

CONSTITUTION

- of -

TAPUIKA HOLDINGS LIMITED

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CONSTITUTION

of

TAPUIKA HOLDINGS LIMITED

1. INTERPRETATION

1.1 Specific Definitions

In this Constitution, if not inconsistent with the context:

Act means the Companies Act 1993.

Board means the Directors numbering not less than the required quorum acting together as the Board of Directors of the Company and where one Director is a quorum it means that Director acting alone.

“Charitable Status” means the charitable status of the Company and where that status has been approved by the Inland Revenue Department and/or any other government or regulatory body (including, without limitation, the Charities Commission) means the charitable status of the Company as so approved.

Company means Tapuika Holdings Limited.

Constitution means this Constitution from time to time in force and includes any alteration to this Constitution.

Directors mean the Directors for the time being of the Company.

Head Office means the head office of Tapuika Fisheries Trust

Ordinary Share means a Share which confers on the Tapuika Fisheries Trust:

- (a) The right to vote at meetings of the Shareholder and to cast one vote for each Share held on any resolution;
- (b) The right to an equal share in Dividends and other Distributions made by the Company;
- (c) The right to an equal share in the distribution of the surplus assets of the Company on its liquidation.

Register means the Register of Shareholders to be kept in compliance with the Act.

Related Person means a person specified in paragraphs (i) to (iv) of the second proviso to Section CB4(1)(e) of the Income Tax Act 1994.

Shareholder means the Tapuika Fisheries Trust.

Shareholder's Representatives means representatives appointed in accordance with clause 9.2.1(a).

Shares means shares of the Company all of which are required by this Constitution to be held by the Shareholder.

Working Day means a day (other than a Saturday or Sunday) on which businesses are generally open for business in Auckland. A working day is deemed to commence at 9.00 am and end at 5.00 pm.

1.2 Words and Phrases

1.2.1 Words or phrases defined in the Charter have the same meaning in this Constitution unless otherwise stated in this Constitution or the context otherwise requires;

1.2.2 Words or phrases defined in the Act have the same meaning in this Constitution unless the context otherwise requires;

1.2.3 Words or phrases defined in the Maori Fisheries Act have the same meaning in this Constitution unless the context otherwise requires;

1.2.4 Words importing only the singular number include the plural and vice versa;

1.2.5 Words importing any gender include all other genders;

1.2.6 Words importing persons include firms, corporations, local authorities, statutory authorities and the Crown;

1.2.7 Words included in headings do not affect the interpretation of this Constitution.

1.3 Statutes

Unless the context requires otherwise references to a statute include:

1.3.1 Amendments to that statute;

1.3.2 Any statute passed in substitution for that statute;

1.3.3 Regulations passed under that statute and under any amendment to that statute and under any statute passed in substitution for that statute.

2. CONSTITUTION AND THE COMPANIES ACT

2.1 Companies Act Modified

The provisions of the Companies Act 1993 are negated, modified, adopted and extended by this Constitution but the Act prevails if this Constitution contravenes the Act.

2.2 Restriction on Amendment of this Constitution

2.2.1 Notwithstanding anything in section 32 of the Act, no alteration or amendment to the Constitution or revocation (either in full or in part) of the Constitution, that adversely affects the ability of the Company to carry out the Company's Purpose, shall be valid and no such alteration, amendment or revocation will limit or restrict the ability of the

Company to carry out the Company's Purpose or the ability of the Company to maintain the Company's Charitable Status.

2.2.2 In particular, but without limiting clause 2.2.1, no alteration or amendment to the Constitution or revocation (either in full or in part) of the Constitution as it relates to restrictions on benefits (Clause 4) and the distribution of surplus proceeds on liquidation (Clause 16) shall be valid if the alteration, amendment or revocation adversely affects or would adversely affect the ability of the Company to carry out the Company's Purpose or the ability of the Company to maintain the Company's Charitable Status.

2.2.3 No alteration or amendment to the Constitution, or revocation of the Constitution will be valid if it would be inconsistent with the Maori Fisheries Act 2004 and any alteration or amendment to the Constitution relating to matters provided for by the Maori Fisheries Act 2004 must be made in accordance with Section 18 of the Maori Fisheries Act 2004.

3. PURPOSE AND POWERS OF COMPANY

3.1 Company's Purpose

The Company is a wholly owned subsidiary of Tapuika Fisheries Trust referred to in this Constitution as the 'Shareholder'. The Company's sole objective and purpose is to hold, administer and manage those of the Shareholder's assets that are of a commercial nature on a prudent, commercial and profitable basis, for the benefit of the Shareholder and in furtherance of the Shareholder's Purposes.

The Company may undertake the Company's Purpose itself and/or through any subsidiary or subsidiaries established by the Company.

3.2 Company's Powers

The Company has:

3.2.1 Full capacity to carry on or undertake any activity or business, do any act, or enter into any transaction; and

3.2.2 For the purposes of sub clause 3.2.1, full rights, powers and privileges, subject only to any enactment and the general law.

3.3 Functions and powers in respect of fisheries settlement assets

3.3.1 The Company shall receive, and hold on behalf of the Shareholder, any settlement quota and income shares allocated to it following the withdrawal of Tapuika from Te Kotahitanga O Te Arawa Waka Fisheries Trust Board in accordance with the processes set out in Schedule 11 of the Deed of Trust of Te Kotahitanga O Te Arawa Waka Fisheries Trust.

3.3.2 In receiving and holding settlement quota and income shares, the Company is bound by all the relevant requirements of the Maori Fisheries Act 2004 in respect of them, including those expressed in the Maori Fisheries Act 2004 as applying to the Shareholder.

3.3.3 The Company must make distributions derived from settlement quota and income shares solely to the Shareholder.

3.3.4 The Company may not dispose of, or enter into any other transaction relating to or affecting the settlement quota and income shares held by it unless the Shareholder has complied with sections 69 to 72, or 161-162 of the Maori Fisheries Act 2004.

3.3.5 The Company and any subsidiary of the Company may not undertake fishing or hold a fishing permit.

3.4 Obligations of directors in establishing a subsidiary

If a subsidiary is established by the Company, the Directors will ensure that it complies with the Maori Fisheries Act 2004 in receiving and holding settlement quota and income shares.

4. APPLICATIONS OF BENEFITS

4.1 Application of Benefits for Charitable Purposes

All income, benefits or advantages derived by the Company will be derived and held by it for the benefit of the Shareholder, and so much of the surplus income of the Company as is agreed between the Shareholder and the Company is to be remitted to the Shareholder to be applied in furtherance of the Shareholder's Purposes. For the avoidance of doubt income, benefits or advantages derived by the Company and not remitted to the Shareholder will continue to be held by the Company for the benefit of the Shareholder.

4.2 Prohibition of Benefit or Advantage

In the carrying on of any business of the Company, and in the exercise of any power authorising the remuneration of the Directors, no benefit, advantage or income is to be afforded to, or received, gained, achieved or derived by, any Director or any Related Person of a Director where that Director or Related Person, in his or her capacity as a Director or Related Person, is able by virtue of that capacity in any way (whether directly or indirectly) to determine, or to materially influence the determination of, the nature or amount of that benefit, advantage or income, or the circumstances in which that benefit, advantage or income is, was, or is to be, so afforded, received, gained, achieved or derived.

4.3 Payments for Goods and Services

4.3.1 No part of the income or property of the Company is to be paid or transferred directly or indirectly by way of profit to any Director, or any Related Person of a Director but nothing contained in this clause precludes any reasonable and proper remuneration or payment being made to a Director, or any Related Person of a Director for services rendered or goods supplied to the Company.

4.3.2 Any amount paid to any Director, or Related Person of a Director shall be reasonable and relative to that which would be paid in an arm's-length transaction (being the open market value) for the services rendered or goods supplied to the Company. A Director acting himself or by his firm in a professional capacity for the Company will be entitled to remuneration for professional services as if he were not a Director.

4.4 Remuneration and Expenses

In accordance with clauses 4.1 to 4.3, no private pecuniary profit may be made by any Director or any Related Person of a Director from the Company. However, each Director shall be entitled:

4.4.1 to remuneration for his or her services rendered in his or her capacity as a Director pursuant to clause 11.12 of this Constitution;

4.4.2 to be reimbursed for fair and reasonable expenditure incurred by him or her on behalf of the Company or any subsidiary of the Company pursuant to clause 11.12 of this Constitution;

4.4.3 to reasonable and proper remuneration for services rendered or goods supplied to the Company if that remuneration complies with clause 4.3.

5. ISSUE OF SHARES

5.1 Tapuika Fisheries Trust as Shareholder

Notwithstanding any provision in this Constitution, all of the Shares in the Company must be owned by Tapuika Fisheries Trust. The Directors must not issue Shares to a person other than Tapuika Fisheries Trust nor to any person jointly with the Tapuika Fisheries Trust

5.2 Initial Shares

The initial Shares of the Company on the adoption of this Constitution are divided into ONE HUNDRED (100) ordinary shares.

5.3 General

Subject to the Act and this Constitution (and in particular clause 5.1)

5.3.1 The Board with the approval of the Shareholder by ordinary resolution may issue Shares (and rights or options to acquire Shares) of any class at any time and in such numbers and on such terms as the Board thinks fit;

5.3.2 Without limiting clause 5.3.1 and unless the terms of issue of any existing Shares specifically otherwise provide, the Board with the approval of the Shareholder by ordinary resolution may issue Shares that rank as to redemption, distributions of capital or income, voting rights or otherwise equally with or prior to existing Shares.

5.4 Types of New Share

Without limiting the types of Share which may be issued by the Company, any Share may be issued upon the basis that it:

5.4.1 Is redeemable; or

5.4.2 Confers preferential rights to distributions of capital or income; or

5.4.3 Confers special, limited or conditional voting rights; or

5.4.4 Does not confer voting rights; or

5.4.5 Does not confer rights to distributions of capital or income; or

5.4.6 Does not confer rights to be offered new Shares or existing Shares.

5.5 Redeemable Shares

The Company may issue Shares which are redeemable by the Company:

5.5.1 At the option of the Company; or

5.5.2 At the option of the Shareholder as the holder of the Shares; or

5.5.3 On a date specified in the resolutions to issue the Shares, for a consideration that is:

5.5.4 Specified; or

5.5.5 To be calculated by reference to a formula; or

5.5.6 Required to be fixed by a suitably qualified person who is not associated with or interested in the Company.

5.6 Pre-Emptive Rights

5.6.1 Subject to clauses 5.2 and 5.3, Section 45 of the Act applies to new Shares issued or proposed to be issued by the Company.

6. TRANSFER OF SHARES

6.1 Freedom to Transfer is Qualified

6.1.1 Every change in the ownership of Shares issued by the Company will be subject to the limitations and restrictions in this Constitution.

6.1.2 No Share issued by the Company may be sold or transferred to any person other than the Tapuika Fisheries Trust

7. REFUSAL TO REGISTER TRANSFERS

7.1 Directors May Refuse to Register Transfers

Subject to compliance with the provisions of Section 84 of the Act, the Directors may refuse or delay the registration of any transfer of any Share to any person whether an existing Shareholder or not:

7.1. If so required by law;

7.2. If the transfer is to a person other than the Shareholder

8. ACQUISITION AND HOLDING BY COMPANY OF ITS OWN SHARES

8.1 Company May Acquire its Own Shares

For the purposes of the Act, the Company is expressly authorised to purchase or otherwise acquire Shares. The Company may make an offer to the Shareholder in accordance with this Constitution and the Act to purchase or otherwise acquire Shares.

8.2 Company May Not Hold its Own Shares

Shares acquired by the Company are deemed to be cancelled immediately on acquisition.

9. PROCEEDINGS AT MEETINGS OF THE SHAREHOLDER

9.1 First Schedule Excluded

The provisions of the First Schedule to the Act are deleted and replaced as provided in this Constitution.

9.2 Tapuika Fisheries Trust Must Act by Shareholder's Representatives

9.2.1 Tapuika Fisheries Trust as the Shareholder must appoint one Shareholder's Representative to act on behalf of the Company to attend meetings, sign resolutions and

exercise any other rights, powers and entitlements of the Shareholder, on its behalf, in the following manner:

- (a) The Shareholder's Representative must be appointed by notice in writing signed under the seal of the Shareholder and the notice must state:
 - (i) for which particular meeting or proposed resolution the Shareholder's Representative is appointed and how the Shareholder's Representatives is to vote at that meeting or on that proposed resolution, on behalf of the Shareholder; or
 - (ii) in relation to the exercise of any other right, power or entitlement of the Shareholder the nature of the right, power or entitlement for which the Shareholder's Representatives are appointed and how that right, power or entitlement is to be exercised, on behalf of the Shareholder.
- (b) A notice of appointment of the Shareholder's Representative is effective on receipt at the registered office of the Company and a copy of the notice of appointment must be held at the registered office of the Company.

9.2.2 All of the Shareholder's rights, powers and entitlements whether under the Act, this Constitution or the general law may only be exercised by the Shareholder's Representative in accordance with clause 9.2.1 except the appointment of Shareholder's Representatives which must be carried out by the Shareholder in accordance with clause 9.2.1 (a)

9.2.3 Each person appointed as a Shareholder's Representative must not be a director of the Company or of any of its Related Companies.

9.3 Annual Meetings

9.3.1 The Board must call an annual meeting, in addition to any other Shareholder meetings, to be held:

- (a) Not later than six (6) months after the balance date of the Company;
- (b) Not later than fifteen (15) months after the previous annual meeting;

9.3.2 Notwithstanding clause 9.3.1, if the Company holds its first annual meeting within eighteen (18) months of its incorporation, it need not hold it in the year of its incorporation or in the following year;

9.3.3 Subject to section 122 of the Act, the annual meeting must be held at a time and a place appointed by the Board;

9.3.4 The Company need not hold an annual meeting in any calendar year if everything required to be done at the meeting (by resolution or otherwise) is done by resolution in writing, signed in accordance with the Act and this Constitution.

9.4 Maori Fisheries Act 2004

9.4.1 For as long as and to the extent to which the Company is an asset holding company pursuant to the Maori Fisheries Act 2004 the Company must provide to the Shareholder:

- (a) an annual report; and
- (b) an annual plan for each financial year
- (c) that complies with the Maori Fisheries Act 2004.

9.4.2 Any annual plan submitted to the Shareholder pursuant to clause 9.4.1 shall be of no effect until approved by the Shareholder

9.5 Convening Meetings

In accordance with section 121 of the Act, a meeting of the Shareholder, other than the annual meeting:

- 9.5.1 May be called at any time by the Board;
- 9.5.2 Must be called by the Board on the written request of the Shareholder.

9.6 Chairperson

- 9.6.1 If the Directors have elected a chairperson of the Board and the chairperson of the Board is present at a meeting of the Shareholder, that Director must chair the meeting;
- 9.6.2 If no chairperson of the Board has been elected or if at any meeting of the Shareholder the chairperson of the Board is not present within fifteen (15) minutes of the time appointed for the commencement of the meeting, the Directors present may choose one of their number to be chairperson of the meeting.

9.7 Notice of Meetings

- 9.7.1 Written notice of the time and place of a meeting of the Shareholder must be sent to the Shareholder not less than ten (10) Working Days before the meeting;
- 9.7.2 The notice must state:
 - (a) The nature of the business to be transacted at the meeting in sufficient detail to enable the Shareholder to form a reasoned judgement in relation to it;
 - (b) The text of any special resolution to be submitted to the meeting;
- 9.7.3 An irregularity in a notice of a meeting is waived if the Shareholder's Representatives attend the meeting without protest as to the irregularity or if the Shareholder's Representatives agree to the waiver;
- 9.7.4 The accidental omission to give notice of a meeting to or the failure to receive notice of a meeting by any person does not invalidate the proceedings at that meeting.
- 9.7.5 No business may be transacted at a meeting of the Shareholder other than the business expressly referred to in the notice calling that meeting unless otherwise decided by the chairperson.

9.8 Methods of Holding Meetings

9.8.1 A meeting of the Shareholder may be held by the Shareholder's Representatives addressing the subject matter of the meeting at the place, date and time appointed for the meeting.

9.8.2 The chairperson may, 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 or of the business to be transacted at an adjourned meeting.

9.9 Quorum

9.9.1 Subject to clause 9.9.3, no business may be transacted at a meeting of the Shareholder if the Shareholders Representatives is not present.

9.9.2 A quorum for a meeting of the Shareholder is present if the Shareholder's Representative is present;

9.9.3 If a quorum is not present within thirty (30) minutes after the time appointed for the meeting:

- (a) In the case of a meeting called under clause 9.5.2, the meeting is dissolved;
- (b) In the case of any other meeting, the meeting is adjourned to the same day in the following week at the same time and place or to such other date, time and place as the Directors may appoint. If at that adjourned meeting a quorum is not present within thirty (30) minutes after the time appointed for the meeting, the meeting is dissolved.

9.10 Voting

In the case of a meeting of the Shareholder a resolution is passed if record of the resolution is signed by the Shareholder's Representatives.

9.11 Minutes

9.11.1 The Board must ensure that minutes are kept of all proceedings at meetings of the Shareholder;

9.11.2 Minutes which have been signed correct by the chairperson of the meeting are prima facie evidence of the proceedings.

9.12 Resolutions in Lieu of Meeting

A Shareholder resolution may be signed in lieu of a meeting as authorised by section 122 of the Act if the resolution is signed by the Shareholder's Representatives. A facsimile of any signed resolution will be as valid and effective as the original signed document with effect from the time of service of the facsimile.

9.13 Other Proceedings

Except as provided in this Constitution, a meeting of the Shareholder may regulate its own procedure.

10. MANAGEMENT BY SHAREHOLDER RESOLUTION

10.1 Shareholder Resolution on Management not binding

In accordance with section 109 of the Act a meeting of the Shareholder may pass a resolution relating to the management of the Company. However any such resolution will not be binding on the Board and/or the Company.

DIRECTORS

11.1 Number of Directors

On incorporation of the Company the number of Directors will be three (3). Within six months of incorporation the Shareholder must appoint (or confirm the appointment of) the Directors in accordance with clause 11.5 and thereafter the minimum number of Directors will be three (3) and the maximum number will be five (5).

11.1.2 A majority of the Directors of the Company must be Adult Members of Tapuika, although such Directors need not be Trustees of the Shareholder.

11.1.3 No more than 40% of the Directors of the Company may be Trustees of the Shareholder.

11.2 First Directors

The first Directors are those persons named as Directors in the application for registration of the Company.

11.3 Tenure of Office

11.3.1 A director of the Company may only be appointed if that person has the particular skills and expertise that are required of a member of the board to which the appointment relates and bearing in mind the activities that the Company undertakes or is likely to undertake in the future and the mix of skills and expertise that is required on the relevant board.

11.3.2 Each Director of the Company will hold office until:

- (a) Removal in accordance with the Constitution; or
- (b) Vacation of office pursuant to Section 157 of the Act.

11.3.3 The office of Director is vacated if the person holding the office is absent without permission of the other Directors from three consecutive meetings of the Directors.

11.3.4 One third of the Directors, or if their number is not a multiple of 3 then the number nearest to one third, shall retire from office as at the date chosen for the annual general meeting of the Company in each year (or if no annual general meeting is held, the date on which a resolution instead of an annual general meeting is passed in accordance with section 122(4) of the Act). The Directors to retire shall be those who have been longest in office since the last appointment of Directors. However, in the case of Directors who were last appointed on the same day, those to retire will be determined by agreement between those Directors or, if agreement cannot be reached, by lot. Retiring Directors will be eligible for reappointment in accordance with this Constitution.

11.4 Appointment and Removal of Directors

Section 153 of the Act is qualified as provided in this Constitution.

11.5 Appointment and Removal by Notice

11.5.1 Subject to clause 11.2 and 11.6 the Directors are the persons appointed from time to time as Directors by a notice in writing signed by the Shareholder's Representatives and who have not, subsequent to that appointment, resigned or been removed or disqualified from office under this Constitution or the Act;

11.5.2 A Director may be removed from office at any time by a notice in writing signed by the Shareholder's Representatives;

11.5.3. Notice given under this clause 11.5 takes effect upon its receipt at the registered office of the Company unless the notice specifies a later time at which it is to take effect;

11.5.4 The notice may comprise one or more similar documents separately signed by the Shareholder's Representatives;

11.5.5 A notice given under clause 11.5 may provide for the appointment or removal of one (1) or more Directors.

11.6 Appointment and Removal by Resolution

11.6.1 In addition to the appointment or removal of Directors under clause 11.5 a Director may be appointed or removed from office by an ordinary resolution of the Shareholder;

11.6.2 A resolution to appoint two (2) or more Directors may be voted on as one resolution without each appointment being voted individually;

11.6.3 A notice of meeting at which the removal of a Director will be considered must state that the purpose of the meeting is the removal of the Director.

11.7 Cross Directorships

11.7.1 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;

11.7.2 No Director will be accountable to the Company for any remuneration or other benefits received by him as a director or officer of, or from his interests in, any other such company unless the Company directs or the law requires.

11.8 Directors Acting as Professionals

11.8.1 Subject to compliance with clause 4.3 any Director may act himself or by his firm in a professional capacity for the Company.

11.8.2 A Director or his firm must not act as auditor to the Company.

11.9 Directors' Gratuities or other Benefits

The Company may not:

- 11.9.1 Pay a gratuity or pension or allowance on retirement to any Director or, in the case of a Director's death, to his spouse or dependants;
- 11.9.2 Make contributions to any fund and pay premiums for the purchase or provision of any such benefit.
- 11.9.3 Pay any Director or former Director compensation for loss of office.
- 11.9.4 Make loans to a Director.
- 11.9.5 Give guarantees for debts incurred by a Director.
- 11.9.6 Enter into any contract to do any of the things set out in this clause 11.9

11.10 Alternate Directors

- 11.10.1 The Directors are not entitled to appoint alternate directors.

11.11 Managing Directors

- 11.11.1 The Board may from time to time appoint one (1) or more Directors to the office of Managing Director of the Company either for a fixed term or without any limitation as to the term;
- 11.11.2 Every Managing Director may be dismissed or removed by the Board;
- 11.11.3 The Board may enter into any agreement on behalf of the Company with any person who is or is about to become a Managing Director as to the length and terms of the Managing Director's employment;
- 11.11.4 The Managing Director is not entitled to continue in office as Managing Director contrary to the will of the Board;
- 11.11.5 The appointment of a Managing Director is automatically terminated if the Managing Director ceases to be a Director.

11.12 Payments to Directors

- 11.12.1 Payments made to Directors' as remuneration for services rendered in their capacity as a Director shall be authorised on an annual basis by an ordinary resolution of the Shareholder and shall not exceed such amount that is reasonable and relative to that which would be paid on an arm's-length basis for the services rendered.
- 11.12.2 Payments made to Directors' in their capacity as Directors within any period of 12 months shall not exceed the annual Directors fee authorised for that period without the sanction of a further ordinary resolution of the Shareholder.
- 11.12.3 Each Director is entitled to be reimbursed for fair and reasonable expenditure incurred by him or her on behalf of the Company, or any subsidiary of the Company.
- 11.12.4 No Director who is a Runanga Representative may in any way determine or materially influence directly or indirectly the nature or amount of any payment to the Directors or the circumstances in which any payment is to be made.

12. PROCEEDINGS OF DIRECTORS

12.1 Third Schedule Excluded

The provisions of the Third Schedule to the Act are deleted and replaced as provided in this Constitution.

12.2 Regulation of Meetings

The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit.

12.3 Notice of Meetings

12.3.1 A Director may convene a meeting of the Board of Directors by giving notice in accordance with this clause;

12.3.2 Not less than five (5) days' notice of a meeting of the Board must be sent to:

- (a) Every Director who is in New Zealand;
- (b) Every Director who is outside New Zealand if the Director has notified the Company of a facsimile number, email address or telephone number for the purposes of receiving notices;

12.3.3 The notice must include the date, time and place of the meeting and the matters to be discussed;

12.3.4 An irregularity in the notice of a meeting is waived if all Directors entitled to receive notice of the meeting attend the meeting without protest as to the irregularity or if all Directors entitled to receive notice of the meeting agree to the waiver;

12.3.5 The accidental omission to give notice of a meeting to, or the failure to receive notice of a meeting by, any person does not invalidate the proceedings at that meeting.

12.4 Quorum

12.4.1 Unless otherwise fixed by the Directors, a quorum for a meeting of the Directors is a majority of the Directors;

12.4.2 If notice of a meeting of the Directors has been properly given under clause 12.3 and a quorum is not present within thirty (30) minutes after the time appointed for the meeting any Director may by not less than two (2) days' notice given in accordance with clause 12.3 convene a further meeting of the Board;

12.4.3 If at that further meeting a quorum is not present within fifteen (15) minutes after the time appointed for the meeting, the Directors present constitute a quorum.

12.4.4 A Director disqualified from deliberating or voting on any matter by clause 12.5.2 is not to be included for the purpose of establishing a quorum in respect of that matter.

12.5 Voting

12.5.1 Questions arising at any meeting of Directors must be decided by a majority of votes;

12.5.2 An interested Director shall not take part in any deliberation or vote in respect of any matter in which that Director is interested.

12.5.3 In cases of an equality of votes the chairperson will have a second or casting vote provided that where two Directors form a quorum and only two Directors entitled to vote are present at a meeting, the chairperson of such meeting shall not have a second or casting vote;

12.5.4 A Director present at any meeting of Directors is not presumed to have agreed to, or voted in favour of, a resolution if he abstains from voting.

12.6 Vacancies

The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number necessary for a quorum, the continuing Directors or Director may act only for the purpose of summoning a special meeting of the Company.

12.7 Chairperson

The Directors may elect a chairperson of their meetings and determine the period for which he is to hold office.

12.8 Resolution in Writing

12.8.1 A resolution in writing, signed by a majority of the Directors for the time being entitled to receive notice of, and be included for the purpose of establishing a quorum, at a meeting of the Directors, will be as valid and effective as if it had been passed at a meeting of Directors duly convened and held;

12.8.2 Any such resolution may consist of several documents in like form, each signed by one or more Directors;

12.8.3 A facsimile of any signed resolution will be as valid and effective as the original signed document;

12.8.4 A copy of the signed resolution must be sent within seven (7) days to all of the Directors including those who did not sign or assent to the resolution.

12.9 Method of Meeting

12.9.1 A meeting of the Directors may be held either:

(a) By the number of the Directors who constitute a quorum being assembled together at the place, date and time appointed for the meeting; or

(b) By means of audio, or audio and visual, communication by which all Directors participating and constituting a quorum can simultaneously hear each other throughout the meeting;

12.9.2 Where a meeting of the Directors is held pursuant to clause 12.9.1(b) the following provisions apply:

(a) If the Company has a company secretary and he is present, the company secretary must take minutes of the meeting;

(b) If there is no company secretary or he is not present, then one of the Directors present or a person appointed by the Directors for the purpose, must take minutes of the meeting;

- (c) All the Directors for the time being entitled to receive notice of a meeting of the Directors are entitled to a notice of the meeting by telephone and to be linked by telephone for the purpose of the meeting;
- (d) Each of the Directors taking part in a meeting by telephone and the company secretary (if present) must be able to hear each of the other Directors taking part at the commencement of the meeting;
- (e) At the commencement of the meeting, each Director must acknowledge his presence to all the other Directors taking part;
- (f) A Director may not leave the meeting by disconnecting his telephone unless he has previously obtained the express consent of the chairperson of the meeting;
- (g) A Director will be conclusively presumed to have been present and to have formed part of the quorum at all times during the meeting by telephone unless he has previously obtained the express consent of the chairperson to leave the meeting;
- (h) A minute of the proceedings of the meeting by telephone will be sufficient evidence of the proceedings and of the observance of all necessary formalities if certified as a correct minute by the chairperson of the meeting.

12.10 Minutes

The Directors must ensure that minutes are kept of all proceedings at meetings of the Directors.

13. DIRECTORS' INDEMNITY AND INSURANCE

13.1 Indemnity

The Company is expressly authorised to and must indemnify any Director and may indemnify any employee against liability for acts or omissions and/or costs incurred in connection with claims of the type specifically contemplated by sub-sections (3) and (4) of Section 162 of the Act to the maximum extent permitted by those sub-sections and by law.

13.2 Insurance

The Company is expressly authorised to insure any Director or employee against liability for acts omissions and/or costs incurred in connection with claims of the type specifically contemplated by sub-section (5) of Section 162 of the Act to the maximum extent permitted by that sub-section and by law.

14. DIVIDENDS

14.1 Shares to Rank Equally for Dividend

Subject to the rights of persons, if any, entitled to Shares with special rights as to Dividend all Shares will rank equally for Dividends.

14.2 Deductions

The Directors may deduct from any Dividend or other Distribution payable to the Shareholder:

- 14.2.1 Any amount currently payable by the Shareholder to the Company on account of calls or otherwise in relation to the Shares on which the Dividend or Distribution is payable;

14.2.2 Any amount which the Company may be required by law to deduct including withholding and other taxes.

14.3 Method of Payment

14.3.1 Any Dividend, interest or other Distribution payable in cash in respect of Shares may be paid by telegraphic transfer or direct credit or such other means as the Directors may from time to time decide including cheque posted to the Registered Office of the Shareholder

14.3.2 Every telegraphic transfer, direct credit or such other means of payment including cheque must be made payable to the order of the person to whom it is sent.

15. NOTICES

15.1 Service on Directors, Shareholder and the Company

A notice may be served on any Director, Shareholder or the Company:

15.1.1 Personally; or

15.1.2 For service on a Director, by posting it by fast post in a prepaid envelope or package addressed to the Director at his last known address; or

15.1.3 For service on the Company, by delivery to the registered office of the Company; or

15.1.4 For service on the Company by posting it by fast post in a prepaid envelope or package addressed to the Company at its registered office; or

15.1.5 For service on the Shareholder, by delivery to the Head Office of the Shareholder; or

15.1.6 For service on the Shareholder by posting it by fast post in a prepaid envelope or package addressed to the Shareholder at its Registered Office.

16. LIQUIDATION

16.1 Distribution of Surplus Assets

16.1.1 Subject to the terms of issue of any Shares in the Company and subject to clause 16.2.1, upon the liquidation of the Company the assets, if any, remaining after payment of the debts and liabilities of the Company and the costs of winding up must be remitted to the Shareholder to be applied by the Shareholder to the Shareholder's Purposes.

16.1.2 Upon liquidation of the Company, any income shares and settlement quota held by the Company must be distributed to a wholly-owned company of the Shareholder. The constitution of that wholly-owned company must comply with all of the relevant requirements of the Maori Fisheries Act 2004.

16.2 Distribution in Specie

16.2.1 Upon a liquidation of the Company, the liquidator, with the sanction of an ordinary resolution of the Shareholder and any other sanction required by law, may distribute to the Shareholder in kind the whole or any part of the assets of the Company (whether they consist of property of the same kind or not) and may for that purpose set such value as the liquidator deems fair upon any property to be so distributed;

16.2.2 The liquidator may, with the same sanction, vest the whole or any part of any assets in trustees upon trusts for the benefit of the Shareholder as the liquidator thinks fit;

16.2.3 The Shareholder will not be compelled to accept any assets subject to any liability.

17. REMOVAL FROM THE NEW ZEALAND REGISTER

17.1 Removal

In the event that:

17.1.1 The Company has ceased to carry on business, has discharged in full its liabilities to all its known creditors, and has distributed its Surplus Assets in accordance with this Constitution and the Act; or

17.1.2 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;

17.1.3 A Director authorised by the Board of Directors may in the prescribed form request the Registrar to remove the Company from the New Zealand Register.

18. METHOD OF CONTRACTING

18.1 Entry into Obligations

Notwithstanding any provision to the contrary in this Constitution, for the purposes of section 180 of the Act any contract or other enforceable obligation which, if entered into by a natural person would, by law, be required to be by deed, may be entered into on behalf of the Company, in writing, signed under the name of the Company by:

18.1.1 Two or more Directors of the Company; or

18.1.2 If there is only one Director, by that Director providing his or her signature is witnessed; or

18.1.3 A Director or other person or class of persons authorised to do so by the board whose signature or signatures must be witnessed; or

18.1.4 One or more attorneys appointed by the Company in accordance with section 181 of the Act.

19. APPROVAL AND AMENDMENT OF CONSTITUTION.

19.1 Approval by Shareholder required

19.1.1 This Constitution will have no effect under the Māori Fisheries Act until it is:

(a) approved as complying with the requirements of the Māori Fisheries Act by the Shareholder; and

- (b) ratified as the asset holding company to receive, hold and manage the Settlement Quota and Income Shares on behalf of the Shareholder by not less than 75% of the Trustees of the Shareholder.

19.2 Amendment to Constitution

- 19.2.1 Prior to any resolution to amend this Constitution being placed before Shareholder, the Directors shall ensure that competent advice is obtained and made available to the Shareholder confirming that the proposed amendments will not jeopardise the charitable status of the Company or its entitlement to an income tax exemption on income derived by it.

19.3 Amendment must not be inconsistent with Māori Fisheries Act

- 19.3.1 Where any amendment to this constitution or the constitution of any subsidiary established by the Company under sub-clause 5.1 is proposed, to the extent that the relevant constitution relates to matters provided for by or under the Māori Fisheries Act, a proposal to change the relevant constitution must not be inconsistent with the Māori Fisheries Act.

19.4 Restrictions on amendment

- 19.4.1 Unless any amendment, under sub-clause 19.3, to this Constitution or the constitution of any subsidiary established by the Company under sub-clause 3.4 is required as a consequence of further criteria prescribed by Te Ohu Kai Moana Trustee Limited under section 25 of the Māori Fisheries Act, any proposal to amend the relevant constitution must not be made earlier than 2 years after the date on which the Shareholder is recognised by Te Ohu Kai Moana Trustee Limited as a Mandated Iwi Organisation and may only be promoted if the iwi resolves at a general meeting of the Shareholder that the change is for the collective benefit of all members of the iwi.

19.5 Application of sub-clause 19.1

- 19.5.1 Sub-clause 19.1 of this Constitution applies, with the necessary modifications, to amendments proposed to this Constitution or the constitution of any subsidiary established by the Company under sub-clause 3.4 under this clause, including amendments required as a consequence of rules made or amended by Te Ohu Kai Moana Trustee Limited under section 25 of the Māori Fisheries Act.

Certified as the Constitution of the Company

Director