

Constitution  
of  
Altamont North Lodge Limited

## TABLE OF CONTENTS

|  |    |
|--|----|
| 1. <i>Definitions</i>                                  | 3  |
| 2. <i>Issue of shares</i>                              | 5  |
| 3. <i>Purchase of own shares</i>                       | 5  |
| 4. <i>Transfer of Shares</i>                           | 6  |
| 5. <i>Share register</i>                               | 7  |
| 6. <i>Share certificates</i>                           | 7  |
| 7. <i>Transmission of shares</i>                       | 8  |
| 8. <i>Call on shares</i>                               | 8  |
| 9. <i>Suspension of right to dividends and lien</i>    | 9  |
| 10. <i>Distributions</i>                               | 10 |
| 11. <i>Statement of shareholder rights</i>             | 12 |
| 12. <i>Exercise of powers reserved to shareholders</i> | 12 |
| 13. <i>Meeting of shareholders</i>                     | 13 |
| 14. <i>Voting at meetings</i>                          | 15 |
| 15. <i>Appointment and removal</i>                     | 17 |
| 16. <i>Appointment and removal</i>                     | 19 |
| 17. <i>Powers and duties of the board</i>              | 20 |
| 18. <i>Proceedings of the board</i>                    | 22 |
| 19. <i>Interested directors</i>                        | 23 |
| 20. <i>Managing directors</i>                          | 24 |
| 21. <i>Restriction on use of shareholders funds</i>    | 25 |
| <br>   |    |
| <i>Schedule One: Occupancy licence</i>                 | 26 |
| <i>Schedule Two: Use of facilities</i>                 | 31 |

**Constitution of Altamont North Lodge Limited  
Pursuant to the Companies Act 1993**

**PART I**

**PRELIMINARY**

**1. Definitions**

- 1.1** In this constitution unless the context otherwise requires the words and expressions have the meanings given to them in this clause.
- “Act” means the Companies Act 1993.
- “alternate director” means a director appointed pursuant to clause 15.10 (a).
- “amalgamation” means the complete act of the company and one or more companies amalgamating pursuant to part XIII of the Act and continuing as one company, which may be one of the amalgamating companies or may be a new company.
- “annual meeting” means a meeting of shareholders pursuant to clause 13.1.
- “balance date” means the date adopted by the company in which the balance sheet of the company prepared for the purpose of its financial statements is prepared.
- “board” means directors numbering not less than the required quorum acting as the board of directors of the company, and when one director is a quorum, then that director so acting alone.
- “call” means a resolution of the board pursuant to clause 8.1 requiring shareholders to pay all or part of the unpaid part of the issue price of any shares and where the context requires means the obligation of a shareholder to meet the amount due pursuant to such a resolution.
- “class” and “class of shares” means a class of shares having attached to them identical rights, privileges, limitations and conditions.
- “chairperson” means the chairperson of the board elected pursuant to clause 18.1 or the person appointed pursuant to clause 18.1.
- “company” means Altamont North Lodge Limited.
- “constitution” means this constitution and all amendments made to it from time to time.
- “director” means a person appointed and continuing in office for the time being, in accordance with the constitution, as a director of the company.
- “general meeting” means any meeting of shareholders.
- “interests register” means a register kept by the company at its registered office pursuant to section 189 (1) (c) of the Act.
- “managing director” means an employee of the company with the responsibility for the management of the company (together with any other employee) who is appointed to the board pursuant to clause 20.
- “month” means calendar month.
- “ordinary resolution” means a resolution of shareholders approved by a simple majority of the votes of those shareholders entitled to vote and voting on the question.

“ordinary share” means a share which confers on the holder:

- (a) the right to vote at meetings of shareholders and on a poll to cast one vote for each share held; and
- (b) subject to the rights of any other class of shares, the right to an equal share in dividends and other distributions made by the company; and
- (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 shares required to be kept pursuant to clause 2 and in accordance with section 87 of the Act.

“share” means a share in the capital of the company.

“shareholder” means a person:

- (a) registered as the owner of one or more shares;
- (b) until such a time as his, her or its name is entered in the register, a person named as a shareholder in the application for registration of the constitution of the company, at the time of the incorporation of the company; and
- (c) until the person’s name is entered in the register, a person who is entitled to have that person’s name entered in the register under a registered amalgamation proposal as a shareholder in an amalgamated company.

“special meeting” means any meeting (other than an annual meeting) of shareholders entitled to vote on an issue, called at any time by the board or by any other person who by this constitution is entitled to call meetings of shareholders.

“special resolution” means a resolution of shareholders approved by a majority of 75 percent of the votes of those shareholders entitled to vote and voting on the question.

“working day” means a day of the week other than:

- (a) Saturday, Sunday, Good Friday, Easter Monday, Anzac Day, the Sovereign’s Birthday, Labour Day, and Waitangi Day; and
- (b) A day in the period commencing with 25 December in any year and ending with 2 January in the following year; and
- (c) If the first day of January in any year falls on a Friday, the following Monday; and
- (d) If the first day of January in any year falls on a Saturday or Sunday, the following Monday and Tuesday.

“writing” includes all modes of representing or reproducing words, figures or symbols in a visible form including reproduction by facsimile machine.

- 1.2** Words importing the singular number only include the plural number and vice versa.
- 1.3** A reference to a person includes any firm, company or other body corporate.
- 1.4** Subject to above, expressions included in this constitution bear the same meaning as in the Act at the date on which this constitution become binding on the company.
- 1.5** A reference to a clause means a clause in this constitution.
- 1.6** The clause headings and footnotes are included for the purpose of convenience and do not affect the construction of the constitution.

**PART II**  
**CAPITAL, SHARES AND DIVIDENDS**

**2. Issues of shares**

**2.1 Board may issue shares**

- (a) Subject to the terms of issue of any existing shares and subject to clause 2.1 (b) the board may issue shares, (and rights or options to acquire shares) of any class at any time, to any person and in such numbers as the company may from time to time by special resolution determine.
- (b) Unless the terms of issue of any class of shares that rank or would rank as to voting or distribution rights or both, equally with or prior to existing shares without any requirement that the shares be first offered to existing shareholders.

**2.2 Amount owing on issue of shares.** Where money or any other consideration is due to the company on shares in accordance with their terms of issue such an amount does not comprise a call and no notice is required to be given to the holder or other person liable under the terms of issue in order for the company to enforce payment of the amount due.

**2.3 Bonus shares.** The board may authorise the allotment to shareholders of shares issued as fully or partly paid up from the assets of the company.

**2.4 Company paying up partly paid shares.** Subject to the distribution meeting the solvency test and the test in the Act (if any) as to present cash value the board may authorise payment from the assets of the company any amount unpaid on shares already issued by the company.

**2.5 Attach to an occupation licence.** The board has the power to attach to any share an occupation licence in the form attached in schedule one. Every shareholder is entitled to the use of the facilities described in the preamble to the occupation licence.

**2.6 Variation of rights.** Subject as hereinafter provided in clause 2.6 the rights conferred on the holder of each share by this constitution and by the occupation licence attaching hereto as schedule one shall not be varied or altered without a special resolution of shareholders.

**2.7 Breach the provisions of occupancy licence.** Should any shareholder or associated user of a shareholder persistently breach the provisions of the occupation licence the directors shall cause to be served on such shareholder or delivered to its premises notice in writing of their intention at the expiration of thirty days to forfeit the share held by such shareholder and at the expiration of the said period or at any time thereafter the directors at their discretion may forfeit the share held by the said shareholder and terminate the occupation licence at the time held by such shareholder.

**3. Purchase of own shares**

**3.1 Purchase by company of its shares.** The company may, in accordance with the Act, purchase or otherwise acquire its shares.

**3.2 Cancellation of shares.** Shares acquired by the company pursuant to clause 3.1 may be cancelled immediately on acquisition by the company but any shares so cancelled may be reissued by the company; or

**3.3 Treasury Stock.** Shares acquired by the company pursuant to clause 3.1 may be held by the company but not cancelled.

**3.4 Offer to acquire shares.** The Board of the company is permitted to make an offer to one or more shareholders to acquire shares on behalf of the company provided such offer is made in accordance with the Act.

#### **4. Transfer of Shares**

**4.1 Entry in register.** Subject to clause 4.2 shares may be transferred by entry of the name of the transferee on the register.

**4.2 Signed transfer.** For the purpose of transferring shares a form of transfer signed by the present holder of the shares or the holder's representative must be delivered to the company or to the agent of the company who maintains the register.

**4.3 Form of transfer.**

- (a) The form of transfer may be in the form set out in the First Schedule to the Securities Transfer Act 1991 or in any usual or common form, or any other form approved by the board.
- (b) The form of transfer must be signed by the transferee if registration as holder of the shares would impose a liability on the transferee to the company.

**4.4 Board's right to refuse registration of transfer.**

- (a) The board may, within 30 working days of the receipt of a transfer of shares, refuse or delay the registration of the transfer if:
  - (i) the holder of the shares has failed to pay an amount due to the company in respect of those shares; or
  - (ii) the board considers that to effect the transfer would result in a breach of the law; or
  - (iii) the board considers that it is not in the best interests of the company to register the transfer in particular for the reason that the transferee has not been shown to be a responsible person; or
  - (iv) clause 6.3 (production of share certificate) has not been complied with or the share transfer has not been properly executed or does not comply with clause 4.3 (a).
- (b) A resolution of the board to refuse or delay a transfer of shares must set out in full the reason for doing so and must be sent to the transferor and transferee within 5 working days of the date of the resolution.

**4.5 Registration of transfer.** Subject to clause 4.3 (form of transfer) on receipt of a duly completed form of transfer, the company must enter the name of the transferee on the register as holder of the shares, unless the board has resolved in accordance with clause 4.4 to refuse or delay the transfer of shares.

**4.6 Transmission of shares.** Shares may pass by operation of law notwithstanding the provisions of clauses 4.1 to 4.5 above.

## 5. Share register

### 5.1 Maintain register.

- (a) The company must maintain a register which records all shares issued by the company and which states:
  - (i) whether under this constitution or the terms of issue of any shares there are any restrictions or limitations on their transfer; and
  - (ii) where any document that contains the restrictions or limitations may be inspected.
- (b) The company may appoint an agent to maintain the register.

### 5.2 Trust not to be registered or recognised:

- (a) No notice of trust, whether express, implied or constructive may be entered on the register.
- (b) Except as required by law, no person will be recognised by the company as holding any share upon trust or holding any interest in a share whether equitable, contingent, future or partial except the absolute legal right to the entirety of the share vested in the registered holder.
- (c) A personal representative of a deceased holder of shares is entitled to be entered into the register as the holder of such shares as a personal representative.
- (d) The registration of a trustee, executor or administrator as a personal representative of a former shareholder does not constitute notice of a trust.

## 6. Share certificates

**6.1 Application for share certificate.** A shareholder may apply to the company for a certificate relating to some or all of the shareholder's shares.

### 6.2 Issue of share certificate:

- (a) On receipt of an application for a share certificate under clause 6.1, the company must within 20 working days after receiving the application send to the shareholder a certificate stating the name of the company, the class and number of shares to which the certificate relates.
- (b) If the application relates to some but not all of the applicant's shares the company must separate the shares shown in the register as owned by the applicant into separate parcels; one parcel being the shares to which the share certificate relates, and the other parcel being any remaining shares.

**6.3 Transfer to be accompanied by certificate.** Notwithstanding clause 4 and section 84 of the Act (transfer of shares), where a share certificate has been issued, a transfer of shares must not be registered by the company unless the form of transfer is accompanied by the share certificate relating to the share, or by evidence as to its loss or destruction, and if required, an indemnity in a form required by the board.

**6.4 Surrendered share certificate.** Where shares to which a share certificate relates are transferred, and the share certificate has been sent to the company, to enable registration of the transfer, the share certificate will be cancelled and no further share certificate issued except at the request of the transferee.

## 7. Transmission of shares

- 7.1 Recognition of interest in shares.** In the case of a death of a shareholder, the survivor, where the deceased was a joint shareholder, and the legal personal representative of the deceased where the deceased was a sole holder, will be the only persons recognised by the company as having any title in the deceased's interest in the shares. Nothing contained in clause 7.1 will release the estate of a joint holder from any liability in respect of any share which had been jointly held by the deceased with any other persons.
- 7.2 Recognition of assignee.** Notwithstanding clause 5.2 the assignee of the property of a bankrupt shareholder is entitled to be registered as a holder of the shares held by the bankrupt.

## 8. Call on shares

- 8.1 Board may make calls.** Subject to the terms of issue of any shares the board may resolve to require the holders of unpaid or partly paid shares to pay all or part of the amount unpaid on the shares. The terms of the resolution of the board will constitute the terms of the obligation to pay the call including payment by instalments. The call may be revoked or postponed at any time by the board.
- 8.2 Notice of calls.**
- (a) Subject to the terms of issue of any class of shares and to clause 8.4 unless all the holders of a class of shares subject to a call unanimously agree, a call or the postponement or revocation of a call will apply to all holders of shares of the class equally.
  - (b) Notice of the call must be given to the holder of the shares at the time of the call or to a subsequent holder. Failure to give notice to a shareholder will not invalidate a call but it will not be payable by that shareholder until the notice has been served on the shareholder.
  - (c) Notice of a call sent by post to a shareholder to the address recorded in the register as the address of the shareholder will be deemed to have been received by the shareholder the day following the date of the posting of the notice to the shareholder.
- 8.3 Liability for calls.**
- (a) The joint holders of shares are jointly and severally liable to pay all calls in respect of the shares.
  - (b) If a call is not paid before or on the day appointed for payment the person from whom the sum is due will be liable to pay interest on the sum, from the day appointed for payment to the time of actual payment, at such a rate as the board determines either at the time of the call or subsequently.
  - (c) The liability for a call which has become due and payable attaches to the holder of the shares for the time being recorded in the register and not a prior holder of the shares notwithstanding that at the date of the call, or the date the call fell due for payment another person was the holder of the shares or that the notice of the call was served on the then shareholder and not the current holder of the shares.
  - (d) Following the registration in the register of a change of ownership of shares in respect of which a call has been made a notice of the call is not required to be served on the new holder of the shares.

**8.4 Agreement to differentiate calls.** The board may, on the issue of shares, by agreement with the shareholders concerned, differentiate between the holders of the same class as to the amount to be paid on the shares and the times of payment.

## **9. Suspension of right to dividends and lien**

**9.1 Notice of suspension of right to dividends.** If a shareholder fails to pay any call or instalment of a call on the day appointed for payment, the board may at any time after that date, while any part of the call or instalment payable by the shareholder remains unpaid, suspend payment of any dividends or other distribution payable to the shareholder until so much of the call or instalment as is unpaid together with any interest which may have accrued and all expenses that may have been incurred by the company by reason of such non-payment have been paid to the company in full.

**9.2 Application of suspended dividends.** All dividends and other distributions which would have been payable in respect of shares which are subject to a suspension of the right to dividends or distributions must be withheld and applied by the company to reduce the amount owing under the call, including amounts owing under clause 9.3 (b).

**9.3 Lifting of suspension of right to dividends.**

- (a) When the total dividends and distributions withheld and applied under clause 9.2 equal the total amount owing under the call the suspension of the right to dividends and distributions will be lifted, and all rights to be paid dividends and distributions on the shares will resume.
- (b) The amount owing under the call for the purpose of clauses 9.2 and 9.3 may include any interest which may have accrued and all expenses which may have been incurred by the company by reason of non-payment by the shareholder under the call.

**9.4 Lien.**

- (a) The company has a first and paramount lien upon every share registered in the name of the shareholder (whether solely or jointly with others) and upon the proceeds of sale those shares for all money (whether presently payable or not) payable in respect of shares held by the shareholder and for all other money presently payable by the shareholder to the company on any account whatever and also for such amounts (if any) as the company may be called upon to pay under any statute or regulation in respect of shares of a deceased or other shareholder, whether the period for the payment, fulfilment or discharge respectively has actually arrived or not.
- (b) The lien extends to all dividends from time to time declared in respect of the shares.

**9.5 Sale on exercise of lien.**

- (a) The company may sell in such manner as the board thinks fit any shares on which the company has a lien but no sale may be made unless a sum in respect of which the lien exists is due and payable nor until expiration of 14 days after a notice in writing, stating and demanding payment of the amount due and payable in respect of which the lien exists has been given to the registered holder for the time being of the share or the person entitled to that share by reason of the registered holder's death or bankruptcy.

- (b) The net proceeds of the sale of any shares sold for the purpose of enforcing a lien is to be applied in or towards satisfaction of any unpaid calls, instalments or other money in respect of which the lien existed and the residue, if any, paid to the former holder of the shares.
- (c) A certificate signed by a director stating that the power of sale provided in this clause 9 has arisen, and is exercisable by the company under this constitution, will be conclusive evidence of the facts stated in the certificate.
- (d) For giving effect to any sale enforcing a lien in purported exercise of the powers given in this constitution, the board may authorise some person to transfer the shares sold to the purchase. The purchaser will be registered as the holder of the shares comprised in the transfer and will not be bound to see to the application of the purchase money, nor will the purchaser's title to the shares be affected by an irregularity or invalidity in the proceedings in reference to the sale. The remedy of any person aggrieved by the sale will be in damages only and against the company exclusively. If the certificate for the shares is not delivered up to the company the board may issue a new certificate distinguishing it as the board thinks fit from the certificate not delivered up.

## **10. Distributions**

### **10.1 Solvency test:**

- (a) Subject to clause 10.2 the board may, if it is satisfied on reasonable grounds that the company will, immediately after the distribution, satisfy the solvency test, authorise a distribution by the company to shareholders of an amount and to any shareholder as the company may authorise from time to time by ordinary resolution.
- (b) The directors who vote in favour of a distribution must sign a certificate stating that in their opinion the company will, immediately after the distribution, satisfy the solvency test and stating the grounds for that opinion.
- (c) For the purpose of this clause in applying the solvency test "debts" and "liabilities" have the same meaning given to them in section 52 (4) of the Act.

### **10.2 Dividends payable pari passu.**

- (a) Subject to clause 10.2 (b) the board may not authorise a dividend:
  - (i) in respect of some but not all the shares in a class; or
  - (ii) that is of a greater value per share in respect of some shares of a class than in respect of other shares of that class, unless the amount of the dividend in respect of a share of that class is in proportion to the amount paid to the company in satisfaction of the liability of the holder of the shares under this constitution or under the terms of issue of the shares.
- (b) A shareholder may, by notice in writing signed by or on behalf of the shareholder, and given to the company, waive his or her entitlement to receive a dividend.

- (c) If all the shareholders of the same class concur in writing in respect of each proposed dividend the company may pay a dividend which is distributed other than in accordance with clause 10.2 (a)

**10.3 Bonus shares in lieu of dividend.** The board may issue shares to any shareholders who have agreed to accept the issue of shares wholly or partly in lieu of a proposed dividend or proposed future dividend if:

- (a) the right to receive shares wholly or partly in lieu of the proposed dividend or proposed future dividend have been offered to all shareholders of the same class on the same terms; and
- (b) if all shareholders elected to receive the shares in lieu of the proposed dividend, relative voting or distribution rights, or both, would be maintained; and
- (c) the shareholders to whom the right is offered are afforded a reasonable opportunity of accepting it; and
- (d) the shares issued to each shareholder are issued on the same terms and subject to the same rights as the shares issued to all shareholders in that class who agree to receive the shares; and
- (e) the provisions of section 47 of the Act are complied with by the board.

**10.4 Rebates to shareholders.** The board may declare and/or pay rebates to members in respect of purchases from the company during the immediately preceding financial year of the company in which the event the following provisions shall apply:

- (a) rebates may be declared and/or paid on such terms and conditions whether as to amounts, dates of payment, interest bearing and rate of interest or otherwise howsoever as the board in its discretion thinks fit.
- (b) rebates may be declared and/or paid with different terms and conditions attaching to specific parts thereof.
- (c) notwithstanding that the date of payment of any rebate or part thereof may be deferred the company shall nevertheless be entitled at any time without notice to pay to any member the amount of such rebate (or part thereof) or the balance thereof remaining owing together with interest (if applicable) up to the date of payment.
- (d) the board may from time to time declare and/or pay to members who qualify such interim rebates as appears to the board to be justified by the profits of the company.
- (e) Whether any rebates are declared and/or paid and the basis or method of assessing rebates shall be at the absolute discretion of the Board.

**10.5 Financial assistance on acquisition of shares.** The company may, subject to and in accordance with the Act, give financial assistance to a person for the purpose of, or in connection with, the purchase of shares issued, or to be issued by the company, or by its holding company, whether directly or indirectly.

## PART III

### SHAREHOLDERS' RIGHTS AND OBLIGATIONS

#### 11. Statement of shareholder rights

- 11.1 Issue of statement of rights to shareholder.** The company must issue to a shareholder, on request, a statement that sets out:
- (a) the class of shares held by the shareholder, the total number of shares of that class issued by the company, and the number of shares of that class held by the shareholder;
  - (b) the rights, privileges, conditions and limitations, including restrictions on transfer, attaching to the shares held by the shareholder; and
  - (c) the relationship of the shares held by the shareholder to other classes of shares.
- 11.2 Company not obliged to issue statement.** The company is not obliged to provide a shareholder with a statement, pursuant to clause 11.1 if:
- (a) a statement has been provided within the previous 6 months;
  - (b) the shareholder has not acquired or disposed of shares since the previous statement was provided;
  - (c) the rights attached to the shares have not been altered since the previous statement was provided; and
  - (d) there are no special circumstances which would make it unreasonable for the company to refuse the request.
- 11.3 Statement not evidence.** A statement issued pursuant to clause 11.1 must state in a prominent place that it is not evidence of title to the shares of the matters set out in it.

#### 12. Exercise of powers reserved to shareholders

- 12.1 Powers reserved to shareholders.**
- (a) Powers reserved to shareholders of the company by the Act or by this constitution may be exercised:
    - (i) at an annual meeting or a special meeting; or
    - (ii) by a resolution in lieu of a meeting pursuant to clause 13.3.
  - (b) Unless otherwise specified in the Act or in this constitution, a power reserved to shareholders may be exercised by an ordinary resolution.
- 12.2 Special resolutions.** When shareholders exercise a power to approve any of the following that power may only be exercised by a special resolution:
- (a) an alteration to or revocation of this constitution or the adoption of a new constitution;
  - (b) a major transaction;
  - (c) an amalgamation;
  - (d) the liquidation of the company.

Any decision made by special resolution pursuant to this clause may be rescinded only by a special resolution, provided that a resolution to put the company into liquidation cannot be rescinded.

### **13. Meeting of shareholders**

#### **13.1 Annual meeting.**

- (a) The board must, in accordance with section 120 of the Act (annual meetings of shareholders), call an annual meeting of shareholders to be held:
  - (i) once in each calendar year (other than in the year of its incorporation);
  - (ii) not later than 6 months after the balance date of the company; and
  - (iii) not later than 15 months after the previous annual meeting, or in respect of its first annual meeting not later than 18 months after its date of incorporation.
- (b) The company must hold the annual meeting on the date on which it is called to be held.

#### **13.2 Special meetings.** A special meeting of shareholders entitled to vote on an issue:

- (a) may be called at any time by the board or a person who is authorised by the constitution to call the meeting; and
- (b) must be called by the board on the written request of shareholders holding not less than 5 percent of the votes entitled to be cast on the issue.

#### **13.3 Resolution in lieu of meeting.**

- (a) Subject to clause 13.3 (b) a resolution in writing signed by not less than 75 percent of the shareholders who would be entitled to vote on that resolution at a meeting of shareholders who together hold not less than 75 percent of the votes entitled to be cast on that resolution, is as valid as if it had been passed at a meeting of those shareholders.
- (b) A resolution pursuant to section 196 (2) of the Act to not appoint an auditor may be passed as provided in clause 13.3 (a) provided that the resolution must be signed by all the shareholders entitled to vote on the resolution.
- (c) Within 5 working days of a resolution being passed under this clause the company must send a copy of the resolution to every shareholder who did not sign the resolution or on whose behalf the resolution was not signed.

#### **13.4 Chairperson of meetings of shareholders.**

- (a) If the directors have elected a chairperson and that chairperson is present at a meeting of shareholders he or she must chair the meeting.
- (b) If no chairperson has been elected or if, at any meeting of shareholders, the chairperson is not present within 15 minutes of the time appointed for the commencement of the meeting, the shareholders present may choose one of their number to chair the meeting.

**13.5 Shareholders entitled to notice of meeting.**

- (a) The shareholders entitled to receive notice of a meeting of shareholders are the shareholders of the relevant class:
  - (i) if the board has fixed a date for the purpose of establishing an entitlement to receive notice, those shareholders whose names are registered in the register on that date; or
  - (ii) if the board does not fix a date for the purpose of establishing an entitlement to receive the notice of meeting, those shareholders whose names are registered in the register at the close of business on the day immediately preceding the day on which the notice is given.
- (b) A date fixed by the board under clause 13.5 (a) (i) must not precede by more than 30 working days nor less than 15 working days the date on which the meeting is to be held

**13.6 Notice of meeting.** Written notice of the time and place of a meeting of shareholders must be sent to every shareholder entitled to receive notice of the meeting, and to every director and the auditor of the company, not less than 15 working days before the meeting.

**13.7 Contents of notice.** The notice referred to in clause 13.6 must state:

- (a) The nature of the business to be transacted at the meeting in sufficient detail to enable a shareholder to form a reasoned judgement in relation to it; and
- (b) the text of any resolution to be submitted to the meeting.

**13.8 Irregularities in notice.** An irregularity in a notice of a meeting is waived if all the shareholders entitled to attend and vote at the meeting, attend the meeting without protest as to the irregularity, or if all such shareholders agree to the waiver.

**13.9 Method of holding meeting.** A meeting of shareholders may be held either:

- (a) by a number of shareholders, 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 shareholders participating and constituting a quorum, can simultaneously hear each other throughout the meeting.

**13.10 Adjournments.** If a meeting of shareholders is adjourned for less than 30 days it is not necessary to give notice of the time and place of the adjourned meeting other than by announcement at the meeting which is adjourned.

**13.11 Minutes.**

- (a) The board must ensure that full and accurate minutes are kept of all proceedings at meetings of shareholders.
- (b) Minutes which have been signed correct by the chairperson of the meeting are prima facie evidence of the proceedings.

## **14. Voting at meetings**

### **14.1 Quorum.**

- (a) A quorum for a meeting of shareholders is present if twelve (12) shareholders who are entitled to vote are present in person or by proxy.
- (b) No business may be transacted at a meeting of shareholders if a quorum is not present.
- (c) If a quorum is not present within 30 minutes after the time appointed for the meeting:
  - (i) in the case of a meeting called pursuant to a requisition of shareholders under clause 13.2 (b) the meeting is dissolved;
  - (ii) 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, and if at the adjourned meeting a quorum is not present within 30 minutes after the time appointed for the meeting, the shareholders present or their proxies are a quorum.

### **14.2 Voting.**

- (a) In the case of a meeting of shareholders held under clause 13.9 (a) unless a poll is demanded, voting at the meeting shall be by whichever of the following methods is determined by the chairperson of the meeting:
  - (i) voting by voice; or
  - (ii) voting by show of hands
- (b) In the case of a meeting of shareholders held under clause 13.9 (b) unless a poll is demanded, voting at the meeting shall be by the shareholders signifying individually their assent or dissent by voice.
- (c) A declaration by the chairperson of the meeting that a resolution is carried by the requisite majority is conclusive evidence of that fact unless a poll is demanded in accordance with clause 14.2 (d).
- (d) At a meeting of shareholders a poll may be demanded by:
  - (i) not less than 5 shareholders having the right to vote at the meeting; or
  - (ii) a shareholder or shareholders representing not less than 10 percent of the total voting rights of all shareholders having the right to vote at the meeting; or
  - (iii) by a shareholder or shareholders holding shares that confer a right to vote at the meeting and on which the aggregate amount paid up is not less than 10 percent of the total amount paid up on all shares that confer that right.
- (e) A poll may be demanded either before or after the vote is taken on a resolution.
- (f) If a poll is taken, votes must be counted according to the votes attached to the shares of each shareholder present in person or by proxy and voting.
- (g) The chairperson of a shareholders meeting shall be entitled to a casting vote.

**14.3 Proxies and representatives.**

- (a) A shareholder may exercise the right to vote either by being present or by proxy.
- (b) A proxy for a shareholder is entitled to attend and be heard and vote at a meeting of shareholders as if the proxy were the shareholder.
- (c) A proxy must be appointed by notice in writing signed by the shareholder and the notice must state whether the appointment is for a particular meeting or a specified term not exceeding 12 months.
- (d) No proxy is effective in relation to a meeting unless a copy of the notice of appointment is produced before the start of the meeting.
- (e) A body corporate which is a shareholder may appoint a representative to attend a meeting of shareholders on its behalf in the same manner as that in which it could appoint a proxy.

**14.4 Votes of joint holders.** Where 2 or more persons are recorded in the register as the holder of a share, the vote of the person named first in the register and voting on a resolution will be accepted to the exclusion of the votes of the other joint holders.

**14.5 Unpaid calls.** If a sum due to the company in respect of a share has not been paid, that share may not be voted at a shareholder's meeting other than at a meeting of an interest group.

**PART IV**  
**DIRECTORS**

**15. Appointment and removal**

- 15.1 Number of directors.** Subject to clause 15.6 (continuing directors) the number of directors may not be fewer than 2 nor more than 5.
- 15.2 Directors.** The directors are the persons named as the directors in the application for reregistration of the company.
- 15.3 Power of directors to fill casual vacancy or appoint additional directors.** The board shall have the power at any time, to appoint any other suitable person as a director, either to fill a casual vacancy or as an addition to the board, but so that the total number of directors shall not at any time exceed the maximum number fixed pursuant to clause 15.1. Any director so appointed shall retire at the next annual general meeting of the company but shall be eligible for re-election at that meeting.
- 15.4 Rotation of directors**
- (a) **One third of directors to retire at annual meeting.** Subject to clauses 15.4(c) and 15.4(d) at the annual general meeting in each year one third of the directors for the time being, or if their number is not a multiple of 3, then the number nearest one third shall retire from office.
- (b) **Senior directors to retire.** The directors to retire in each year shall be those who have been longest in office. As between two or more who have been in office an equal length of time, the directors to retire shall in default of an agreement between them be determined by lot. The length of time a director has been in office shall be computed from that person's last election where such person has previously retired or vacated office. A retiring director shall be eligible for re-election and shall act as a director throughout the meeting at which such person retires.
- (c) **Exceptions to rotation.** The following directors shall be exempt from the obligation to retire pursuant to clause 15.4(a):
- (i) directors appointed by the board pursuant to clause 15.3; and
  - (ii) the Managing Director
- (d) **Calculation of number of directors to rotate.** The Managing Director referred to in clause 15.4(c)(ii) shall be included in the number of directors upon which the calculation in clause 15.4(a) is based. The directors referred to in clause 15.4(c)(i) shall be excluded from that number.
- (e) **Office may be filled at meeting at which directors retire.** The company at any meeting at which any directors retire in the manner aforesaid may by ordinary resolution fill the vacated office by electing a like number of persons to be directors, and in default, a retiring director, if offering himself or herself for re-election, shall be deemed to have been re-elected unless at that meeting it is expressly resolved not to fill the vacated office, or unless a resolution for the re-election of that director is put to the meeting and lost.

**15.5 Directors may be removed by ordinary resolution.** The company may by ordinary resolution of which notice has been given in accordance with the Act remove any director before the expiration of that director's period of office, and may by an ordinary resolution appoint another person in such director's stead. The person so appointed shall be subject to retirement at the same time as if such person had become a director on the date on which the director in whose place such person is appointed was last elected a director.

**15.6 Increase in the number of directors below minimum.** Should the number of directors be reduced below the number fixed by clause 15.1 as being the minimum number of directors, the continuing director may act for the purpose of increasing the number of directors to the minimum number or for summoning a meeting of the company, but for no other purpose.

**15.7 Nominations of directors**

(a) No person (other than a director retiring at the meeting) shall be elected as a director at a meeting of shareholders unless that person has been nominated by a shareholder entitled to attend and vote at the meeting and that person has given notice to the company of his or her willingness to be appointed. Other than in the case of a nomination of a person who is recommended by the directors, the opening date for nominations shall not be later than 3 months, and the closing date for nominations shall not be earlier than 10 working days, before the date of the meeting at which the election is to take place. In the case of a nomination of a person who is recommended by the directors, there shall be no opening date and the closing date shall be the day before notice of nominations is given in accordance with the next sentence of this clause. Notice of every nomination received by the company before the closing date for nominations shall be given by the company not less than five (5) working days before the meeting to all persons entitled to attend the meeting.

(b) **Appointment voted on individually.** No resolution to appoint or elect a director (including a resolution to re-elect any director appointed under clause 15.3) shall be put to the shareholders unless:

- (i) The resolution is for the appointment of one director; or
- (ii) The resolution is a single resolution for the appointment of two or more directors, and a separate resolution that it be so voted on has first been passed without a vote being cast against it.

Nothing in this clause 15.7(b) shall prevent the election of two or more directors by ballot or poll where the number of candidates for the office of director exceeds the vacancies available and the ballot or poll will result in the election of those candidates, equal to the number of vacancies to be filled, who receive the highest number of votes.

(c) **Consent to act.** The appointment of a director shall not take effect until the consent so to act in writing of the person appointed is received by the company.

**15.8 Disqualification and removal.** A person will be disqualified from holding the office of director if he or she:

- (a) is removed under clause 15.5; or
- (b) resigns in writing; or
- (c) becomes disqualified from being a director pursuant to section 151 of the Act; or

- (d) is prohibited from being a director or officer or promoter or being concerned or taking part in the management of a company under sections 199K, 199L or 199N of the Companies Act 1955 or who would be so prohibited but for the repeal of that Act; or
- (e) is prohibited from being a director or promoter of or being concerned with or taking part in the management of a company under section 382 or section 385 of the Act; or
- (f) dies; or
- (g) becomes a protected person under the Protection of Personal and Property Rights Act 1988; or
- (h) is under 18 years of age; or
- (i) is an undischarged bankrupt.

**15.9 Shareholder qualification.** The shareholding qualification for directors may be fixed by an ordinary resolution of the company, and unless and until so fixed, no qualification shall be required.

**15.10 Alternate directors.**

- (a) Every director may by notice given in writing to the company, appoint any person (including any other director) to act as an alternate director in the director's place either generally or in respect of a specified meeting or meetings during the director's absence or inability to act as a director and at the director's discretion by notice in writing to the company, to remove the director's alternate director. On any such appointment being made the alternate director may, while acting in the place of the director, represent, exercise and discharge all the powers, rights, duties and privileges (but not including the right of acting as chairperson and signing board resolutions) of the director appointing the alternate director and is subject in all respects to the same terms and provisions as that director except as regards remuneration and except as regards the power to appoint an alternate director under this constitution. For the purpose of establishing a quorum of the board an alternate director is deemed to be the director appointing him or her.
- (b) The notice of appointment of an alternate director should include an address for service of notice of meetings of directors. Failure to give an address will not invalidate the appointment but notice of meetings of the board need not be given to the alternate director until an address is provided to the company.

**16. Indemnity and insurance**

**16.1 Indemnity of directors and employees.**

- (a) The board may cause the company to indemnify a director or employee of the company or related company for costs incurred by him or her in any proceeding:
  - (i) that relates to liability for any act or omission in his or her capacity as a director or employee; and
  - (ii) in which judgement is given in his or her favour or in which he or she is acquitted, or which is discontinued.
- (b) The board may cause the company to indemnify a director or employee of the company or related company in respect of:

- (i) liability to any person other than the company or a related company for any act or omission in his or her capacity as a director or employee; or
  - (ii) costs incurred by the director or employee in defending or settling any claim or proceeding relating to or any liability under paragraph 16.1(b)(i) not being a criminal liability or liability in respect of a breach, in the case of a director, of the duty specified in section 131 of the Act (duty to act in good faith and in the best interests of the company) or, in the case of any employee, of any fiduciary duty owed to the company or related company.
- (c) The board must ensure that particulars of any indemnity given to any director or employee of the company or related company are forthwith entered in the interests register.

**16.2 Insurance of directors and employees.**

- (a) The board may, subject to section 162 of the Act, cause the company to effect insurance for directors and for employees of the company or a related company in respect of:
- (i) liability, not being criminal liability, for any act or omission in his or her capacity as a director or employee; or
  - (ii) costs incurred by such directors or employees in defending or settling any claim or proceeding relating to any such liability; or
  - (iii) costs incurred by a director or employee in defending any criminal proceedings in which he or she is acquitted.
- (b) The directors who vote in favour of authorising the effecting of insurance under clause 16.2(a) must sign a certificate stating that, in their opinion, the cost of effecting the insurance is fair to the company.
- (c) The board must ensure that particulars of any insurance effected for any director or employee of the company or related company are forthwith entered in the interests register.

**16.3 Definitions.** For the purpose of this clause 16 “director” includes a former director and “employee” includes a former employee.

**17. Powers and duties of board**

**17.1 Powers of board.**

- (a) The business and affairs of the company must be managed by or under the direction or supervision of the board.
- (b) The board has, and may exercise, all the powers necessary for managing, directing and supervising the business and affairs of the company except to the extent that this constitution or the Act expressly requires those powers to be exercised by the shareholders or any other person.

**17.2 Delegation by the board.**

- (a) The board may delegate to a committee of directors, a director, or an employee of the company or any other person any one or more of its powers other than the powers referred to in the following sections of the Act:
- (i) section 23(1)(c) (change of company names);

- (ii) section 42 (issue of shares);
  - (iii) section 44 (shareholder approval to the issuer of shares);
  - (iv) section 47 (consideration for the issue of shares);
  - (v) section 52 (distributions);
  - (vi) section 54 (shares in lieu of dividends);
  - (vii) section 55 (shareholder discounts);
  - (viii) section 60 (offers to acquire shares);
  - (ix) section 61 (special offers to acquire shares);
  - (x) section 63 (stock exchange acquisitions subject to prior notice to shareholders);
  - (xi) section 65 (stock exchange acquisitions not subject to prior notice to shareholders);
  - (xii) section 69 (redemption of shares at the option of a company);
  - (xiii) section 71 (special redemptions of shares);
  - (xiv) section 76 (provision of financial assistance);
  - (xv) section 78 (special financial assistance);
  - (xvi) section 80 (financial assistance not exceeding 5 percent of shareholders' funds);
  - (xvii) section 84(4) (transfer of shares);
  - (xviii) section 187 (change of registered office);
  - (xix) section 193 (change of address for service);
  - (xx) section 221 (manner of approving an amalgamation proposal);
  - (xxi) section 222 (short form amalgamation).
- (b) The board is responsible for the exercise by any delegate of a power delegated under this clause 17.2 as if the power had been exercised by the board, unless the board;
- (i) believed on reasonable grounds at all times before the exercise of the power that the delegate would exercise the power in conformity with the duties imposed on the directors by the Act and this constitution; and
  - (ii) has monitored by means of reasonable methods properly used, the exercise of the power of the delegate.

**17.3 Directors to act in good faith.**

- (a) A director, when exercising powers or performing duties, must act in good faith and in what the director believes to be the best interest of the company.
- (b) Nothing in this clause 17.3 limits the power of a director to make provision for the benefit of employees of the company in connection with the company ceasing to carry on the whole or part of its business.

**17.4 Major transactions.** The board may not procure or permit the company to enter into a major transaction unless the transaction is:

- (a) Approved by special resolution; or

- (b) is made contingent on approval by special resolution.

## **18. Proceedings of the board**

### **18.1 Chairperson.**

- (a) The directors may elect one of their number as chairperson of the board.
- (b) The director elected as chairperson holds that office until he or she resigns or the directors elect a chairperson in his or her place.
- (c) If no chairperson is elected, or if at a meeting of the board the chairperson is not present within 5 minutes after the time appointed for the commencement of the meeting, the directors present may choose one of their number to be chairperson of the meeting.

### **18.2 Notice of meeting.**

- (a) A director or, if requested by a director to do so, an employee of the company may convene a meeting of the board by giving notice in accordance with this clause.
- (b) Not less than 2 days' notice of a meeting of the board must be given to every director who is in New Zealand, and the notice must include the date, time and place of the meeting and the matters to be discussed.
- (c) An irregularity in the notice of meeting is waived if all directors attend the meeting without protest as to the irregularity or if all directors entitled to receive notice of the meeting agree to the waiver.
- (d) Notice of a meeting may be given by any means, including by telephone. Notice given by a letter addressed to a director at his or her last known residential address will be deemed to have been given on the day following the day the letter is posted.

### **18.3 Method of holding meetings.** A meeting of the board may be held either:

- (a) by a number of directors sufficient to form 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 the directors participating in the meeting and constituting a quorum can simultaneously hear each other throughout the meeting.

### **18.4 Quorum.**

- (a) A quorum for a meeting of the board is a majority of the directors.
- (b) No business may be transacted at a meeting of directors if a quorum is not present.
- (c) In accordance with clause 15.10 an alternate director present at a meeting may be included for the purpose of establishing a quorum.

### **18.5 Voting.**

- (a) Every director has one vote.
- (b) The chairperson does have a casting vote.
- (c) A resolution of the board is passed if it is agreed to by all directors present without dissent or if a majority of the votes cast on it are in favour of it.

- (d) A director present at a meeting of the board is presumed to have agreed to, and to have voted in favour of a resolution of the board, unless he or she expressly dissents from, or votes against the resolution at the meeting.
- (e) A director may vote in respect of any transaction in which the director is interested and if the director does so the director's vote will be counted and the director will be counted in the quorum present at the meeting.
- (f) An alternate director may attend and vote at meetings of the board in accordance with and subject to clause 15.10(a) if the director that has appointed the alternate director is absent from the meeting.

**18.6 Minutes.** The board must ensure that full and accurate minutes are kept of all proceedings at meetings of the board.

**18.7 Unanimous resolution.**

- (a) A resolution in writing, signed or assented to by all directors then entitled to receive notice of a board meeting, is as valid and effective as if it had been passed at a meeting of the board duly convened and held.
- (b) Any such resolution may consist of several documents (including facsimile or other similar means of communication) in like form each signed or assented to by one or more directors.
- (c) A copy of any such resolution must be entered in the minute book of board proceedings.

**18.8 Other proceedings.** Except as provided in this clause 18 the board may regulate its own procedure.

**18.9 Alternate directors.** It is not necessary to give notice of a meeting of the board to any director for the time being absent from New Zealand but if a director is resident outside New Zealand, or to the knowledge of the company is temporarily absent from New Zealand and the director has appointed an alternate director under the provisions of this constitution, notice must (subject to clause 15.10(b)) be given to the alternate director.

**19. Interested directors**

**19.1 Authority to remunerate directors.**

- (a) The board may, subject to approval by an ordinary resolution of the company, authorise:
  - (i) the payment of remuneration or the provision of other benefits by the company to a director for his or her services as a director or in any other capacity or by way of compensation for loss of office;
  - (ii) the making of loans by the company to a director;
  - (iii) the giving of guarantees by the company for debts incurred by a director; or
  - (iv) the entering into of a contract to do any of the things set out in subclauses (i)-(iii) (inclusive) of this clause.

if the board is satisfied that to do so is fair to the company.

- (b) In addition to the remuneration and benefits in clause 19.1(a) above and without approval of an ordinary resolution of the company the directors shall be entitled to be reimbursed all travelling, hotel and other expenses properly

incurred by them in attending and returning from meetings of the directors or any committee of the directors or general meetings of the company or in connection with the business of the company.

- (c) The payment of remuneration or the giving of any other benefit to a director in accordance with a contract authorised pursuant to clause 19.1(a) need not be separately authorised by the board.
- (d) The board must ensure that forthwith after authorising any payment, loan, guarantee, or contract made pursuant to clause 19.1(a) particulars are entered in the interests register.
- (e) The directors who vote in favour of authorising a payment, loan, guarantee or contract under clause 19.1(a) must sign a certificate stating that, in their opinion, the making of the payment or loan or the giving of the guarantee, or the entering into of the contract is fair to the company and the reasons for that opinion.

## **19.2 Other offices with company held by director.**

- (a) Any director may act by himself or herself or by the director's firm in a professional capacity for the company, and the director or the director's firm will be entitled to remuneration for professional services as if the director were not a director. Nothing in this clause authorises a director of the director's firm to act as auditor to the company.
- (b) A director may hold any other office or place of profit under the company (other than the office of auditor) in conjunction with the director's office of director for such period and on such terms (as to remuneration and otherwise) as the board may determine.
- (c) Other than as provided in clause 19.3 a director is not disqualified by virtue of his or her office from entering into any transaction with the company and any such transaction will be valid and enforceable to the same extent if he or she were not a director and not in a fiduciary relationship with the company.

## **19.3 Notice of interest to be given.**

- (a) A director must, forthwith after becoming aware of the fact that he or she is interested in a transaction or proposed transaction with the company, cause to be entered in the interests register, and, if the company has more than one director, disclose to the board of the company:
  - (i) if the monetary value of the director's interest is able to be quantified, the nature and monetary value of that interest; or
  - (ii) if the monetary value of the director's interest is cannot be quantified, the nature and extent of that interest.
- (b) For the purposes of clause 19.3(a) a general notice entered in the interests register or disclosed to the board to the effect that the director is a shareholder, director, officer or trustee of another named company or other person and is to be registered as interested in any transaction which may, after the date of the entry or disclosure, be entered into with that company or person, is a sufficient disclosure of interest in relation to that transaction.

## **20. Managing directors**

### **20.1 Appointment and dismissal.**

- (a) The board may from time to time appoint one or more of their body to the office of managing director or managing directors of the company either for a fixed term or without any limitation as to the term. The board shall not have authority to confer on the managing director the power to make calls, forfeit shares, borrow money or issue debentures.
- (b) Every managing director is liable to be dismissed or removed by a resolution of the board. The board may enter any agreement on behalf of the company with any person who is or is about to become a managing director with regard to the length and terms of the managing director's employment, on the basis that the remedy of any such person for any breach of the agreement will be in damages only and the managing director will not have a right or claim to continue in office as managing director contrary to the will of the board.

**20.2 Termination of employment.** A managing director is, subject to the terms of any contract, subject to the same provisions as regards resignation, removal and disqualification as the other directors and if the managing director ceases to hold the office of director for any reason the managing director will immediately cease to be a managing director.

## **21. Restriction on use of shareholder funds**

Except for the residential property described in the preamble to the occupation licence attached as schedule one to this constitution (and other residential properties the company may buy, if any, from time to time for the use of the shareholders of the company), and funds set aside for maintenance or replacement of assets or reserved for meeting the company's costs, the company may hold no significant assets.

This document comprising pages numbered from 1 to 34 is certified as the constitution of Altamont North Lodge Limited.

Dated

CERTIFIED BY  
GRAHAM CHARKES HARE

Applicant for the Company

## SCHEDULE ONE TO THE CONSTITUTION

### Occupation Licence

Deed dated

2006

### Parties

- 1 **Altamont North Lodge Limited** a duly incorporated company having its registered office at Wanaka (“the Company”) of the one part
- 2 The **Shareholder**, \_\_\_\_\_ located at \_\_\_\_\_ being the shareholder of the other part

### PREAMBLE

- A The Company is the proprietor in fee simple of all that property situated at 121 Mount Aspiring Road, Wanaka containing 2059m<sup>2</sup> Lot 1 Deposited Plan 340126 Certificate of Title Identifier 164774 (Otago Registry) SUBJECT TO fencing provision in Transfer 613146 AND TO Consent Notice in 6236392.1 AND TO Right of Way created by Easement Certificate 6236392.3 on which stands a residential accommodation facility known as Altamont Lodge, adjacent carparks and gardens provided for the use of all shareholders in the Company and their invitees, and a separate managers residence (“the facilities”).
- B The Shareholder is the owner of one share in the Company numbered [**Share Number**] entitling the Shareholder to occupation rights to the individual bedrooms in and to all other common areas in and around the facilities on the terms and conditions set out in the Schedule hereto SUBJECT TO the provisions of the Constitution of the Company and to the provisions of this licence.

### IT IS AGREED

- 1 On execution of this licence the Shareholder shall be entitled to occupy use and enjoy the facilities as if the Shareholder were the absolute owner thereof SUBJECT TO the provisions of the Constitution of the Company, this licence and the reciprocal rights of all other shareholders in the Company, their licencees, visitors and other persons lawfully using the facilities.
- 2 The Shareholder shall regularly and punctually pay such sum as shall be prescribed from time to time by the directors of the Company (acting in accordance with the Constitution of the Company) which may be required to reimburse the Company for all items of expenditure of the Company relating to the facilities including, but not by way of limitation, the following:
  - a. Rates and taxes;
  - b. Garbage collection;
  - c. Electricity, lighting and heating, cleaning, repair and maintenance of the facilities, in particular repairs to and maintenance of all buildings, fixtures, fittings and infrastructure which form part of the facilities;
  - d. Replacement of any fixtures, fittings or chattels which form part of the facilities which are of a terminable or “wearing out” nature;
  - e. All insurance premiums properly payable by the Company;

- f. Salary or other remuneration of the Manager of the facilities, if any;
  - g. Cost of accountancy and audit services;
  - h. Such further or other expenditure as shall be required for the proper management maintenance control and administration of the facilities and as shall be required from time to time to promptly and regularly meet all obligations of the Company arising from the ownership and management of the facilities.
- 3 The Company shall manage and administer the facilities efficiently and in accordance with the best standards and shall cause the facilities and the infrastructure supporting the facilities to be properly and regularly cleaned, repaired, and maintained. The company shall be at liberty to suspend access rights to the facilities by all shareholders in the Company at such times as may in the opinion of the Directors be necessary by reason of accident or alterations or repairs that may be deemed desirable by the Directors.
  - 4 The Company shall insure the said buildings and other improvements against fire and earthquake to their full insurable value and will take out a public liability policy and any other type of insurance which may be of advantage to the Company and shall pay all insurance premiums for and in respect of any such policies as and when the same become due and owing.
  - 5 The Company shall keep all parts of the facilities in a good state of repair and if the Company in performance of this provision considers it necessary to enter the facilities (including any rooms occupied by the Shareholder and/or its invitees), it may do so without notice to the Shareholder at reasonable times with agents, servants and workmen to ascertain what repairs (if any) shall be required and to make necessary repairs at the expense of the Company unless the same shall have been rendered necessary by the negligence of the Shareholder and/or its invitees for which the Shareholder shall be responsible and in any of such cases such expenses shall be borne by the Shareholder.
  - 6 No shareholder shall be entitled to carry out or have carried out any alteration to the facilities.
  - 7 The Company shall pay all rates and taxes levied in respect of the whole of the land and building.
  - 8 The Company shall not be liable to the Shareholder or any other person for any damage arising from the overflow of water supply or rain water nor for any unavoidable interruption or stoppage in the hot or cold water, heating, electrical and other services which form part of the facilities.
  - 9 The Directors of the Company shall have the right by resolution of the Board to make, alter, or repeal such rules, regulations and by-laws as they may from time to time consider necessary and proper to regulate access rights to the facilities by the shareholders in the Company, for the safety care and cleanliness of the facilities and for the preservation and maintenance of good order, behaviour, and personal safety PROVIDED THAT the Board of Directors may only alter or repeal the Bookings Regime as defined in the Schedule hereto with the approval of an ordinary resolution of the shareholders in the Company and the Shareholder HEREBY COVENANTS with the Company that:
    - a. the Shareholder will faithfully and punctually comply with such rules regulations and bylaws; and
    - b. the Shareholder will do its utmost to ensure that all invitees and any other persons from time to time in the facilities through the agency and entitlement of the Shareholder, will faithfully observe such rules, regulations and by-laws.
  - 10 The Shareholder and its invitees at all times when occupying the facilities will keep the facilities (excluding the manager's residence and attached car port) clean, tidy, clear of rubbish and free of obstruction. For the purposes of ascertaining compliance with these obligations, the Company may on reasonable grounds enter any rooms occupied by the

shareholder and or its invitees.

- 11 The Shareholder shall comply with
  - a. all statutes, regulations and bylaws of any local authority relating to the Shareholder's use or occupation of the facilities; and
  - b. the requirements of the insurers of the Company against loss or damage by fire or earthquake; and
  - c. the requirements of any lending institution which may be applicable to the facilities.

The Shareholder shall not do anything which will in any way increase the rate of fire earthquake or other insurance upon the facilities or on any property kept there by the Company or any occupier or which may be deemed hazardous by insurance companies.

- 12 The Shareholder shall not create any nuisance in or about the facilities. The Directors of the Company shall be at liberty in their sole discretion to declare anything that they consider undesirable to be a nuisance and on such declaration being made known to the Shareholder the nuisance shall be stopped or removed forthwith.
- 13 The Shareholder shall not without first obtaining the written consent of the Directors of the Company use the facilities or any part thereof or permit the same to be used other than for the Shareholder's own residential purposes.
- 14 The Shareholder shall not be entitled to carry on or practice any business activity in or from the facilities.
- 15 On the Shareholder selling or transferring the Shareholder's share in the Company (subject to the provisions of the Company's Constitution and to the consent of the Directors), this Occupation Licence shall be surrendered, the rights under this Occupation Licence shall be terminated and contemporaneously the Shareholder shall ensure the transferee of such share, at the transferee's own costs, executes a new Occupation Licence in terms similar in all respects to this Occupation Licence.
- 16 Upon the happening of any of the events mentioned in sub-paragraphs (a) to (f) inclusive of this clause 16 the Company may at its option give to the Shareholder thirty (30) days written notice terminating this Occupation Licence and upon the date specified in such notice this Occupation Licence shall be terminated and all rights of occupation of the facilities on the part of the Shareholder hereby conferred shall cease and the Shareholder shall forthwith quit and surrender the facilities to the Company:
  - a. If the Shareholder shall cease to be a shareholder of the Company PROVIDED that if on the death of a Shareholder the said share shall pass by will or an intestacy to any person or persons such person or persons may by executing a Deed of Occupation Licence in terms similar to this Deed within twelve months from the date of death of the Shareholder continue the rights of the Shareholder hereby conferred subject to the rights and restrictions set out in this Occupation Licence and the Schedule but without releasing the estate of the deceased Shareholder from any liability hereunder AND PROVIDED FURTHER that neither the Company or the Directors may terminate this Occupation Licence between the date of death of the deceased Shareholder and the date of completion of the winding-up of the Shareholder's estate so long as the personal representative or representatives of the deceased Shareholder shall continue to observe perform and keep all and singular the provisions of these presents.
  - b. If purported assignment of the benefit of this Occupation Licence or any purported transfer of the Share held by the Shareholder requiring prior consent of the Company's Directors be made or effected without the consent of the Directors first had and obtained.
  - c. If the Company shall exercise the powers conferred by clause 2.7 (Forfeiture of

- Shares) of the Company's Constitution.
- d. If a Shareholder shall make default for a period of thirty (30) days in the payment of any amount required to be paid by the Shareholder pursuant to the provisions of Clause 2 hereof or of any sum payable by the Shareholder hereunder or under the Company's Constitution.
  - e. If a Shareholder shall otherwise be in default in the performance or observance of any covenants conditions or provisions hereof or otherwise be guilty of conduct, which in the opinion of the Directors reached on reasonable grounds is detrimental to the Company for a period of thirty (30) days after written notice of such default or conduct, shall have been given to a Shareholder by the Company or the Directors.
  - f. If a Shareholder becomes a mental defective or protected person within the meaning of legislation relating to legal capacity or management of a Shareholder's affairs or be adjudged bankrupt or otherwise allow the Shareholder's shares in the Company or interest in this Occupation Licence to be seized or levied on or be advertised for sale.
- 17 Upon termination of the Occupation Licence by the Company, the affected Shareholder hereby irrevocably appoints the Directors of the Company or any one or more of them to be the Shareholder's attorneys to sell the Shareholder's share in the Company in which case the following provisions shall apply:
- a. The share may be sold at the sole discretion of the Directors by public auction or by private contract but in no case shall the Directors be at liberty to sell the share at a price below a fair reasonable market value according to the circumstances at the date of sale. Such market value shall be agreed upon by the Shareholder or the Shareholder's representatives and the Directors and in default of agreement shall be fixed in accordance with clause 21 hereof.
  - b. The Directors shall apply the proceeds of the sale of the said shares first in payment of any costs charges and expenses incurred thereby, secondly in payment of all moneys due and owing by the Shareholder to the Company, and thirdly in payment of the balance (if any) to the Shareholder.
- 18 The Shareholder shall strictly conform to and comply with the provisions of the Company's Constitution and this Occupation Licence.
- 19 The Shareholder indemnifies and holds harmless the Company for and in respect of all actions suits costs expenses claims and demands whatsoever preferred against or incurred by the Company arising out of or connected with any act default of omission of the Shareholder in connection with the Share or the use of the facilities.
- 20 Any notice to be given hereunder by:
- a. the Shareholder to the Company shall be given by delivering the same at or posting the same to the registered office of the Company or by emailing [altamontlodge@xtra.co.nz](mailto:altamontlodge@xtra.co.nz) (or such other email address as shall be notified in writing or by email to the Shareholder by the Company) and retaining evidence of sending of that email.
  - b. Any notice to be given hereunder by the Company to the Shareholder shall be given:
    - i. personally in writing; or
    - ii. by sending it to the Shareholder by post in a prepaid letter addressed to the address of the Shareholder appearing in the Shareholders Register of the Company; or
    - iii. by courier addressed to the address of the Shareholder appearing in the Shareholders Register of the Company; or

- iv. by fax or email if the Shareholder has provided those contact details so long as evidence of transmission of a fax or sending of an email is retained.
- 21 Any dispute or difference (“the Dispute”) which may arise between the Shareholder and the Company and/or the Directors of the Company or between the Shareholder and another Shareholder in the Company and/or a representative of any of them as to the meaning or application of any part of this Occupation Licence or any other matter touching or concerning this Occupation Licence shall be actively and in good faith negotiated by those parties with a view to a speedy resolution of the Dispute. If they are unable to resolve the Dispute themselves they shall endeavour in good faith to resolve the Dispute expeditiously using informal dispute resolution techniques such as mediation or similar techniques agreed upon by them. If they do not agree within five (5) business days or such other period as agreed to by them in writing as to:
  - a. the dispute resolution techniques and procedures to be adopted; and
  - b. the timetable for all steps in those procedures; and
  - c. the selection and compensation of the independent person required for such technique,then the Dispute will be referred to arbitration pursuant to the Arbitration Act 1996 or to any then statutory provision relating to arbitration. If the Dispute proceeds to arbitration then such parties hereby agree that they will co-operate in ensuring that all necessary steps within their power are taken towards the expeditious conduct of the arbitration. In particular, each will:
  - i. within 15 business days after the date on which resolution negotiations conclude appoint an arbitrator; and
  - ii. endeavour in good faith to accept and comply with all such time limits as may reasonably be sought by the other with respect to the settings of terms of reference, interlocutory matters and generally all steps preliminary and incidental to the hearing and to the termination of the proceedings.
- 22 Any omission of the Company or the Directors of the Company in any one or more instances to insist upon the strict observance or performance of any of the covenants and provisions hereof or to exercise any right on the part of the Company hereby conferred or to insist upon the observance or performance of any of the rules by-laws or regulations for the time being the Company shall not constitute a waiver or relinquishment for the future nor shall it give rise to any action, remedy, claim or demand against the Company or the Directors of the Company at the suit of any shareholder of the Company.

## SCHEDULE TWO

### Use of the Facilities

#### 1 Definitions

“**Associated User**” means:

- a. one named spouse or de facto partner of the Shareholder; and
- b. the children of the Shareholder and the children of the person named in (a) above
  - i. who are 20 years of age or under; or
  - ii. who reside permanently with their parents; or
  - iii. who are attending a full time course of tertiary education.

“**Booking Regime**” means the by-law of the Company set out in clause 3 of this Schedule and any other by-laws and changes thereto made under Clause 9 of the Occupation Licence from time to time to regulate use rights to the facilities by the shareholders in the company.

“**The Shareholder**” for the purpose of determining rights to use of the facilities and “**Associated Users**” means:

- a. the person named as holder of the share in the Company; or
- b. if more than one person is so named then the first-named in the Shareholders Register of the Company; or
- c. one person nominated by that Shareholder (subject always to the power of the Directors of the Company to veto such nomination on reasonable grounds) being as the case may be:
  - i. the majority shareholder or first named equal shareholder of a registered company; or
  - ii. the majority partner or first named equal partner of a partnership; or
  - iii. a named beneficiary of a trust for whom the settlor has natural love and affection; or
  - iv. the first named of a joint tenancy or tenancy in common; or
  - v. the controlling party or first named equal holder of an interest in any other form of collective ownership vehicle; or
  - vi. such other person as the Shareholder may nominate from eligible parties, the Directors having exercised their power of veto to the person originally nominated.

“**Shareholder Nominee**” means the person to be named in (a) above under the definition of “**Associated User**” and/or the person to be named in (c) above under the definition of “**the Shareholder**”.

#### 2 Use of the facilities

- 2.1 The Shareholder (including Associated Users of the Shareholder) shall be entitled to exclusive use of one residential accommodation room in the facilities for a total of fourteen (14) nights in each of the following two periods of each year:
  - a. 1 December to 31 May;
  - b. 1 June to 30 November.
- 2.2 Usage rights shall extend to use of all common areas and improvements forming part of the facilities provided by the Company excepting:

- a. the residential accommodation rooms in the facilities not reserved for use by the Shareholder and his/her associated users pursuant to Clause 2.1 hereof; and
  - b. the manager's residence and adjacent carport.
- 2.3 Usage rights shall be subject to any rules, regulations and by-laws made under clause 9 of this Occupation Licence and in particular the Booking Regime in this Schedule.

### **3 Booking Regime**

- 3.1 "Member" Definition: For the purpose of this clause, "Member" means the Shareholder and its Associated Users.
- 3.2 Members' Reservation Protocols:
- a. Reservations are made and accepted on a "first made first accepted" basis;
  - b. Telephone reservations must be confirmed by the member in writing (letter, facsimile or email) within seven (7) days of the telephone reservation;
  - c. Members' reservations made three (3) months or more in advance will take priority over non-member reservations;
  - d. Priority reservations may be made by members on behalf of non-members provided that three (3) calendar months prior to commencement of the stay the member reconfirms such booking with the Lodge Manager and supplies credit card or other payment details;
  - e. Reservations made in accordance with clause 3.2(d) will take priority over general public bookings but not reservations made by members in accordance with clause 3.2(c).
- 3.3 Unaccompanied Children: Member/s Associated Users who are under 18 years of age may not stay at the Lodge unless accompanied by their parent or guardian.
- 3.4 Members Booking Two (2) Rooms:
- a. Memberships with three (3) or more qualifying children may request two (2) rooms per night. Each night of such double reservation will count as two (2) nights entitlement under Rule 36.
  - b. Memberships with two (2) or less qualifying children may request two (2) rooms per night if they pay standard room rate less 20% for the second room.
- 3.5 Unoccupied Beds: Beds in a room occupied by a member which are not being used by the member may be used by invited guests of the member at no cost.

### **4 Notification of "Associated Users" and "Shareholder Nominee"**

- 4.1 To authorise and entitle use of the facilities by Associated Users or a Shareholder Nominee, the Shareholder must first, by 1 June annually, give written notice to the Company of any changes:
- a. in the case of Associated Users:
    - i. the full names and addresses, dates of birth and where applicable reasonable evidence of permanent residence with parents; or
    - ii. evidence of attendance that year at a fulltime tertiary education course;
  - b. in the case of Shareholder Nominees, the full name and address
  - c. and must similarly notify any changes thereto from time to time.

This Occupation Licence is made and executed on the day and year written at the head of this Deed.

Signed for and on behalf of  
Altamont North Lodge Limited  
by 2 of its directors:

\_\_\_\_\_

Director

\_\_\_\_\_

Director

Signed by  
**[Shareholder One]**  
in the presence of:

\_\_\_\_\_

Witness Signature

\_\_\_\_\_

Name

\_\_\_\_\_

Occupation

\_\_\_\_\_

City of Residence

Signed by  
**[Shareholder Two]**  
in the presence of:

\_\_\_\_\_

Witness Signature

\_\_\_\_\_

Name

\_\_\_\_\_

Occupation

\_\_\_\_\_

City of Residence

Altamont North Lodge Ltd  
Constitution

Signed by  
[**Shareholder Three**]  
in the presence of:

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Occupation

\_\_\_\_\_  
City of Residence