

Instrument

constituting GBP £6,000,000 Unsecured Convertible Notes

ARRIA NLG Limited

Date 28 September 2018

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This **Instrument** is entered into by:

ARRIA NLG Limited, a company incorporated in New Zealand with company number 5947227 and whose registered office is at 13 O'Connell Street, Auckland, 1010, New Zealand (the **Issuer**).

WHEREAS the Issuer has by resolution of its Board of Directors passed on or about the date of this Instrument resolved to create Six Million Pounds Sterling (GB £6,000,000) unsecured convertible notes, to be constituted in the manner set out below.

It is agreed

1. Definitions and Interpretation

1.1 Save as otherwise provided in this Instrument, the following words and phrases have the following meanings throughout this Instrument:

Business Day means any day, other than a Saturday or Sunday on which registered banks are open for general banking business in Auckland, New Zealand.

Change of Control shall be as defined in clause 13.3.

Change of Control Notice shall be as defined in clause 13.1.

Change of Control Redemption Notice shall be as defined in clause 13.1.

Companies Act means the Companies Act 1993.

Conditions means the Conditions set out in Schedule 1 as from time to time amended in accordance with clause 17 and Condition 6.

Constitution means the constitution of the Issuer in force from time to time.

Conversion Date shall be as defined in Condition 2.2.

Conversion Notice shall be as defined in Condition 2.8.1.

Conversion Period shall mean the period from the date of this Instrument to 6.00 p.m. on the date falling 20 Business Days prior to the Maturity Date provided that, if the final such date for the exercise of Conversion Rights is not a Business Day, then the period for exercise of Conversion Rights by Noteholders shall end on the immediately preceding Business Day.

Conversion Price shall be as defined in Condition 2.3.1.

Conversion Rights means the rights to convert the Notes and/or interest accrued but unpaid thereon into Ordinary Shares in accordance with Condition 2.

Conversion Shares means such number of Ordinary Shares as are required to be issued on the exercise of the Conversion Rights.

Default Redemption Notice shall be as defined in clause 12.1.

Directors means the board of directors of the Issuer for the time being.

Early Redemption Date shall be defined in clause 6.7.

Early Redemption Notice shall be as defined in clause 6.5.

Euro means the single currency of participating Member States of the European Union.

Event of Default means any of those events specified in clause 12.3 and any event or act which, with the giving of notice or lapse of time or fulfilment of any condition, would constitute such an event.

Family Member means, in relation to a Noteholder, his spouse and/or any one or more of his children (including step-children).

Family Trust means, in relation to a Noteholder, a trust or settlement set up wholly for the benefit of that person and/or his Family Members.

Group means, at any time, the Issuer, any subsidiary or holding company of the Issuer and any subsidiary of any such holding company (if any) from time to time (and the expressions **Group Company** and **members of the Group** shall be construed accordingly).

Independent Expert means a partner of at least 10 years' standing at PricewaterhouseCoopers nominated by the parties concerned or, in the event of a disagreement as to nomination, appointed by the Chair of the New Zealand Regulatory Board of the New Zealand Institute of Chartered Accountants (or his or her delegate (in each case acting as an expert and not as an arbitrator)).

Initial Conversion Price shall be £0.40 per Ordinary Share.

Interest Payment Date means 31 October in each calendar year, commencing on 31 October 2018.

Interest Period means the period from the relevant issue date up to the first Interest Payment Date and each subsequent period from (and including) the day immediately following an Interest Payment Date up to (and including) the next following Interest Payment Date.

Interest Rate means five per cent. above the Bank of England base rate from time to time.

Loan Notes means the Unsecured Convertible Notes constituted by this Instrument.

Maturity Date means 31 October 2019.

Noteholder means each person for the time being entered in the Register as a holder of the Notes.

Noteholder Group means, in relation to a Noteholder, that Noteholder and its subsidiary undertaking or, as the case may be, that Noteholder, any parent undertaking, whether direct or indirect, of that Noteholder and any other subsidiary undertaking of any such parent undertaking from time to time and references to **member** or **members** of the or a **Noteholder Group** shall be construed accordingly.

Notes means the Loan Notes and the PIK Notes, or any of them.

NZX means NZX Limited.

NZX Main Board means the main board equity securities market operated by NZX.

Ordinary Shares means the fully paid ordinary shares in the capital of the Issuer having those rights set out in the Constitution.

Permitted Transferee means, in respect of a Noteholder, a person to whom such Noteholder is permitted to transfer Notes under Condition 7.

PIK Notes shall be as defined in Condition 4.3.

Regulatory Approvals means with respect to a Noteholder, to the extent applicable and required to permit a Noteholder to exercise the Conversion Rights for and to own Ordinary Shares, without the Noteholder or the Issuer being in violation of applicable law, rules or regulation, the receipt of any necessary approvals and authorisations of, filings and registrations with, notifications to, or expiration or termination of any applicable waiting period under any applicable law or regulation.

Register means the register of Noteholders referred to in clause 11.1.

Securities means any securities including, without limitation, Ordinary Shares, or options, warrants or other rights to subscribe for or purchase or acquire Ordinary Shares.

Shareholders means the members of the Issuer from time to time.

Takeovers Code means the Takeovers Code recorded in the Takeovers Code Approval Order 2000 (SR2000/210).

Written Resolution means a resolution in writing signed by Noteholders holding not less than 51 per cent. of the outstanding total nominal amount of the Notes, and which may be contained in one or more documents in like form each signed by one or more of the Noteholders.

1.2 Any reference in this Instrument to:

1.2.1 **this Instrument** or to any other instrument, agreement or document shall, unless the context otherwise requires, be construed as reference to this Instrument or such other instrument, agreement or document as the same may from time to time be amended, varied, supplemented or novated;

1.2.2 the **assets** of any person shall be construed as a reference to all or any part of its business, undertaking, property, assets, revenues (including any right to receive revenues) and uncalled capital;

1.2.3 an **encumbrance** shall be construed as a reference to a mortgage, charge, assignment, pledge, lien (save as arising in the ordinary course of business), hypothecation, right of set-off, preferential right (save as arising under the general law for the protection of certain classes of creditors) or trust arrangement for the purpose of and having a similar effect to the granting of security, or other security interest of any kind;

1.2.4 **indebtedness** shall be construed as a reference to any obligation for the payment or repayment of money, whether as principal or as surety and whether present or future, actual or contingent;

1.2.5 a **month** shall be construed as a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month save that, where any such period would otherwise end on a day which is not a Business Day, it shall end on the next Business Day, unless that day falls in the calendar month succeeding that in which it would otherwise have ended, in which case it shall end on the preceding Business Day provided that, if a period starts on the last Business Day in a calendar month or if there is no numerically corresponding day in the month in which that period ends, that period shall end on the last Business Day in that later month;

- 1.2.6 a **person** shall be construed as a reference to any individual, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing;
- 1.2.7 **principal moneys** in relation to the Notes shall mean the principal amount of the Notes and the word principal shall be construed accordingly;
- 1.2.8 **repayment** includes redemption and vice versa and the words **repay, redeem, repayable, redeemable, repaid** and **redeemed** shall be construed accordingly;
- 1.2.9 **sterling** and **£** denotes the lawful currency of the United Kingdom;
- 1.2.10 **tax** shall be construed so as to include any present and future tax, levy, impost, deduction, withholding, duty or other charge of a similar nature (including, without limitation, any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same); and
- 1.2.11 the **winding-up, dissolution** or **administration** of a person shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such person is incorporated or of any jurisdiction in which such person carries on business.
- 1.3 Unless the context requires otherwise, words and expressions defined in or having a meaning provided in the Companies Act shall have the same meaning in this Instrument.
- 1.4 References to any statute or statutory provision shall include references to such statute or statutory provision as in force at the date of this Instrument and as subsequently re-enacted or consolidated and shall include references to any statute or statutory provision of which it is a re-enactment or consolidation.
- 1.5 All the provisions of this Instrument are severable and distinct from one another and the illegality, invalidity or unenforceability of any provision of this Instrument under the law of any jurisdiction shall not affect its validity or enforceability under the law of any other jurisdiction nor the legality, validity or enforceability of any other provision.
- 1.6 In construing this Instrument general words introduced by the word other shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things and general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words.
- 1.7 The headings in this Instrument are inserted for convenience only and shall not affect construction or interpretation and references to a clause, Condition, Schedule, Appendix or paragraph are (unless otherwise stated) to a clause or Schedule in this Instrument and to a Condition, paragraph or Appendix to the relevant Schedule.
- 1.8 References to the Notes include references to all and/or any of the Notes (including the Conditions annexed to them).

2. **Amount of Notes**

The initial principal amount of the Loan Notes is limited to £3,750,000.

3. Description of Notes

The Loan Notes shall be known as Unsecured Convertible Notes and shall be issued in integral multiples of £1 by the Issuer.

4. Proceeds of issue of Notes

The Noteholders shall not be obliged to concern themselves with the application of amounts raised by the Issuer under this Instrument.

5. Status of Notes

The Notes when issued shall rank *pari passu* equally and rateably without discrimination or preference and as an unsecured obligation of the Issuer.

6. Redemption of Notes

Redemption by the Noteholder

- 6.1 When the Notes become redeemable in accordance with the provisions of Condition 1 and clauses 12 and 13, the Issuer will pay to the Noteholders entitled thereto the full principal amount of the Notes to be redeemed (as adjusted pursuant to the terms of this Instrument) together with all accrued but unpaid interest (less any tax which the Issuer is required by law to deduct or withhold from such interest payment) up to and including the date of payment.
- 6.2 All cash payments under this Instrument, whether of principal, interest or otherwise, will be made by the Issuer to or to the order of the Noteholders entitled to such payment as provided in paragraph 7 of Schedule 2.
- 6.3 Where any payment to a Noteholder, whether of principal, interest or otherwise, is due (whether in cash or otherwise) in accordance with the terms of this Instrument on a day which is not a Business Day, payment shall take place on the next succeeding Business Day. If that next succeeding Business Day is in the month following the month in which payment would otherwise be made, payment shall take place on the Business Day immediately preceding the applicable date.
- 6.4 The Notes may only be sold or otherwise transferred to a person, in accordance with, but subject to, the provisions of Condition 7.

Early Redemption by the Issuer

- 6.5 Subject to clause 6.6, the Issuer may at any time prior to the Maturity Date give to the Noteholders not less than ten Business Days' prior notice in writing (**Early Redemption Notice**) of the Issuer's intention to redeem some or all of the Notes allocated as between the Noteholders in accordance with clause 6.8.
- 6.6 Any Early Redemption Notice shall include:
- 6.6.1 the aggregate number of Notes to be redeemed;
 - 6.6.2 the proposed number of Notes to be redeemed in respect of each Noteholder;
and

- 6.6.3 the date for redemption, which shall be no sooner than 10 Business Days from the date of the Early Redemption Notice and no later than 20 Business Days from such date (the **Early Redemption Date**).
- 6.7 On the Early Redemption Date, save in respect of Notes in relation to which the Issuer has received a Conversion Notice pursuant to Condition 2.8.1, the Issuer shall:
- 6.7.1 redeem in cash the amount of Notes specified in the notice (the **Repaid Amount**); and
- 6.7.2 pay in cash all accrued but unpaid interest on the Repaid Amount from (and including) the relevant issue date to (and including) the date of repayment of the Repaid Amount (less any tax which the Issuer is required by law to deduct or withhold from such interest payment).
- 6.8 In the event that there is more than one Noteholder at the time the Issuer elects to issue an Early Redemption Notice, redemption of the Notes under clause 6.7 shall be treated as allocated among the Noteholders in proportion (as nearly as may be) to their existing holdings of Notes subject to any written agreement between all of the Noteholders as to a different allocation which all of the Noteholders shall notify to the Issuer in writing not less than 2 Business Days prior to the Early Redemption Date.

7. **Interest on Notes**

Until the Notes are converted or redeemed in accordance with the provisions of this Instrument, interest will accrue and be paid on the principal amount of the Notes which are outstanding at the rate and in the manner set out in Condition 4.

8. **Conversion**

Conversion rights

- 8.1 The Issuer hereby agrees that the Notes together with any accrued but unpaid interest shall be convertible into Ordinary Shares in the manner set out in Condition 2 and undertakes to procure that the Issuer keeps available for issue, free from pre-emptive rights, such number of Ordinary Shares as would be required to be issued on conversion of all the Notes outstanding from time to time.
- 8.2 The Issuer undertakes to issue the relevant number of Ordinary Shares to the Noteholders in the manner set out in the Conditions on the exercise of any Conversion Rights.

Admission of the Conversion Shares

- 8.3 For so long as the Issuer's Ordinary Shares are traded on the NZX Main Board and/or any other securities exchange or quotation system, the Issuer shall, in respect of any Ordinary Shares issued on the exercise of a Conversion Right pursuant to this Instrument, use all reasonable endeavours to obtain the admission of such Ordinary Shares to trading on the NZX Main Board (or such other applicable securities exchange or quotation system).
- 8.4 No Ordinary Shares shall be issued to a person on exercise of Conversion Rights if such issue of shares in uncertificated form and/or the delivery of the relevant share certificate would either be in contravention of the laws or rules of any overseas territory or with any overseas regulatory authority, would require any registration to be made in any overseas territory or with any overseas regulatory authority or would require any Regulatory Approval. In such case, the Issuer shall take reasonable steps (at the cost of the relevant Noteholder) to assist the relevant Noteholder in obtaining the relevant Regulatory Approval, provided at

all times that, until such Regulatory Approval is obtained to the reasonable satisfaction of the Issuer, the Issuer shall be under no obligation to issue the relevant Ordinary Shares and that, in the event that such Regulatory Approval has not been obtained by, and/or issue of Ordinary Shares and/or the delivery of the relevant share certificate to the relevant person would still be in contravention of the laws or rules of any overseas territory or overseas regulatory authority or would require any registration to be made in any overseas territory or with any overseas regulatory authority at the date falling 180 days following the proposed Conversion Date, the relevant Conversion Notice shall be deemed not to have been given by the relevant Noteholder and, accordingly, the relevant Conversion Rights shall be deemed not to have been exercised.

Acquisition Options

- 8.5 In addition, for every ten Ordinary Shares issued to a person on the exercise of Conversion Rights, the Issuer will issue to that person one Acquisition Option (subject to any adjustment by the Directors of the number of Acquisition Options to be issued in such manner as the auditors of the Issuer may determine to be appropriate to reflect any reorganisation of, or material alteration to, the share capital of the Issuer (including, without limitation, any subdivision and/or consolidation) and/or any amendments that would not operate to the material detriment of the person as are required in order to ensure compliance with any legal or regulatory requirements of any relevant jurisdiction in respect of the issue of any such Acquisition Options to the person). For the avoidance of doubt, where the number of Ordinary Shares issued is divisible by ten with a remainder, the person will not be issued an Acquisition Option on the remainder (i.e. there will be a rounding down to the nearest multiple of ten Ordinary Shares). In this clause, **Acquisition Option** has the meaning given to that term in the scheme circular relating to Arria NLG plc dated 18 July 2018.

9. Covenants

The Issuer hereby irrevocably and unconditionally undertakes to and covenants with the Noteholders that:

- 9.1 it will on the happening of any event as a result of which any adjustment falls to be made under the terms of this Instrument, as soon as practicable deliver to each Noteholder a certificate signed by two Directors of the Issuer setting out brief particulars of the event and the adjustment and the date on which such adjustment takes effect and in any case setting out such other particulars and information as the Noteholders may reasonably require; and
- 9.2 it will ensure that all Ordinary Shares issued upon conversion of Notes will be duly and validly issued fully paid and registered.

10. Uncertificated form

- 10.1 Notes shall be issued and created by the Issuer entering the particulars of those Notes into the Register in accordance with clause 11.
- 10.2 Each Note shall be in uncertificated book entry form. Other than where the Issuer is required to issue a certificate or notice of registration in accordance with the Financial Markets Conduct Act 2013, no certificate or notice of registration will be issued in relation to the Notes held by a Noteholder.
- 10.3 The Notes shall be issued and held with the benefit of and subject to the Conditions, all of which are binding upon the Issuer and the Noteholders. The Noteholders shall be deemed to have notice of the Conditions.
- 10.4 The Issuer shall not be bound to register more than four persons as the joint holders of any Notes.

- 10.5 On each payment of interest under this Instrument made by issuing PIK Notes to a Noteholder, the Issuer shall on the relevant Interest Payment Date update the Register for the PIK Notes issued at that time.

11. Register

- 11.1 The Issuer shall at all times keep a register of Noteholders at its registered office (or at such other place within New Zealand as the Issuer may, from time to time have appointed for the purpose and have notified to the Noteholders).
- 11.2 The Register shall contain the following details:
- 11.2.1 the names and addresses of the Noteholders for the time being;
 - 11.2.2 the principal amount of the Notes held by each Noteholder;
 - 11.2.3 the date at which the name of each Noteholder is entered in respect of the Notes registered in its name;
 - 11.2.4 the serial number and date of issue of each Note; and
 - 11.2.5 all transfers and changes of ownership of the Notes.
- 11.3 Any change of name or address by any Noteholder which is notified to the Issuer at the above address shall be entered in the Register.
- 11.4 Any Noteholder may at all reasonable times during office hours inspect, and take copies of, the Register.

12. Default

- 12.1 Notwithstanding any other provision of this Instrument, if at any time and for any reason (and whether within or beyond the control of the Issuer or any relevant Group Company) any Event of Default occurs, the Issuer shall within 5 Business Days of becoming aware of the occurrence of an Event of Default give notice of such fact to the Noteholders and notwithstanding any failure by the Issuer to give such a notice, at any time following the occurrence of an Event of Default, whilst the same is continuing and has not been waived by a Written Resolution of the Noteholders, the Noteholders may, by Written Resolution of the Noteholders (**Default Redemption Notice**), direct that the principal amount of all Notes which have not been repaid or converted, together with all unpaid accrued interest and any other sum then payable on such Notes, shall be due and payable immediately.
- 12.2 The Issuer shall within 5 Business Days of the date of the Default Redemption Notice, redeem such number of the Notes together with all unpaid accrued interest and any other sum then payable on such Notes, as required in accordance with this Instrument and the Conditions.
- 12.3 The following are Events of Default for the purpose of clause 12.1:
- 12.3.1 **Insolvency:** the Issuer or any material Group Company is or could be deemed by law or a court to be insolvent or does not satisfy the solvency test (as defined in section 4 of the Companies Act), stops or suspends payment of all or any part, of its indebtedness or commences negotiations with any one or more of its creditors with a view to the general readjustment or re-scheduling of all or any material part of its indebtedness or makes a general assignment for the benefit

of, or composition with or for the benefit of its creditors (or any class of its creditors) or a moratorium is agreed or declared in respect of, or affecting, all or a material part of its indebtedness;

- 12.3.2 **Winding-up:** an order is made or an effective resolution is passed for the winding up or dissolution of the Issuer or any material Group Company (other than for the purposes of a *bona fide*, solvent scheme of reconstruction or amalgamation whereunder a successor company undertakes the obligations of the Issuer or such other Group Company and which is previously approved by Written Resolution), or an administrative or other receiver, administrator, liquidator, provisional liquidator, trustee or similar officer is appointed over all or any part of its assets;
- 12.3.3 **Enforcement proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any material part of the assets of the Issuer or any material Group Company and is not discharged or stayed within 10 Business Days of having been so levied, enforced or sued out;
- 12.3.4 **Analogous proceedings:** anything analogous to or having a substantially similar effect to any of the events specified in clauses 12.3.1 to 12.3.3 inclusive shall occur under the laws of any applicable jurisdiction;
- 12.3.5 **Encumbrance enforceable:** any encumbrance on or over the assets of the Issuer or any material Group Company becomes enforceable and any step (including the taking of possession or the appointment of a receiver, manager or similar person) is taken to enforce that encumbrance;
- 12.3.6 **Illegality:** it is or will become unlawful for the Issuer to perform or comply with any of its material obligations under this Instrument or any such obligation is not or ceases to be legal, valid and binding;
- 12.3.7 **Cessation of business:** the Issuer or any material Group Company ceases to carry on a substantial part of the business it carries on as at the date of this Instrument (unless such business is transferred to another Group Company);
- 12.3.8 **Cross-default:** the Issuer or any other Group Company fails to pay any indebtedness for borrowed money, or any such indebtedness for borrowed money is declared to be or otherwise becomes due and payable by reason of any actual or potential default prior to its specified maturity or any creditor of the Issuer or any other Group Company becomes entitled to declare any such indebtedness for borrowed money due and payable prior to its specified maturity;
- 12.3.9 **Breach of undertaking:** the Issuer fails duly to perform or comply with any material obligation expressed to be assumed by it in this Instrument.

13. Change of Control

- 13.1 Notwithstanding any other provision of this Instrument, the Conditions and/or the Schedules, if at any time there is a Change of Control, the Issuer shall within 5 Business Days of becoming aware of the Change of Control give notice of such fact to the Noteholders (**Change of Control Notice**) and notwithstanding any failure by the Issuer to give such a notice, following the occurrence of Change of Control and at any time thereafter until 20 Business Days have expired from receipt of the Change of Control Notice, any Noteholder (i) may direct that the principal amount of all Notes held by him which have not been repaid or converted, together with all unpaid accrued interest and any other sum then payable on such Notes, shall be due and payable immediately or (ii) (if relevant) may elect to receive the non-

cash consideration offered under the Change of Control event as contemplated by Condition 1.3 (**Change of Control Redemption Notice**).

- 13.2 The Issuer shall within 5 Business Days of the date of the Change of Control Redemption Notice, redeem such number of the Notes as required in accordance with this Instrument and the Conditions or comply with its procurement obligation under Condition 1.3 (as applicable).
- 13.3 For the purposes of clause 13.1, a **Change of Control** shall occur if the right to cast more than 50 per cent. of the votes which may ordinarily be cast on a poll at a general meeting of the Issuer has or will become unconditionally vested in any person and/or any related company of that person (as defined in Section 2(3) of the Companies Act) or associate of that person (as defined in, and for the purposes, of the Takeovers Code).
- 13.4 A Change of Control Notice issued pursuant to clause 13.1 shall:
- 13.4.1 contain a statement informing Noteholders of their entitlement to exercise their rights to require redemption of their Notes pursuant to Condition 1.2;
 - 13.4.2 specify all information material to Noteholders concerning the Change of Control including the price per Ordinary Share made under any takeover offer or scheme of arrangement which gave rise to the Change of Control; and
 - 13.4.3 specify the mid-market closing price of an Ordinary Share as derived from the relevant stock exchange as at the latest practicable date prior to the publication of the Change of Control Notice.

14. **Continuing Security**

This Instrument shall constitute a continuing security for that part of the Notes remaining unredeemed or unconverted until all the Notes together with all accrued interest shall have been repaid in full or converted.

15. **No Set-Off**

Payments of principal and interest under this Instrument will be paid by the Issuer to the Noteholders, and the Notes will be transferable in accordance with the provisions of Schedule 2, without any deduction or withholding (whether in respect of set-off, counterclaim, duties, taxes or otherwise whatsoever) unless the deduction or withholding is required by law.

16. **Enforcement**

- 16.1 From and after the date of this Instrument and so long as any amount is payable by the Issuer in respect of the Notes, the Issuer undertakes that it will duly perform and observe the obligations on its part contained in this Instrument and the Notes shall be issued and held subject to and with the benefit of the provisions of this Instrument, the Conditions and Schedule 2, all of which shall be deemed to be incorporated in this Instrument and be binding on the Issuer, the Noteholders and all persons claiming through or under them respectively and shall enure for the benefit of all Noteholders.
- 16.2 Each Noteholder shall be entitled to sue for the performance and observance of the provisions of this Instrument so far as its holding of Notes is concerned.

- 16.3 The amount due to each Noteholder in respect of any Note at any time is a separate and independent debt. Subject to the provisions of this Instrument each Noteholder may protect and enforce their rights under this Instrument and it shall not be necessary for any other Noteholder to be joined as an additional party in proceedings for that purpose.
- 16.4 No person other than the Issuer and a Noteholder shall have any right to enforce any term or condition of this Instrument under Part 2, Subpart 1, of the Contract and Commercial Law Act 2017.

17. Variation of Rights

This Instrument may be amended in whole or in part with the consent of the Issuer and a Written Resolution of the Noteholders. Such Written Resolution shall be binding on all Noteholders.

18. Management and Business and Access to Information

- 18.1 So long as any of the Notes remains outstanding, the Issuer shall:
- 18.1.1 at all times keep, and procure that each of its Group Companies keeps, proper books of account; and
 - 18.1.2 make available for inspection by the Noteholder at the time of their issue, and in the case of annual financial statements in any event not more than 180 days after the end of each financial year, a copy of every balance sheet, profit and loss account or report of the Issuer or other notice, statement or circular issued, or that legally or contractually should be issued, to the members, shareholders or creditors (or any class thereof) of the Issuer and/or of its Group Companies.
- 18.2 The Noteholder undertakes to the Issuer to keep any such information provided under clause 18.1.2 strictly confidential (save to the extent that the Noteholder is required to disclose the same by law, regulation or the rules of any securities exchange).

19. Governing Law

This Instrument shall be governed by and construed in accordance with the law of New Zealand

Execution

Executed as a deed.
ARRIA NLG LIMITED by

Director

Director

Print Name

Print Name

SCHEDULE 1 : Conditions

1. REDEMPTION

- 1.1 Subject to clauses 6.7, 12 and 13 of the Instrument and Conditions 1.2 to 1.4 below, all the Notes then outstanding shall be redeemed in full at par immediately on the Maturity Date.
- 1.2 Within 5 Business Days of the date of a Change of Control Redemption Notice except where a Noteholder has given an election under Condition 1.3, such Notes then outstanding as specified in the Change of Control Redemption Notice shall be redeemed in full, together with any accrued but unpaid interest on such notes.
- 1.3 If the Change of Control event is pursuant to a takeover offer or scheme of arrangement or triggers an obligation to make a takeover offer or scheme of arrangement and the consideration offered under such takeover offer or scheme of arrangement is other than cash, and the Noteholder so elects by notice in writing in respect of all or any of its Notes pursuant to clause 13.1, the Issuer shall use its reasonable endeavours to procure that the offer or under the Change of Control event shall acquire each such Note for the same consideration which the relevant Noteholder would have received if it had exercised its Conversion Rights in full in respect of that Note and any accrued but unpaid interest on that Note as at the date of the Change of Control Redemption Notice.
- 1.4 Within 5 Business Days of the date of a Default Redemption Notice, subject to Condition 2.8.2, all the Notes then outstanding shall be redeemed in full at par.
- 1.5 Any redemption of Notes under these Conditions shall include repayment of all interest (less any tax required by law to be deducted or withheld from such payment) accrued but unpaid on the Notes to be redeemed up to (and including) the date of such redemption by the Issuer, subject always to Condition 2.
- 1.6 If the whole or any part of a Noteholder's holding of Notes is to be redeemed pursuant to this Condition or pursuant to clause 6.6, the Issuer shall update the Register accordingly.
- 1.7 If a Noteholder fails or refuses to accept or claim the redemption monies tendered by the Issuer in respect of the Notes then due for redemption, the monies payable to such Noteholder shall be set aside by the Issuer and paid into a separate interest-bearing bank account and held by the Issuer in trust for such Noteholder. Such setting aside shall be deemed for all the purposes of these Conditions to be a payment to such Noteholder. Accordingly, the Issuer shall be discharged from all further obligations in connection with such Notes. If the Issuer places the said monies on deposit at a bank, the Issuer shall not be responsible for the safe custody of such monies or for interest thereon but shall account to the Noteholder for any interest which such monies may earn whilst on deposit, less any reasonable expenses which the Issuer incurs directly in connection therewith. Any such amount so paid or deposited and which remains unclaimed after a period of twelve years from the making of the payment or deposit shall revert to the Issuer notwithstanding that in the intervening period the obligation to pay the same may have been provided for in the books, accounts and other records of the Issuer.

2. CONVERSION

Conversion Right

- 2.1 Subject to the terms of and conditions of this Instrument, each Note and accrued but unpaid interest on such Note may be converted into new Ordinary Shares, credited as fully paid (as **Conversion Right**).
- 2.2 The conversion date in respect of Notes and/or interest (the **Conversion Date**) shall be the date for conversion given in the relevant Conversion Notice, being no later than ten Business Days immediately following the date of the relevant Conversion Notice.

Conversion Price

- 2.3 Subject to Condition 2.1, and as provided below in Conditions 2.4 to 2.9:
- 2.3.1 the number of Ordinary Shares to be issued on exercise of a Conversion Right shall be determined by dividing the principal amount of the Notes to be converted and any accrued but unpaid interest thereon by the conversion price in effect on the relevant Conversion Date as set out in Condition 2.3.2 and as adjusted by Condition 2.4, (the **Conversion Price**);
- 2.3.2 the initial Conversion Price is £0.40 per Ordinary Share (the **Initial Conversion Price**). The Initial Conversion Price is subject to adjustment in the circumstances described in this Condition 2;
- 2.3.3 subject to compliance with the procedure set out in Condition 2.8, the Conversion Right in respect of a Note may be exercised, at the option of the relevant Noteholder thereof, at any time (subject to any applicable fiscal or other laws or regulations and as hereinafter provided) during the Conversion Period;
- 2.3.4 Conversion Rights may only be exercised in respect of the whole of a part of a holding of Notes and any accrued but unpaid interest thereon;
- 2.3.5 fractions of Ordinary Shares will not be issued on conversion and no cash payment or other adjustment will be made in lieu of such fractional entitlements. However, if the Conversion Right in respect of more than one Note is exercised at any one time such that Ordinary Shares to be delivered on conversion are to be registered in the same name, the number of such Ordinary Shares to be delivered in respect thereof shall be calculated on the basis of the aggregate principal amount of such Notes being so converted and rounded down to the nearest whole number of Ordinary Shares;
- 2.3.6 the Issuer will procure that Ordinary Shares to be issued on conversion will be issued to the holder of the Notes completing the relevant Conversion Notice or its nominee. Such Ordinary Shares shall be issued or delivered within three Business Days of the relevant Conversion Date; and
- 2.3.7 such issue shall be in full satisfaction and discharge of the principal amount of the Notes and interest so converted.

Conversion Price Adjustments

- 2.4 Upon the occurrence of a reorganisation or reclassification of the share capital of the Issuer, or an issue of new shares, capitalisation issue or offer in each case by way of rights by the Issuer, or a sub-division, reduction or consolidation of the capital of the Issuer, or a merger or consolidation of the Issuer with or into another company or demerger, or the modification of rights attaching to the Ordinary Shares or a dividend in kind declared and/or made by the Issuer (each an **Adjustment Event**) after the date on which any Notes are issued, the Conversion Price shall be adjusted either in such manner as the Issuer and the Noteholders holding the majority of the outstanding Notes from time to time agree in writing is appropriate or, failing agreement, in such manner as the Independent Expert shall certify is appropriate. For the purposes of this Condition 2.4, an adjustment to the Conversion Price shall be **appropriate** if, as a consequence of the adjustment, Noteholders enjoy the same (or as similar as is reasonably possible) economic effect on the exercise of their Conversion Rights as if the relevant Adjustment Event had not occurred or arisen. The Issuer and the Noteholders shall endeavour to agree any adjustment pursuant to this Condition 2.4 within 14 Business Days of the Adjustment Event, failing which the adjustment shall be certified by the Independent Expert and the Issuer shall give notice of the adjustment (as certified by the Independent Expert) to Noteholders within 30 Business Days of the relevant Adjustment Event.
- 2.5 The Issuer shall not implement an Adjustment Event if it would otherwise result in the Conversion Price per Ordinary Share on the exercise of the Conversion Rights being less than the nominal value of an Ordinary Share; and/or

Rounding Down and Notice of Adjustment to the Conversion Price

- 2.6 On any Conversion Price adjustment, the resultant Conversion Price, if not an integral multiple of £0.01, shall be rounded down to the nearest whole multiple of £0.01. Any adjustment not required to be made and/or any amount by which the Conversion Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time and/or, as the case may be, that the relevant rounding down had not been made.
- 2.7 Notice of any adjustments to the Conversion Price shall be given in writing by the Issuer to Noteholders in accordance with these Conditions promptly and in any event within 5 Business days after the determination thereof.

Procedure for exercise of the Conversion Rights

- 2.8 The procedure for the exercise of the Conversion Rights shall be as set out below:
- 2.8.1 Conversion Rights may be exercised by a Noteholder during the Conversion Period by delivering the relevant Note to the registered office of the Issuer, accompanied by a duly completed and signed notice of conversion (a **Conversion Notice**) in the form set out in Appendix 1 to Schedule 1. Conversion Rights shall be exercised subject in each case to any applicable fiscal or other laws or regulations applicable in the jurisdiction in which the registered office of the Issuer is located;
- 2.8.2 a Noteholder has a right, subject to these Conditions and by serving a Conversion Notice in accordance with Condition 2.8.1, to direct that all, or a proportion only, of the Notes and interest accrued thereon held by it are converted into Ordinary Shares in accordance with these Conditions;
- 2.8.3 to be effective a Conversion Notice must (i) be duly completed and signed by the Noteholder and (ii) be delivered to the Issuer together with such other evidence (if any) as the Issuer may reasonably require to prove title of each relevant Noteholder to the Notes which are the subject of the Conversion Notice;
- 2.8.4 if such delivery of the Conversion Notice is made after 15:00 or on a day which is not a Business Day, such delivery shall be deemed for all purposes of these Conditions to have been made on the next following such Business Day;
- 2.8.5 a Conversion Notice, once delivered, shall be irrevocable;
- 2.8.6 each Note should be delivered upon exercise of Conversion Rights;
- 2.8.7 a Noteholder exercising a Conversion Right must pay directly to the relevant authorities any taxes and capital, stamp, issue and registration and transfer taxes and duties arising on conversion (other than any taxes or capital, stamp, issue and registration and transfer taxes and duties payable in New Zealand in respect of the issue of any Ordinary Shares on such conversion or in respect of the transfer and delivery of any Ordinary Shares on such conversion which shall be paid by the Issuer). Such Noteholder must also pay all, if any, taxes arising by reference to any disposal or deemed disposal of a Note or interest therein in connection with such conversion; and
- 2.8.8 unless otherwise specified in the Conversion Notice or as agreed by the Issuer and relevant Noteholder in writing, Ordinary Shares to be delivered on conversion of the Notes will be delivered in uncertificated form.
- 2.9 If during the Conversion Period:

- 2.9.1 any offer of, or invitation relating to, securities is made to the holders of the Ordinary Shares by the Issuer or any other Group Company, or if any other company, person or entity shall offer any securities or make any invitation in connection with which the holders of the Ordinary Shares are entitled to participate in arrangements whereby securities may be acquired or sold by them, the Issuer shall make or, so far as it is able, procure to be made, a like offer or invitation at the same time to each Noteholder as if its Conversion Rights had been exercisable and exercised in full immediately before the record date for such offer or invitation at the Conversion Price then applicable. The Issuer shall not make, or permit any Group Company to make, any offer or invitation to holders of the Ordinary Shares unless it makes, or procures to be made, to each Noteholder at the same time a like offer or invitation as referred to above; or
- 2.9.2 the Issuer commences liquidation, whether voluntary or compulsory, it shall forthwith give notice in writing thereof to all Noteholders and, thereupon, each Noteholder shall, in respect of the whole or any part of its Note, be entitled within one week after the date of receipt of such notice to elect, by notice in writing to the Issuer, to be treated as if its Conversion Rights had been exercisable and had been exercised in full as at the day immediately before the date of such commencement on the basis (including the Conversion Price) of conversion then applicable. Such notice by the Noteholder under this Condition 2.9.2 shall be given by completing and signing the Conversion Notice(s) in respect of the Notes in respect of which the relevant Noteholder wishes so to elect and delivering such Conversion Notices to the registered office of the Issuer. If the Noteholder gives a notice under this Condition 2.9.2 such Noteholder shall, in lieu of the payments which would otherwise be due in respect of the Notes deemed to have been converted as a result of such election, be entitled to participate in the assets available in the liquidation *pari passu* with the holders of the Ordinary Shares as if it were the holder of the Ordinary Shares to which it would have become entitled by virtue of such deemed conversion as at such deemed Conversion Date. Notwithstanding the foregoing, a Noteholder making such election shall be entitled to receive and retain any payment in respect of the Notes in respect of which it shall have made such election which shall already have become due.

3. CANCELLATION

- 3.1 All Notes redeemed, purchased or converted by the Issuer in accordance with the terms hereof shall be cancelled and the Issuer shall not re-issue the same.
- 3.2 On any repayment or conversion of Notes, the Issuer shall update the Register accordingly.

4. PAYMENT OF INTEREST

- 4.1 Until the Notes are redeemed or converted in accordance with these Conditions, interest on the principal amount of the Notes shall accrue at the Interest Rate, calculated on each Interest Payment Date.
- 4.2 The Issuer shall pay such interest in respect of each Interest Period less any tax required by law to be deducted or withheld from such payment (or deemed payment for tax purposes) to the persons who were registered as Noteholders at the close of business on the date immediately prior to the relevant Interest Repayment Date or any other date of redemption or conversion of the relevant Notes.
- 4.3 On the applicable Interest Payment Date or at any time thereafter, the Issuer may issue to the relevant Noteholders Payment In Kind Notes (**PIK Notes**) (on the basis of £1 nominal amount of PIK Notes for every £1 of interest due to the Noteholder, rounded upwards to the nearest £) in full or partial satisfaction of any interest that has accrued but which remains unpaid in respect of the Notes up to that date (to the extent that such interest has not previously been satisfied by the issue of PIK Notes). The issue of the PIK Notes shall be

treated as if it were a payment of interest accruing due in respect of such Notes of an amount equal to the nominal value of the PIK Notes at the time of issue.

- 4.4 Any PIK Notes issued by the Issuer pursuant to Condition 4.3 shall be issued on identical terms *mutatis mutandis* to the Notes issued pursuant to, and constituted by, this Instrument (including, without limitation, in relation to the payment of interest, redemption and conversion, but excluding their aggregate nominal amount and issue date). All PIK Notes issued by the Issuer in accordance with Condition 4.3 shall rank *pari passu* with each other and ahead of all other Notes for all purposes.
- 4.5 Interest accrued on the Notes but which remains unpaid pursuant to Condition 4.3 and in respect of which no PIK Notes are issued shall compound annually and interest shall accrue thereon, at the Interest Rate as from the relevant Interest Payment Date on which the compounded interest became payable.
- 4.6 Interest shall be calculated on the basis of the actual number of days for the relevant period and a 365-day year.
- 4.7 Interest on any Notes redeemed by the Issuer or converted in accordance with these Conditions shall cease to accrue as from the date of redemption or, as applicable, the date of conversion.
- 4.8 If permitted by applicable law, the Issuer may in its discretion register as an “approved issuer” and register the Notes with the New Zealand Commissioner of Inland Revenue as “registered securities” (each such term as defined in section YA 1 of the Income Tax Act 2007 (New Zealand)) and pay approved issuer levy at the rate specified in section 86J of the Stamp and Cheque Duties Act 1971 Act in respect of any payment (or deemed payment) of interest to a Noteholder where such Noteholder is not resident in New Zealand and otherwise satisfies the conditions for payment of the approved issuer levy. If such payment of approved issuer levy is made on a timely basis in respect of a Noteholder then the Issuer shall be entitled to deduct from the payment (or deemed payment) of interest to such Noteholder an amount equal to the amount of the approved issuer levy applicable to such payment and the Issuer shall not be required to compensate the Noteholder for such deduction.
- 4.9 The Issuer shall not be required to gross up or otherwise compensate any Noteholder in respect of any deduction or withholding on account of tax from any payment or deemed payment of interest to such Noteholder. Without prejudice to the foregoing:
- 4.9.1 The Issuer may, in respect and on account of any liability to deduct withholding tax from any payment (or deemed payment) of interest arising upon the issue of PIK Notes to any Noteholder, retain such proportion of any issue of PIK Notes pursuant to Condition 4.3 as shall equal the appropriate rate of tax required to be deducted or withheld in respect of such payment (or deemed payment) of interest.
- 4.9.2 Each Noteholder indemnifies the Issuer against any cost loss or expense that the Issuer may at any time suffer on account of any liability to withhold or pay any amount on account of tax from any payment (or deemed payment) of interest to such Noteholder.
- 4.10 If the Issuer fails to pay any amount of principal or interest on any Note on the due date for payment of the same, a debt shall be created equal to such amount and interest at the Interest Rate shall be applicable in respect of the unpaid amount from the due date until the date of actual payment. For the purposes of this Condition 4.8, the due date shall be the date on which the relevant amount becomes payable in accordance with Condition 1 or 4 (as the case may be) or, where an Event of Default has occurred, the date on which the Noteholders shall direct that the Notes are repayable under clause 12 of the Instrument, provided that if the Notes shall have become repayable by reason of a resolution being passed or an order being made for the winding-up of the Issuer or any material Group Company under clause

12.3.2 of the Instrument, the due date shall be the date on which the resolution is passed or the date on which the petition for winding-up is presented, as the case may be.

5. NOTICES

5.1 Any Noteholder described in the Register as being at an address outside New Zealand but who shall from time to time give to the Issuer an address within New Zealand at which any notice may be served upon him shall be entitled to have notice served on him at such address.

5.2 Any notice sent under this Instrument or these Conditions shall be sent in accordance with the provisions of paragraph 9 of Schedule 2.

6. MODIFICATION

The provisions of the Instrument and these Conditions and the rights of the Noteholders may from time to time be modified, abrogated or compromised only with the consent of the Noteholders by Written Resolution and with the written consent of the Issuer.

7. TRANSFER

The Notes are registered and are transferable in accordance with, and subject to, the provisions of paragraphs 2 to 5 and 13 of Schedule 2 in amounts and in integral multiples of £1,000.

8. DIVIDENDS

The Notes shall not carry any rights to receive any amounts in respect or in lieu of any distributions made by the Issuer to holders of Ordinary Shares.

9. WAIVER

9.1 The rights of a Noteholder (whether arising under this Instrument or under the general law) shall not be capable of being waived otherwise than by an express waiver in writing signed by such Noteholder.

9.2 Any defective or partial exercise of any such right of a Noteholder shall not preclude any other or further exercise of that or any other such rights and no act or course of conduct or negotiation on the part or on behalf of the Noteholders or any of them shall in any way preclude them from exercising any such right or constitute a suspension or any variation of any such right.

9.3 The rights of a Noteholder may be exercised as often as it considers appropriate, are cumulative and in addition to its rights under the general law.

APPENDIX 1: Form of Conversion Notice

To: **ARRIA NLG Limited** (the **Issuer**)

Capitalised terms in this Conversion Notice have the meaning given to them in the instrument entered into by the Issuer constituting GBP £[•] Unsecured Convertible Notes (the **Instrument**).

We, being the registered holder(s) of [•] [*insert number of Notes which are to be converted*] Notes, hereby give notice of our wish to exercise our Conversion Rights in respect of such Notes and accrued but unpaid interest in accordance with the Conditions.

We require all of the Ordinary Shares to be issued on such exercise of our Conversion Rights to be issued to us and registered in our name(s) and hereby authorise the entry of our name(s) in the register of shareholders in respect thereof.

We wish to exercise our Conversion Rights with effect from [•], such date to be the Conversion Date for the purposes of the Instrument.

We agree to accept all the fully-paid Ordinary Shares to be issued to us pursuant hereto subject to the Constitution of the Issuer.

We hereby instruct you to deliver, or procure the delivery of, such relevant Ordinary Shares to be issued on the conversion of Notes under this notice in [uncertificated form].

Signed by [] [and [] (Noteholder[s])

acting by:

.....
[Director/Authorised signatory]

.....
[Director//Authorised signatory]

Date:

(In the case of joint holdings all Noteholders must sign. In the case of a corporation this Notice must be executed by two directors or by two authorised signatories or given under its common seal.)

* *Delete/complete as appropriate.*

SCHEDULE 2 : Provisions as to Registration, Transfer and Other Matters

1. RECOGNITION OF NOTEHOLDER AS ABSOLUTE OWNER

- 1.1 The Issuer will recognise as absolute owner the registered holder of any Notes.
- 1.2 The Issuer shall not (except as ordered by a court of competent jurisdiction) be bound to take notice or see to the execution of any trust (whether express, implied or constructive) to which any Notes may be subject.
- 1.3 The receipt of the registered holder for the time being of any Notes or, in the case of joint registered holders, the receipt of any of them, for the principal moneys payable in respect of such Notes and for the interest from time to time accruing due in respect of such Notes or for any other moneys payable in respect of such Notes shall be a good discharge to the Issuer notwithstanding any notice it may have (whether express or otherwise) of the right, title, interest or claim of any other person to or in such Notes, interest or moneys.
- 1.4 The Issuer shall not be bound to enter any notice of any express, implied or constructive trust on the Register in respect of any Notes.

2. TRANSFERABILITY OF NOTES

- 2.1 Subject to paragraphs 2.2 and 2.3 below and the further provisions of this paragraph 2.1, the Notes are transferable by instrument in writing to a Permitted Transferee of the relevant Noteholder in the usual common form (or in such other form as the Directors may reasonably approve, such approval not be unreasonably withheld or delayed) in amounts and multiples of £1,000 (or, where lower, the balance of Notes held by the Noteholder). The Notes are not transferable by a Noteholder to any person other than a Permitted Transferee of that Noteholder.
- 2.2 If a holder of a Note ceases to be a Permitted Transferee of a transferor who transferred such Note to him, he shall, within ten Business Days of so ceasing, transfer all Notes held by him back to such person.
- 2.3 There shall not be included in any instrument of transfer any Notes other than the Notes constituted by this Instrument.
- 2.4 The Issuer shall not be entitled to assign or transfer any of its rights or obligations under this Instrument without the consent of the Noteholders by Written Resolution.

3. EXECUTION OF TRANSFERS

Every instrument of transfer must be duly signed by or on behalf of the transferor and the transferor shall be deemed to remain the owner of the Notes to be transferred until the transferee's name is entered in the Register in respect of such Notes.

4. REGISTRATION OF TRANSFERS

- 4.1 Every instrument of transfer must be left for registration at the address where the Register is maintained for the time being (as referred to in clause 11.1 of this Instrument) accompanied by such other evidence as the Directors or other officers of the Issuer authorised to deal with the transfers may reasonably and lawfully require to prove the title of the transferor or his right to transfer the Notes and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person to do so.
- 4.2 All instruments of transfer which are registered shall be retained by the Issuer.

- 4.3 No transfer shall be registered of Notes:
- 4.3.1 in respect of which a Conversion Notice has been given to the Issuer; or
- 4.3.2 unless such instrument of transfer is accompanied by written evidence to the reasonable satisfaction of the Issuer that the proposed transferee is a Permitted Transferee.

5. **NO FEES FOR REGISTRATION OF TRANSFERS**

No fee shall be charged for the registration of any transfer or for the registration of any confirmation, power of attorney or other document relating to or affecting the title to any Notes or for making any entry in the Register relating to or affecting the title to any Notes.

6. **TRANSMISSION OF NOTES**

- 6.1 Any person who becomes entitled to any of the Notes as a result of the death or bankruptcy of any Noteholder, or of any event giving rise to the transmission of such Notes by operation of law may, upon producing such evidence that he sustains the character in respect of which he proposes to act under this condition or of his title as the Directors shall think sufficient, and subject to having first adhered to the Subordination Deed in accordance with its terms, be registered itself as the holder of such Notes or, subject to the preceding conditions as to transfer, may transfer such Notes.
- 6.2 The Issuer may retain any payments paid on any such Notes which any person under this provision is entitled to transfer until such person is registered or has duly transferred the Notes.

7. **PAYMENT OF INTEREST AND PRINCIPAL**

- 7.1 The cash payments of principal, interest or other sums payable in respect of the Notes may be paid by electronic transfer to the account specified for such purpose by the Noteholder or joint Noteholders in writing to the Issuer, failing which notification, by cheque, warrant or banker's draft made payable to and sent to the registered address of the Noteholder or in the case of joint registered holders made payable to the order of and sent to the registered address of that one of the joint registered holders who is first named on the Register or made payable to such person and sent to such address as the registered holder or all the joint registered holders may in writing direct. Every such cheque, warrant or banker's draft must, if sent through the post, be sent not later than 2 Business Days preceding the due date for payment and payment of the cheque, warrant or banker's draft shall be a good discharge to the Issuer.
- 7.2 All payments of principal, interest or other moneys to be made by the Issuer may be made after any deductions or withholdings for or on account of any present or future taxation required to be deducted or withheld from such payments, only to the extent permitted by clause 15 of this Instrument.

8. **RECEIPT OF JOINT HOLDERS**

If several persons are entered in the Register as joint registered holders of any Notes then the receipt of any one of such persons for any interest or principal or other moneys payable in respect of such Notes shall be as effective a discharge to the Issuer as if the person signing such receipt were the sole registered holder of such Notes.

9. **NOTICE TO NOTEHOLDERS**

- 9.1 Any notice, request, demand or other document may be given or sent to any Noteholder by sending the same by post in a prepaid, first-class letter addressed to such Noteholder at its registered address in New Zealand or (if it has no registered address within New Zealand) to the address (if any) supplied by it to the Issuer for the giving of notice to it.

9.2 In the case of joint registered holders of any Notes a notice given to the Noteholder whose name stands first in the Register in respect of such Notes shall be sufficient notice to all joint holders.

9.3 Notice may be given to the persons entitled to any Notes as a result of the death or bankruptcy of any Noteholder by sending the same by post in a prepaid, first-class envelope addressed to them by name or by the title of the representative or trustees of such Noteholder at the address (if any) supplied for the purpose by such persons or (until such address is supplied) by giving notice in the manner in which it would have been given if the death or bankruptcy had not occurred.

10. NOTICES TO THE ISSUER

Any notice, request, demand or other document (including transfers of Notes) may be given or sent to the Issuer by sending the same by post in a prepaid, first-class envelope addressed to the Issuer at its registered office for the time being.

11. SERVICE OF NOTICES

Any notice, request, demand or other document given or made by delivery shall be deemed to have been delivered or received when left at the appropriate address referred to in paragraph 10 or 11 above, or, if sent by post, on the second Business Day following the day on which it was posted. In proving delivery or receipt of any notice, request, demand or other document sent by post it shall be sufficient to prove that it was properly addressed, stamped and posted (by airmail, if to another country) in New Zealand.

12. MEETINGS OF NOTEHOLDERS

All the provisions of the Constitution for the time being of the Issuer relating to general meetings shall apply *mutatis mutandis* to any meeting of Noteholders as though the Notes were a class of shares forming part of the capital of the Issuer except that:

12.1 the necessary quorum for a meeting of Noteholders shall be Noteholders present (in person or by proxy) entitled to subscribe for 20 per cent. in nominal amount of the Ordinary Shares attributable to the outstanding Notes, provided that if at any meeting a quorum is not present such meeting shall be adjourned to a time and place directed by the Chairman and at such adjourned meeting those Noteholders present (in person or by proxy and whatever the number of Notes held or represented by them) shall constitute a quorum. Whenever there is only one holder of Notes, a quorum at any meeting of Noteholders shall, for all purposes, be that Noteholder or any proxy for that Noteholder;

12.2 every Noteholder present in person at any such meeting shall be entitled on a show of hands to one vote and every Noteholder present in person or by proxy shall be entitled on a poll to one vote for every Note held by him; and

12.3 any Noteholder present (in person or by proxy) may demand or join in demanding a poll.

13. PERMITTED TRANSFERS

13.1 Any Noteholder may transfer some or all of his Notes to any of his Family Members over the age of 18 or to the trustees of his Family Trust.

13.2 Any Noteholder who is a trustee of a Family Trust may at any time transfer any Notes which he holds in that capacity to:

13.2.1 the new or remaining trustees of the Family Trust upon any change of trustees; and

13.2.2 the relevant Noteholder or any of his Family Members over the age of 18 on their becoming entitled to the same under the terms of the Family Trust.

- 13.3 Any Noteholder who is a body corporate or any person who holds Notes as a nominee, custodian or trustee or otherwise on behalf of a body corporate may at any time transfer the legal and/or beneficial interest in any Notes held by it to:
- 13.3.1 the beneficial owner of the Notes;
 - 13.3.2 another member of the Noteholder Group.
- 13.4 Any Noteholder holding Notes as a result of a transfer made by a person in relation to whom such Noteholder was a Permitted Transferee may at any time transfer any Notes to the person who originally transferred such Notes (or to any other Permitted Transferee of such original transferor).