c) is committed to and able to continue to provide those services to the public;
- (d) has standards of practice and objectives in relation to the provision of health services to the public which are compatible with the standards required by and with the objectives of the Company in relation to the provision of health services to the public;
- (e) does not have interests of either a commercial or personal nature which conflict with the interests or objectives of the Company in any respect; and
- (f) has the potential to contribute to the Company in such a way that will enhance the Company's reputation and activities;

provided that the directors may, in circumstances which they consider appropriate, resolve to relax or waive any of the requirements of sub-clauses 3.2.2 (a) to 3.2.2 (f) (inclusive) in relation to any particular provider seeking to subscribe for or acquire a Provider Share.

3.2.3 a Provider Share may not be transferred except in accordance with the provisions of clause 5.4;

3.2.4 subject to the provisions of section 69 of the Act, Provider Shares shall be redeemable by the Company in accordance with the provisions of section 7 of this Constitution;

3.2.5 Provider Shares shall have no right to receive any dividends;

3.2.6 Provider Shares shall not have the right on a winding up to be paid, the amount of the total consideration paid or credited as paid up on or in respect of the issue of the Provider Shares

3.2.7 Provider Shares shall not have the right to participate in the profits or surplus assets of the Company; and

3.2.8 Provider Shares shall confer the right to vote, either in person or by proxy at any meeting of the Company. Each holder of a Provider Share shall on a vote by voice or a show of hands have the right to one vote exercised either in person or by proxy or on a poll.

3.3 **Rights, Privileges and Restrictions attaching to the Iwi Share:** The Iwi Share has in addition to or as an extension of the rights conferred by section 36(1) of the Act (as negated, added to or altered by this Constitution), the following rights, privileges and restrictions:

3.3.1 no person may become the holder of the Iwi Share unless the directors resolve that that person shall be entitled to become the holder of the Iwi Share and no person may become the holder of the Iwi Share unless that person:

(a) is an organisation identified by the directors as being the recognised iwi for Auckland having regard to the Treaty of Waitangi; and

(b) has the potential to contribute to the Company in such a way that it will enhance the Company's reputation and activities;

3.3.2 the Iwi Share may not be transferred;

3.3.3 subject to the provisions of section 69 of the Act, the Iwi Share shall be redeemable by the Company in accordance with the provisions of section 7 of this Constitution;

3.3.4 the Iwi Share shall have no right to receive any dividends;

3.3.5 the Iwi Share shall not have the right on a winding up to be paid the amount of the total consideration paid or credited as paid up on or in respect of the issue of the Iwi Share;

3.3.6 the Iwi Share shall not have the right to participate in the profits or surplus assets of the Company; and

3.3.7 the Iwi Share shall confer the right to vote, either in person or by proxy at any meeting of the Company. The holder of the Iwi Share shall on a vote by voice or a show of hands have the right to one vote exercised either in person or by proxy or on a poll.

4. ISSUE OF SHARES

4.1 **Issue of Further Shares:** The Board shall be entitled to issue further Provider Shares or Iwi Share (provided there is no more than one Iwi Share issued at any given time) ranking equally with existing shares (as to voting rights), and such issues shall not be deemed to be action affecting the rights attached to the existing shares in the Company pursuant to section 117(3) of the Act.

4.2 Procedure for Issue of Provider Shares: Additional Provider Shares or new Iwi Share may be issued from time to time in accordance with the procedures set out below:

4.2.1 Proposing Shareholder Notice: If any person ("the Proposer") wishes to be issued a Provider Share, the Proposer shall give written notice to the Secretary and shall specify in such notice his or her name and principal business address, and his or her reasons for believing that he or she meets with criteria set out in the relevant provisions of clause 3.2 and 3.3 (as the case may be). The notice from the Proposer may be accompanied by any written submissions, references and testimonials concerning the Proposer which the Proposer cares to submit.

4.2.2 Directors Meeting: The Secretary shall, within five weeks of receiving any such notice, convene a meeting of the Board. At such meeting the Board shall determine whether or not to permit the Proposer to become a Provider Shareholder or Iwi Shareholder of the Company, and if they so determine, then the Board shall then issue one Provider Share or one Iwi Share to the Proposer, and the Secretary shall enter the name of the Proposer on the Register accordingly.

4.2.3 Relevant Considerations: In determining whether or not to permit the Proposer to become a Provider Shareholder of the Company pursuant to clause 4.2.2, the Board must ensure that the number of Provider Shareholders who contract with PHO to provide First Level Services as defined in the PHO Contract are not less than the number of Provider Shareholders who do not contract with the PHO to provide First Level Services.

4.2.4 Participation by Proposer: At the directors' meeting convened pursuant to subclause 4.2.2, any director who is the Proposer (or any way related to the Proposer including, without limitation, as a director or shareholder of the Proposer) may not vote on the question of whether the Proposer should be permitted to become a Provider Shareholder or Iwi Shareholder.

4.3 No Pre-emptive Rights: The provisions of section 45 of the Act shall not apply to any shares issued or proposed to be issued by the Company.

5. TRANSFER OF SHARES

5.1 Freedom to Transfer is Qualified: Every change in the ownership of Provider Shares in the Company shall be subject to the following limitations and restrictions contained in this section 5.

5.2 Execution and Effectiveness of Transfers: The instrument of transfer of any Provider Share shall be executed by or on behalf of the transferor and when necessary the transferee and the transferor shall be deemed to remain a holder

of the Provider Share until the name of the transferee is entered in the Register in respect thereof.

5.3 Form of Transfer: Provider Shares may be transferred by instrument in writing in any usual or common form or any other form which the Board may approve or which may be prescribed by law.

5.4 Transfer of Provider Shares: Provider Shares may only be transferred in the following manner:

5.4.1 Transfer Proposal: When a holder of a Provider Share proposes to transfer a Provider Share and has identified and reached agreement with a proposed transferee, the proposing transferor shall give notice to the Secretary of the proposal. That notice shall stipulate the name and principal business address of the proposed transferee and the proposing transferor's reasons for believing that the proposed transferee meets the relevant criteria set out in clause 3.2. The notice from the proposing transferor may be accompanied by any written submissions, references and testimonials concerning the proposed transferee which the proposing transferor cares to submit.

5.4.2 Directors' Meeting: Upon receipt of such a notice the Secretary shall within five weeks convene a meeting of the Board. At such meeting the Board shall determine whether or not to permit the proposed transferee to become a Provider Shareholder in the Company. If the directors determine that the proposed transferee can become a Provider Shareholder, then the proposed transferee shall be entitled to become a holder of a Provider Share. The Secretary shall promptly advise the proposing transferor of the Board's decision, and if an executed share transfer is submitted to the Company within three months of the date of the Board's decision it shall be duly registered. If an executed share transfer is not submitted to the Company within that timeframe, then the Board's approval of the transfer shall lapse.

5.4.3 Participation by Proposing Transferor: At the directors' meeting convened pursuant to subclause 5.4.2, no director who is the proposing transferor or the proposed transferee may vote on the question of whether the proposed transferee should be entitled to become a shareholder.

5.5 Rights of Redemption Unaffected: Nothing in this section 5 will in any way affect the Company's right to redeem Provider Shares under section 7.

6. REFUSAL TO REGISTER TRANSFERS

6.1 Directors May Refuse Transfers: Subject to compliance with the provisions of section 84 and (if applicable) section 85 of the Act the directors may refuse to register any transfer of a Provider Share:

6.1.1 Law: if required to do so by law;

- 6.1.2 Special Circumstances:** where the directors have notice of any agreement by the transferor Provider Shareholder to transfer only to some specified person or persons or subject to some specified condition or conditions;
- 6.1.3 Incomplete Documentation:** where the instrument of transfer is not accompanied by the certificate of the shares to which it relates (if any) or such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer;
- 6.1.4 Clause 5.4 Not Complied With:** where the procedure required by clause 5.4 has not been followed or the Board have decided pursuant to clause 5.4 not to permit the proposed transferee to become a Provider Shareholder in the Company;
- 6.2 Transfer to be Returned:** If the directors resolve to refuse to register a transfer they shall within five working days of the resolution refusing the transfer being passed give notice of the resolution including reasons to the transferor and transferee and return the transfer to the transferee.
- 6.3 Suspension of Registration:** The registration of transfers may be suspended at such times and for such periods as the directors may from time to time determine provided that registration shall not be suspended for more than 30 days in any year.

7. REDEMPTION OF SHARES

- 7.1 Redemption of Shares:** Subject to compliance with the provisions of the Act the Iwi Share, and the Provider Shares of any one or more shareholders of the same class shall be immediately redeemable (such that, for the avoidance of any doubt, the Company is hereby expressly permitted to exercise an option to redeem shares in relation to only one or some and not necessarily all shareholders of the same class) and shall be redeemed by the Company in any case where:
 - 7.1.1 Shareholder No Longer Meets Criteria:** the Board has resolved that the holder of a share no longer meets the relevant criteria in section 3 relating to the relevant share,
 - 7.1.2 Shareholder in Default of Obligation:** the shareholder has made default in the observance or performance of any other obligation owed by it to the Company, and that default has continued for at least one month after the shareholder has been requested in writing to remedy it (whether or not the obligation arose under any contract between the shareholder and the Company, and whether or not pursuant to the terms of such contract (if any) the Company is entitled to terminate the contract); or
 - 7.1.3 Shareholder Circumstances:** the shareholder dies or is adjudicated bankrupt or becomes insolvent or is the subject of an order or resolution for its liquidation or winding up or becomes subject to the jurisdiction of the Family Court under the Protection of Personal and

Property Rights Act 1988 or his or her shares become subject to a property order or an administration order thereunder or would if ordinarily resident in New Zealand become subject to the jurisdiction of the Family Court under the Protection of Personal and Property Rights Act 1988 or in respect of whom an order has been made by any Court having jurisdiction in lunacy; or

7.1.4 Shareholder Acts Contrary to the Interests of the Company: the holder of any share makes any statement, takes any action or omits to take any action, the doing of which is contrary to the interests of the Company and is likely to materially damage its reputation, its financial standing or its relationships with its suppliers, its customers, any persons with whom it is currently negotiating or proposing to do business, or the public in general;

and, in any of the above cases, the Board has resolved that the share should be redeemed in accordance with section 69(2) of the Act. Any such resolution may only be made at a duly convened meeting of the Board of which at least three weeks notice has been given to the holder of the share or shares intended to be redeemed. The holder shall be entitled to provide to the Board prior to their meeting, for consideration by the Board, any written submissions, references and testimonials concerning the holder which he, she or it cares to submit, and to attend and speak at the meeting in his, her or its defence. The Secretary shall notify the holder of the share intended to be redeemed of the outcome of the meeting, and of the reasons for the Board's decision. The Board shall not be required to review their decision (provided they have acted in good faith and there were no manifest errors of fact in their reasons which were material to their decision).

7.2 No Money Payable on Redemption: The price payable on redemption of any Provider Share or the Iwi Share shall be nil.

8. TRANSMISSION OF SHARES

8.1 Persons Entitled to be Recognised: Subject to the provisions of section 7, in case of the death of a shareholder the survivor or survivors where the deceased was a joint holder and the legal personal representatives of the deceased where he or she was a sole holder shall be the only persons recognised by the Company as having any title to his or her interest in the shares; but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him or her with other persons.

8.2 Mental Disorder, Death and Bankruptcy: Subject to the provisions of section 7, where the registered holder of any share becomes subject to the jurisdiction of the Family Court under the Protection of Personal and Property Rights Act 1988 or whose shares become subject to a property order or an administration order thereunder ("a mentally disordered person") or dies or becomes bankrupt his or her manager, personal representatives or the assignee of his or her estate as the case may be shall upon the production of such evidence as may from time to time be properly required by the directors in that behalf be entitled to the same rights (whether in relation to meetings of the

Company or to voting or otherwise) as the registered holder would have been entitled to if such registered holder had not become a mentally disordered person, died or become bankrupt; and where two or more persons are jointly entitled to any share in consequence of the death of the registered holder they shall for the purpose of these Articles be deemed to be joint holders of the share.

8.3 Right to Refuse Transfers: The directors shall have the same right to refuse to register the person entitled to any share by reason of the death, bankruptcy, insolvency, lunacy or infancy of any member or any member's nominee as if such person were the transferee named in an ordinary transfer presented for registration.

9. ACQUISITION OF COMPANY'S OWN SHARES

9.1 Authority to Acquire Own Shares: For the purposes of sections 59 and 60(1)(b)(ii) of the Act, the Company is expressly authorised to purchase or otherwise acquire shares issued by it.

9.2 Board May Make Offer to One or More Shareholders: Pursuant to section 60 of the Act the Board of the Company may make an offer to acquire shares issued by the Company where the offer is an offer to one or more shareholders to acquire shares, and is made in accordance with the procedure set out in section 61 of the Act.

9.3 Authority to Hold Own Shares: Subject to any restrictions or conditions imposed by law the Company is expressly authorised to hold shares acquired by it pursuant to section 59 or section 112 of the Act.

10. DISTRIBUTIONS TO SHAREHOLDERS

10.1 Board Not Authorised to Declare Dividends: For the purposes of section 36 and 52 of the Act, the Board of the Company must not authorise or cause the Company to pay a dividend to any shareholder.

11. MEETINGS OF SHAREHOLDERS

11.1 Time and Place: The annual meeting shall be held at such time and place as the directors appoint.

11.2 Convening Special Meetings: Special meetings may be convened as provided by section 121 of the Act and may also be convened by a director in the same manner as nearly as possible to that in which general meetings may be convened by the Board.

11.3 Proceedings at Meetings of Shareholders: The proceedings at meetings of shareholders shall be as specified in the First Schedule to the Act, subject to the following modifications:

11.3.1 Chairperson: Clause 1(2) of the first schedule to the Act is deleted and replaced with the following:

"(2) If no chairperson of the Board has been elected, or if at any meeting of shareholders the chairperson of the Board is not present within 15 minutes of the time appointed for the commencement of the meeting, the directors present shall elect any director to be chairperson of the meeting. If at any meeting no director is willing to act as chairperson, or if no director is present within 15 minutes of the time appointed for holding the meeting, the shareholders present shall choose any shareholder at the meeting to be chairperson of the meeting."

11.3.2 Notice of Meetings: Clause 2 of the first schedule to the Act is amended as follows:

- (a) By deleting subclause (4) and replacing, it with the following:

"(4) The chairperson may with the consent of any meeting at which a quorum is present, and if so directed by the meeting shall, adjourn the 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 an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or the business to be transacted at an adjourned meeting."

- (b) By adding the following subclauses:

"(5) A meeting of the Company called for the passing of a special resolution shall be called by not less than 21 days notice in writing and a meeting of the Company other than meeting for the passing of a special resolution shall be called by not less than 14 days notice in writing. The period of the notice shall be exclusive of the day for which it is given and shall specify the place the day and the hour of meeting and in case of special business the general nature of that business and shall be given in the manner hereinafter mentioned or in such other manner if any as may be prescribed by the Company in general meeting to such persons as are under the Constitution entitled to receive such notices from the Company provided that a meeting of the Company shall notwithstanding that it is called by shorter notice than that specified in this clause be deemed to have been duly called if it is so agreed:

- (i) in the case of a meeting called as the annual meeting by all the shareholders entitled to attend and vote thereat; and

- (ii) in the case of any other meeting by a majority in number of the shareholders having a right to attend and vote at the meeting being a majority together holding not less than 95% of the shares giving that right.

11.3.3 Clause 4: Clause 4 of the First Schedule to the Act is amended as follows:

- (a) By deleting subclause (2) and replacing it with the following:

"(2) A quorum for a meeting of shareholders is present if 30% of shareholders present in person or by proxy who between them hold or represent the holder or holders of not less than 30% of the shares in the Company.

- (b) By adding the following to the end of subclause (3)(b):

"If at the adjourned meeting a quorum is not present within half an hour after the time appointed for the meeting the meeting shall be dissolved except that if a meeting to consider a resolution or resolutions for the winding up of the Company and the appointment of a liquidator be adjourned for want of quorum and if at such adjourned meeting such a quorum is not present within half an hour after the time appointed for the adjourned meeting the members present in person or by proxy shall constitute a quorum for the purposes of considering and if thought fit passing such resolution or resolutions but no other business may be transacted.

- (c) By adding the following subclause (4):

"(4) The chairperson may with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the 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 thirty days or more notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment of or the business to be transacted at an adjourned meeting."

11.3.4 Voting: Clause 5 of the first schedule to the Act is amended as follows:

- (a) By deleting sub-clause (7) and replacing it with the following:

"(7) In the case of an equality of votes, whether voting is by voice or show of hands or poll the chairperson of the meeting shall be entitled to a second or casting vote".

(b) By adding the following as sub-clause (8):

"(8) Except as provided in sub-clause (9) if a poll is duly demanded it shall be taken in such manner as the chairperson directs and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. In the case of a poll in respect of the appointment or removal of any director the poll shall be taken in such manner as the chairperson directs and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

(c) By adding the following as sub-clause (9):

"(9) A poll demanded on the election of a chairperson or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairperson of the meeting directs and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll."

11.3.5 Proxies: Clause 6 of the first schedule to the Act is amended by adding the following subclauses:

"(6) A proxy form shall be sent with each notice calling a meeting of the Company."

"(7) Proxies: The instrument appointing a proxy shall be in writing under the hand of the appointer or attorney duly authorised in writing or if the appointer is a corporation they are individuals either under seal or under the hand of an officer or attorney duly authorised. Except in the case of an Iwi Share, no person shall be entitled to be proxy unless he or she is a shareholder in the Company."

(8) Lodgement of Proxies: The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of the power or authority shall be deposited at the Office or at such other place within New Zealand as is specified for that purpose in the notice convening the meeting not less than 48 24 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in the case of a poll not less than 24 hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid Late Proxies can be tabled from the floor with the agreement of the meeting."

"(9) An instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit:

AUCKLAND PHO LIMITED

INSTRUMENT APPOINTING A PROXY

I/We

of

being a member of Auckland PHO Ltd hereby appoint _____ (print name of proxy) of

or failing him/her _____ of as my/our proxy to vote for me/us on my/our behalf at the [... the Annual] [Special] Meeting of the Company to be held at _____ on commencing at _____ [am/pm] [

Signed this _____ day of _____ (Usual signature/s)"

- (10) Where it is desired to afford shareholders an opportunity of voting for or against a resolution, the instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit:

AUCKLAND PHO LIMITED

INSTRUMENT APPOINTING A PROXY

I/We

of

being a member of Auckland PHO Limited hereby appoint _____ of

or failing him/her _____ of as my/our proxy to vote for me/us on my/our behalf at the [... the Annual] [Special] Meeting of the Company to be held at _____

on _____ commencing at _____ [am/pm] and at any adjournment thereof.

(print name of proxy)

I/We direct my/our proxy to vote in the following manner

Vote with a Tick

Resolutions Against

For

1. _____

2. _____

Signed this day of
(Usual signature/s)"

"(11) For the purpose of this Constitution and the Act any member present at any general meeting of the Company by proxy shall be deemed to be present in person and shall have the same rights as a member present in person and without prejudice to the generality of the foregoing the instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

"(12) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the appointor or revocation of the proxy or revocation of the authority under which the proxy was executed, or the transfer of any share in respect of which the proxy is given, if no intimation in writing of such death, insanity, revocation or transfer has been received by the Company at the office before the start of the meeting or adjourned meeting at which the proxy is used."

11.3.6 Postal Votes: Clause 7 of the first schedule to the Act providing for postal votes is deleted.

11.4 Shareholders Within Protection of Personal and Property Rights Act: Subject to section 8, a shareholder who is subject to the jurisdiction of the Family Court under the Protection of Personal and Property Rights Act 1988 or whose shares are subject to a property order or an administration order thereunder may vote by his or her manager, administrator, welfare guardian or other person having authority to administer his or her estate. Any such manager, administrator, welfare guardian or other person as aforesaid may vote either on voices or on a show or hands or on a poll and on a poll may vote by proxy.

11.5 Other Shareholders: Subject to clause 8.2 of this Constitution the provisions of this clause 11.5 apply in respect of shareholders who are not subject to the jurisdiction of the Family Court under the Protection of Personal and Property Rights Act 1988 and to whom the provisions of clause 11.4 are accordingly not applicable. Every such shareholder who would if ordinarily resident in New Zealand be subject to the jurisdiction of the Family Court under the Protection of Personal and Property Rights Act 1988 or in respect of whom an order has been made by any court having jurisdiction in lunacy may vote whether on voices or on a show of hands or on a poll by his or her committee, receiver, curator bonis or other person in the nature of a committee, receiver, or curator bonis appointed by that Court and any such committee, receiver, curator bonis or other person may on a poll vote by proxy.

11.6 Resolutions in Lieu of Meeting: A shareholders' resolution in lieu of a meeting authorised by section 122 of the Act may consist of several documents in like form, each signed by one or more shareholders. A facsimile of any such signed resolution shall be as valid and effectual as the original signed document with effect from completion of its transmission.

12. DIRECTORS

12.1 Number of Directors: The minimum number of directors of the Company shall be six and the maximum number of directors shall be eleven or such other number as the Company may by special resolution determine.

12.2 Tenure of Office: Each director shall hold office until:

12.2.1 Vacation of Office: vacation of office pursuant to section 157 of the Act;

12.2.2 Insolvency: he or she becomes bankrupt or makes any arrangement or composition with his or her creditors generally;

12.2.3 Prohibition: he or she becomes prohibited from being a director in accordance with section 151 of the Act;

12.2.4 Incapacity: he or she becomes a person subject to the jurisdiction of the Family Court under the Protection of Personal and Property Rights Act 1988;

12.2.5 Resignation: he or she resigns his or her office by notice in writing to the Company or in accordance with clauses 12.3.5 or 12.3.6;

12.2.6 Removal: he or she is removed from office in accordance with the provisions of this Constitution;

12.2.7 Death: he or she dies;

12.2.8 Three Months' Absence: he or she has for more than three months been absent without permission of the directors from meetings of the directors held during that period; or

12.2.9 Non Disclosure: the Board revokes its consent to an appointment under clause 12.3.10 or there has been a failure by a director to properly disclose his or her employment status under clause 12.3.10.

12.3 Appointment and Removal of Directors: Subject to clause 12.3.10, the directors of the Company shall be such persons as may from time to time be appointed in the following manner:

12.3.1 Community Directors: the Board may appoint a minimum of one director and a maximum of three directors representing the community served by the Company;

12.3.2 Iwi Director: the Iwi Shareholder may appoint one director who shall not be subject to rotation;

12.3.3 Provider Directors: the Provider Shareholders may appoint up to seven directors as follows:

(a) up to four directors who are General Practitioners; and

- (b) up to three directors who are not General Practitioners (and if there are three such appointments) at least one director who is a registered nurse and one director who is a pharmacist,

the appointments to be passed by ordinary resolution(s) of the Provider Shareholders voted on at an AGM; the number of directors shall be recommended to the AGM by the Board

12.3.4 Retirement of Directors: at each AGM, a minimum of one Community Director and two Provider Directors shall retire;

12.3.5 Longest Serving Director to Retire: in the event of no director in each category in clause 12.3.4 volunteering to retire at an AGM, the director in respect of whom the longest time has elapsed since his or her election to the office of director, shall retire;

12.3.6 Deeming of Longest Serving Director: in the event that any two or more periods of directorship referred to in clause 12.3.5 are equal the director whose family name precedes the other alphabetically shall be deemed to be the longest standing director;

12.3.7 Reappointment: any director retiring at an AGM pursuant to clause 12.3.5 or 12.3.6 may stand for reappointment at the same AGM;

12.3.8 Removal: every director shall hold office subject to the provisions of this Constitution and may only be removed from office by the holders of a majority of the class of shares in the Company appointing that director; or by failure to carry out duties;

12.3.9 Appointment, Removal and Casual Vacancies: any such appointment or removal shall be made at a general meeting of the Company in the manner specified in clause 5 of the First Schedule to the Act, by the holder of the Iwi Share or a majority of the Provider Shares as the case may be, except in the case of a casual vacancy which may be filled by the Board until the next general meeting of the Company;

12.3.10 Company Employee or Contractor: A person who is also an employee or contractor of the Company may not be appointed as a director under this section 12, without the prior consent and resolution of the Board. Any person who is an employee or contractor of the Company and is seeking to be appointed as a director under this section 12, must disclose to the Company his or her employee or contractor status. For the purposes of this clause, "contractor" does not include a General Practitioner.

12.4 Remuneration: The ordinary remuneration of the directors shall from time to time be determined by an ordinary resolution of the Company and shall (unless such resolution otherwise provides) be divisible among the directors as they may agree or failing agreement equally except that any director who shall hold

office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which such director has held office. The directors may repay to any director all such reasonable expenses as he may incur in attending and returning from meetings of the directors or of any committee of the directors or general meetings or otherwise in or about the business of the Company.

- 12.5 Cross Directorships:** A director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, and no such director shall be accountable to the Company for any remuneration or other benefits received by him or her as a director or officer of, or from his or her interests in, any such other company unless the Company otherwise directs or the law requires.
- 12.6 No Shareholding Qualifications:** A director shall not be required to hold any shares of the Company by way of qualification. A director who is not a shareholder of the Company shall nevertheless be entitled to attend and speak at general meetings.
- 12.7 Professional Directors:** Any director may act by himself or herself or his or her firm in a professional capacity for the Company, and a director or firm shall be entitled to remuneration for professional services as if he or she were not a director provided that nothing herein shall authorise a director or his or her firm to act as auditor of the Company.
- 12.8 Alternate Directors:** Each director shall have the power from time to time to nominate, by notice in writing to the Company, any person who is approved by the majority of other directors to act as an alternate director in his or her place either for a specified period or generally during the absence from time to time of such director and from time to time in like manner to remove any such alternate director. Unless otherwise provided for by terms of his or her appointment, an alternate director shall have the same rights, powers and privileges (including the right to receive notice of meetings of the Board but excluding the power to appoint an alternate director under this clause) and shall discharge all the duties of and be subject to the same provisions as the director in whose place he or she acts. An alternate director shall not be remunerated otherwise than out of the remuneration of the director in whose place he or she acts and shall ipso facto vacate office if and when the director in whose place he or she acts vacates office. Any notice appointing or removing an alternate director may be given by delivering the same or by sending the same through the post or by facsimile to the Office and shall be effective as from the receipt thereof at the Office.
- 12.9 Attorneys:** The directors may from time to time and at any time by power of attorney appoint any person whether nominated directly or indirectly by the directors to be the attorney or attorneys of the Company for such purposes and with such powers authorities and discretions (not exceeding those vested in or exercisable by the directors under this Constitution) and for such period and subject to such conditions as they may think fit and any such powers of attorney may contain such provisions for the protection and convenience of

person dealing with any such attorney as the directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in such attorney.

12.10 Division of Share Register: Subject to compliance with sections 82(2) and 82(3) of the Act, the Company may divide the share register into two or more registers kept in different places and the directors may (subject to compliance with sections 82(2) and 82(3) of the Act) make and vary such regulations as they may think fit respecting the keeping of any such register.

12.11 Directors May Appoint Managing Director: The directors may from time to time appoint one or more directors to be managing director or managing directors of the Company either for a fixed term or otherwise and may fix his or her or their remuneration and the directors may from time to time remove or dismiss any managing director or directors and appoint another or other in his or her or their place or places.

12.12 Managing Director Subject to Similar Provisions: A managing director shall subject to the provisions of any contract between him or her and the Company and to any express contrary provision in this Constitution be subject to the same provisions as regards resignation, removal and disqualification as the other directors of the Company and if he or she shall cease to hold the office of director from any cause he or she shall also cease to be managing director.

12.13 Powers of the Managing Director: The directors may from time to time entrust to and confer upon the managing director or managing directors such of the powers of the directors (not including however the power to make calls forfeit shares borrow money or issue debentures) exercisable under this Constitution as they think fit and with and subject to such limitations and restrictions as to time and mode of exercise or otherwise as they think expedient and the directors may at any time withdraw revoke or vary the powers so conferred or any of them.

12.14 Interested Directors: Any director, shareholder or officer of the Company who is or may be in any other capacity whatever interested or concerned directly or indirectly in any property or undertaking in which the Company is or may be in any way concerned or involved, shall disclose the nature and extent of that director's, shareholder's or officer's interest to the other directors, shareholders and officers and shall not take any part whatever in any deliberations of the directors concerning any matter in which that director, shareholder, or officer is or may be interested other than as a director, shareholder or officer of the Company. For the avoidance of doubt, this clause will apply to any director, shareholder or officer of the Company who is also an employee of a PHO.

13. THE SECRETARY

13.1 Directors to Appoint Secretary: The Secretary shall be appointed by the directors for such term at such remuneration and upon such conditions as they may think fit and unless he or she shall sooner resign his or her office by notice in writing to the Company any Secretary so appointed may be removed by them.

13.2 Persons Not Eligible: No person shall be appointed or hold office as Secretary who is a body corporate.

13.3 Persons Acting as Secretary and Director: A provision of the Act or this Constitution requiring or authorising a thing to be done by or to a director and the Secretary shall not be satisfied by its being done by or to the same person acting both as director and as or in the place of the Secretary.

14. THE SEAL

14.1 Common Seal: The Company may but need not have a Company Seal. Any Seal adopted by the Company shall be such as the Board may by resolution from time to time approve.

14.2 Custody of Common Seal: The directors shall provide for the safe custody of the Seal which shall only be used by the authority of the directors. The Seal may be affixed to contracts, documents, instruments and other enforceable obligations. No contract, document, instrument or other enforceable obligation in writing shall be invalid because the Seal is not affixed.

15. PROCEEDINGS OF THE BOARD

15.1 Third Schedule Deleted: The provisions of the third schedule to the Act are deleted and replaced as provided in this section 15.

15.2 Regulation of Meetings: The directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. Every director shall nominate an address within New Zealand for service of notice of meetings and resolutions. It shall be sufficient service upon a director if notice is served at or to that address.

15.3 Convening Meetings: Any director may at any time and the Secretary upon the request of a director or in accordance with clause 4.2.2 shall call a meeting of directors at the Office or at the place where the meetings of the directors for the time being are customarily held by giving not less than seven days notice in writing signed by him or her or on his or her behalf to each of the other directors stating the place the day the time and the objects of the intended meeting and such notice may be given either personally or by sending the same through the post or by email, facsimile transmission, to the address supplied by such director to the Company for that purposes and in default of such address having been supplied then to his or her last known address within New Zealand. The provisions of section 18 shall apply mutatis mutandis to the giving of notice under this clause 15.3.

15.4 Quorums: The quorum necessary for the transaction of business by the board shall be a majority of the directors or such other number as the directors may from time to time determine. **[Drafting note: the following may be part of an earlier drafting note? Advance notice, not at the meeting requires clarification]**

15.5 Voting: Questions arising at any meeting of the board shall be decided by a majority of votes. In cases of an equality of votes the chairperson shall have a second or casting vote. No business shall be transacted when a quorum is not present.

15.6 Vacancies: The continuing directors may act notwithstanding any vacancy in their body.

15.7 Minutes: The directors shall cause minutes to be made in books provided for the purpose:

15.7.1 Appointments: of all appointments of officers made by the directors;

15.7.2 Those Present: of the names of the directors present at each meeting of the directors and of any committee of the directors; and

15.7.3 Resolutions and Proceedings: of all resolutions and proceedings at all meetings of the Company and of the directors and of committees of directors;

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

15.8 Chairperson: The Board may elect any director as a chairperson of its 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 five minutes after the time appointed for the meeting, the directors present may choose any director present at the meeting to be chairperson of the meeting.

15.9 Delegation to Committees: The directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the directors.

15.10 Chairperson of Committees: A Committee may elect a chairperson of its meetings. If no such chairperson is elected or if at any meeting the chairperson is not present within five minutes after the time appointed for holding the meeting the members of the Committee present may choose any director present to be chairperson of the meeting.

15.11 Meetings of Committees: A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present and in the case of an equality of votes the chairperson shall have a second or casting vote.

15.12 Resolution in Writing: A resolution in writing, signed by all the directors shall be as valid and effectual as if it had been passed at a meeting of the board duly convened and held provided that the directors signing the resolution would have power to pass such resolution at a meeting of directors and that

every director received not less than 48 hours notice at his/her nominated address of the intention to sign a resolution pursuant to this clause. Any such resolution may consist of several documents in like form, each signed by one or more directors. A facsimile of any such signed resolution shall be as valid and effectual as the original signed document with effect from completion of its transmission.

15.13 Method of Meeting: A meeting of the board may be held either:

15.13.1 Physical Meeting: by a number of the directors who constitute a quorum being assembled together at the place, date and time appointed for the meeting; or

15.13.2 Other Means: by means of audio, or audio and visual, communication by which all directors participating and constituting a quorum can simultaneously hear each other throughout the meeting;

15.13.3 Notice: all the directors (including any alternate for any director) shall be entitled to 48 hours notice of a meeting by telephone and to be linked by telephone for the purposes of such meeting;

15.13.4 Telephone Notice: notice of any such meeting may be given on the telephone;

15.13.5 Ability to Hear: each of the directors taking part in the meeting by telephone and the Secretary must be able to hear each of the other directors taking part at the commencement of the meeting; and

15.13.6 Acknowledgement: at the commencement of the meeting each director must acknowledge this or her presence for the purpose of a meeting of the directors of the Company to all the other directors taking part.

15.14 Statement of Corporate Intent: the Board has and may exercise all powers necessary for managing and for directing and supervising the management of, the affairs of the Company, except that, in the exercise of its powers, the Board must have regard to and generally act in accordance with the Statement of Corporate Intent.

16. INDEMNITIES AND INSURANCE

16.1 Authority to Indemnify and Insure: The Company is expressly authorised to indemnify and/or insure any director or employee against liability for acts or omissions and/or costs incurred in connection with claims relating thereto of the type specifically contemplated by subsections (3),(4) and (5) of section 162 of the Act to the maximum extent permitted by those subsections.

17. RIGHT TO RECEIVE COPIES OF BALANCE SHEET AND AUDITORS REPORT

17.1 Debenture Holders Entitled to Receive: Any holder of debentures of the Company shall be entitled to be furnished on demand, without charge, with a

copy of the balance sheet of the Company, including every document required by law to be annexed thereto, together with a copy of the auditor's report on the balance sheet.

18. NOTICES

18.1 Service: A notice may be served by the Company upon any director or shareholder either personally or by posting it by fast post in a prepaid envelope or package addressed to such director or shareholder at such person's registered address (being the address from time to time entered in the Company's register in respect of such shareholder or director) or by delivery to a document exchange or by facsimile to the facsimile telephone number of such director or shareholder.

18.2 Time of Service by Facsimile: A notice served by facsimile shall be deemed to have been served at 5.00 p.m. on the day following completion of transmission or if such day is a Saturday or a Sunday or a day on which major trading banks are closed for usual business in the place of intended receipt then on the next day (not being a Saturday or a Sunday) on which such banks are open for usual business.

18.3 Time of Service by Post: A notice sent by post or delivered to a document exchange shall be deemed to have been served:

18.3.1 In New Zealand: in the case of a person whose last known address is in New Zealand, at the expiration of 48 hours after the envelope or package containing the same was duly posted or delivered in New Zealand; and

18.3.2 Outside New Zealand: in the case of a person whose last known address is outside New Zealand, at the expiration of seven days after the envelope or wrapper containing the same was duly posted by fast post in New Zealand.

18.4 Shareholders without Registered Addresses: If a shareholder has no registered address and has not supplied to the Company an address for the giving of notice to such shareholder he she or it shall not be entitled to have any notices sent to him her or it from the Company and the Office shall be deemed the registered address for such shareholder for all purposes whatever and all proceedings taken without notice to any such shareholder shall be as valid as if such shareholder had due notice thereof.

18.5 Proof of Service: In proving service by post or delivery to a document exchange, it shall be sufficient to prove that the envelope or package containing the notice was properly addressed and posted or delivered with all attached postal or delivery charges paid. In proving service by facsimile, it shall be sufficient to prove that the document was properly addressed and sent by facsimile.

18.6 Service on 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 first named in the share register in respect of the share.

18.7 Service on Representatives: A notice may be given by the Company to the person or persons entitled to a share in consequence of a member becoming subject to the jurisdiction of the Family Court under the Protection of Personal and Property Rights Act 1988 or whose shares become subject to a property order or any administration order thereunder ("a mentally disordered person") or through the death or bankruptcy of a shareholder by addressing it to such person or persons by name or by title or by any appropriate description, at the address, if any, within New Zealand supplied for the purpose by the person or persons claiming to be so entitled, or (until such an address has been so supplied), by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred or the shareholder had not become a mentally disordered person.

18.8 Persons Entitled to Notice:

18.8.1 Members, Representatives and Auditors: Notice of every general meeting of shareholders shall be given in any manner hereinbefore authorised to:

- (a) every member except those members who (having no registered address) have not supplied to the Company in address for the giving of notices to them;
- (b) every person upon whom the ownership of a share devolves by reason of such person being a legal personal representative or an assignee in bankruptcy of a member where the member but for such member's death or bankruptcy would be entitled to receive notice of the meeting; and
- (c) the auditor for the time being of the Company.

18.8.2 No other person shall be entitled to receive notices of general meetings.

19. REMOVAL FROM THE NEW ZEALAND REGISTER

In the event that:

19.1 Cessation of Business: the Company has ceased to carry on business, has discharged in full its liabilities to all its known creditors, and has distributed its surplus in accordance with its constitution and the Act; or

19.2 No Surplus Assets: the Company has no surplus assets after paying its debts in full or in part, and no creditor has applied to the court under section 241 of the Act for an order putting the Company into liquidation;

the board may in the prescribed form request the Registrar to remove the Company from the New Zealand register.

Certified as the constitution of the Company

Applicant

Date