

1.	Purpose of the Company	<p>The purpose of the Company is to operate as a profitable business while at the same time fulfilling the Mission in clause 2.</p> <p>Subject to compliance with New Zealand law, the Directors have absolute discretion in how they allocate the use of all that the Company has.</p> <p>Unless otherwise provided for in this Constitution the provisions of the Act shall apply.</p>
2.	Mission	<p>The Company operates to create a positive impact on society and the environment through its operation as a business.</p> <p>The Mission of the Company is to create an exemplar building in Lyttelton. We will do this by:</p> <ul style="list-style-type: none"> • contributing to the vibrancy and liveliness of the town center by supporting businesses that attract people to spend time in Lyttelton; • creating a collectively owned property in the heart of Lyttelton that distributes wealth and contributes to community-wide prosperity; • creating a sense of pride through owning a building that brings people together in meaningful ways; • creating a sense of belonging to place through participation in the creation of the building and its purpose • creating a building that encourages gathering and connection in a way that contributes to people's wellbeing.
3.	Considerations	<p>In acting in the best interests of the Company to fulfil the Mission, the Directors will consider the effects that any action, or inaction, will have on the following stakeholders:</p> <ul style="list-style-type: none"> • the Community and Society in which it operates; • the Shareholders; • the Employees; • the Suppliers; • its Customers; • the Local and Global Environment; and • the short and long term future and interests of the Company.
4.	Reporting	
4.1	Frequency	The Company wants to be transparent with its stakeholders and so will regularly report about how it is doing in fulfilling its Mission. The Directors of the Company must produce and publish a report every year.
4.2	Content	<p>The report must detail:</p> <ol style="list-style-type: none"> a. the Company's activities during that financial year; b. the assets which were transferred during that financial year; c. the reasons behind the transfer of assets; d. the amount of declared dividends for that financial year; and e. the social impacts.
5.	Shares	
5.1	Shareholders	Shares will be held by one person or if more than one person, then they will be held jointly.
5.2	Issue of Shares	<p>Subject to the Act and this Constitution, the Board may issue Shares at any time, to any person and in any number it thinks fit any of the following, while ensuring at all times that clause 6.1 is complied with:</p> <ol style="list-style-type: none"> a. Shares which may be: <ol style="list-style-type: none"> i. Founder Shares which as at the date of adopting this Constitution are held only by Ohu Development Limited. These shares entitle their holder to appoint Directors as set out in clause 9.2; or ii. Investor Shares: These shares do not entitle their holders to have the Director appointment rights set out in clause 9.2 and are subject to the limitations in clause 6. b. Founder Shares and Investor Shares shall rank equally in every respect except where specifically provided for in this clause 5; c. Any securities that convert into or are exchangeable for Shares; and d. Options to acquire Shares.
5.3	Powers	<ol style="list-style-type: none"> a. The Company may purchase or acquire Shares if done in accordance with the Act and may hold any such Shares purchased or acquired.

		<p>b. The Board may consolidate or divide the Shares or any class of Shares.</p> <p>c. The Company may make an offer to all Shareholders or to one or more Shareholders to purchase or otherwise acquire Shares held by the Company.</p> <p>d. The Company may pursuant to the Act hold its own Shares purchased by it uncancelled.</p> <p>e. Section 45 of the Act shall not apply and the Board may issue additional shares ranking equally with, or in priority to, existing shares without approval of any interest groups under section 117 of the Act.</p> <p>f. The Company may issue Shares that are redeemable within the meaning of section 68 of the Act.</p>
5.4	Transfers	Shares may only be transferred by a Shareholder to an individual or entity approved by the Board. Such a transfer must be done using a form which the Board approves.
5.5	Right to refuse registration of transfer	<p>Subject to section 84 of the Act, the Board may refuse or delay the registration of a duly completed transfer of any Share if the Board (subject only to its duty to act in good faith) considers that:</p> <p>a. to effect the transfer would result in a breach of the law or this Constitution; or</p> <p>b. the Shareholder has failed to pay to the Company any amount due in respect of that share; or</p> <p>c. the transferee is a person without legal capacity to contract; or</p> <p>d. the transfer has not been properly executed; or</p> <p>e. the transfer would, in the reasonable view of the Board, put the Company at risk of becoming a "code company" as defined in the Takeovers Act 1993 within the next 12 months.</p> <p>The above restrictions on the registrations of share transfers shall be recorded in the share register.</p>
6.	Maximum Permitted Shareholding	
6.1	Maximum Permitted Investor Shareholding	<p>No Investor Shareholder may hold more than 10% of the Company at any time ("Maximum Permitted Shareholding").</p> <p>The intention of this clause is to ensure that no one Investor Shareholder controls the company, this enables all Shareholders to benefit from owning Investor Shares in the Company. This equitable approach is intended to embed distributed wealth systems within the constitutional structure of this Company.</p>
6.2	Maximum Permitted Founding Shareholding	In the event that the Founding Shareholders own more than 10% of the company, they will offer the shares that they hold over and above that 10% at the fair market value calculated under clause 7.1 to the other existing shareholders at an AGM of their choice on a pro rata basis with the detailed mechanism of the sale and purchase to be decided by the Board, acting reasonably.
6.3	Number of Shares	When calculating the number of Investor Shares or Founder Shares held by a Shareholder for the purpose of clause 6.1 or clause 6.2, the Shareholder's shareholding is deemed to include the number of Investor Shares or Founder Shares held by any Associated Shareholder of that Shareholder.
6.4	Exceeding the Maximum Shareholding for Investor Shareholders	<p>Where the combined shareholding of an Investor Shareholder and any Associated Shareholder of that Shareholder exceed their Maximum Permitted Shareholding:</p> <p>a. the Investor Shares that exceed that Investor Shareholder's Maximum Permitted Shareholding immediately cease to have any voting rights until such time as the Investor Shareholder and any Associated Shareholder do not exceed their Maximum Permitted Shareholding; and</p> <p>b. a transfer notice will be deemed to have been issued to the Company in respect of the Investor Shares that exceed that Investor Shareholder's Maximum Permitted Shareholding and the Company may then purchase such Investor Shares at their fair market value determined in accordance with clause 7,</p> <p>unless the provisions of clause 6.5 apply.</p>
6.5	Increasing the Maximum Permitted Shareholding	The Maximum Permitted Shareholdings are increased to the extent by which they are exceeded due to the proportionate increase of

		shareholdings resulting from the Company purchasing and cancelling any Investor Shares. In such circumstances, the new Maximum Permitted Shareholding will be the highest shareholding held by an Investor Shareholder in that category after the proportionate increase of shareholdings.
7.	Share's Value	
7.1	Fair Value	<p>If it is necessary to determine the fair market value of Investor Shares under this Agreement then:</p> <ol style="list-style-type: none"> a. the Shareholder who is selling the Investor Shares shall endeavour to agree on the fair market value of the Investor Shares with the purchaser; b. if the fair market value of those Investor Shares is not agreed within the period of 10 Business Days, the fair market value shall be determined by an independent valuer with experience in the valuation of similar companies in New Zealand agreed upon by the Shareholders, or failing agreement within five Business Days after the end of that period, appointed on the application of any Shareholder by the president for the time being of Chartered Accountants Australia New Zealand or his or her nominee; <ol style="list-style-type: none"> a. the person appointed as valuer shall: <ol style="list-style-type: none"> i. act as an expert and not as arbitrator; ii. determine the fair market value of the Investor Shares as soon as possible, which valuation shall be conclusive; b. in determining the fair market value of the Investor Shares that the Shareholder is selling, the valuer shall determine the fair market value of all of the Investor Shares in the Company, and shall then determine the fair market value of the Investor Shares in question as the appropriate percentage of the value of all Investor Shares, so that no regard shall be had to the control of the Company, or to any premium for control or discount for lack of control; c. the Shareholders shall promptly and openly make available to the valuer all information in their possession or under their control relating to the Company to enable the valuer to proceed with the valuation on an informed basis as to the financial position, affairs, performance, and prospects of the Company; and d. the fees and expenses of the valuer shall be paid by the Shareholders in proportion to their holdings of Investor Shares, or in such other manner as the valuer may determine.
8.	Shareholders' rights	
8.1	Review	Shareholders holding not less than 20% in aggregate of the Shares in the Company, or the Board may at any time call a meeting of Shareholders and there the Shareholders may question, discuss or comment on the management of the Company and may pass a resolution relating to the management of the Company but such a resolution will not bind the Board.
8.2	Meetings	Meetings of Shareholders will take place as provided for in the first schedule of the Act subject to clause 8.7.
8.3	Powers	A power reserved for Shareholders under the Act or this Constitution may be exercised in a meeting or by written resolution as provided in section 122 of the Act and may be by ordinary resolution unless specified otherwise in the Act or this Constitution.
8.4	Annual meetings	The Company will hold annual meetings as set out in section 120 of the Act.
8.5	Votes	Shareholders are entitled on any vote to one vote per Share held either by being present in person or by proxy. If two or more persons are joint Shareholders then their vote must be exercised jointly.
8.6	Special resolutions	<p>A Special Resolution is required to be passed in the following circumstances:</p> <ol style="list-style-type: none"> a. Sale or transfer of control of the business or the Company in whole or in part; b. Amendment of this Constitution; c. The winding up or dissolving of the Company; d. Disposing of any subsidiary or of any shares in any subsidiary; and e. Entry into any major transaction.

8.7	Electronic participation	The participation of Shareholders holding Investor Shares in meetings of Shareholders shall, unless determined otherwise by the Board, be conducted by electronic communication pursuant to paragraph 3(b) of Schedule 1 of the Act. Such method will include electronic communication by use of a shareholder communication portal provided by the Company.
9.	Directors	
9.1	Number	There will be no fewer than 1 Director and not more than 5 Directors.
9.2	Appointment and removal	In relation to the appointment or removal of Directors: a. a majority of Founder Shareholders may appoint or remove up to 4 of the 5 Directors, giving written notice to the Company; and b. in relation to the appointment of 1 of the 5 Directors, the majority of the Shareholders may, at any time by their giving written notice to the Company, appoint or remove them, In the event that there are no Founder Shareholders all Directors are appointed by the Investor Shareholders.
9.3	Retirement and removal	A Director will no longer hold office as a director if they resign in writing, die or become disqualified under the Act or are removed by the Shareholder.
9.4	Managing Director	A Director may be appointed as the managing director by the Shareholders for such period and on those terms as the Shareholders decide. The managing director will not have a casting vote and may be removed by the Shareholders.
10.	Remuneration and other benefits	
10.1	Power to authorise	The Board may exercise any of the powers in section 161 of the Act to authorise any payment or other benefit referred to in that section in relation to a Director in their capacity as a director except that: a. there can be no influence by a Director on the amount they will be paid; and b. any amount must be reasonable when considering the services performed by that Director.
10.2	Reasonable remuneration	The Company may pay reasonable remuneration to any Directors, Shareholders, employees or to any other person for services provided that it is: a. reasonable compared to the services provided; b. for work or services done for the benefit of the Company; c. not more than what would be paid in the open market at arms-length for those services; d. within the mindset of "enough" e. not set by the person who will be paid; f. for directors fees: 1. they are first confirmed by reference to the market rate for fees directors charge; and 2. for Directors who are also executives, are determined by the non-executive Directors; and 3. for independent Directors, determined by the executive Directors.
10.3	Indemnity and insurance	The Company may indemnify and/or take out insurance for a director or employee, or former director or employee, of the Company or a related company in accordance with the powers of the Company set out in section 162.
10.4	Interests register	The Board will ensure that any indemnity, or insurance effected, for any Director or employee of the Company or related company is entered in the interests register.
10.5	Conflict of Interest	Whenever a Director finds themselves in a situation that is likely to give rise to a conflict of interest, they must declare their interests to the Directors unless, or except to the extent that, the other Directors are or ought to be reasonably aware of it already. Whenever a Director has a conflict of interest in respect of a matter then they must: a. Remain for part of the meeting to inform the debate (as decided by the other Directors); and b. They must withdraw during the vote and have no vote on the matter. If any question arises as to whether a Director has a conflict of interest, the question shall be decided by a majority decision of the other Directors.

11.	Powers of the Board	
11.1	Management	The Company shall be managed by, or be under the direct supervision and direction of, the Board. The Board may exercise all powers of the Company that are not required to be exercised by the Shareholders.
11.2	Delegation	The Board may delegate any one or more of its powers to a committee of Directors, a Director or any other person (other than a power set out in the second schedule to the Act).
11.3	Meetings of the Board	Subject to this clause 11, meetings of the Board will be regulated in accordance with the procedure the Board decides from time to time and not according to the third schedule to the Act.
11.4	Use of technology	A meeting may be held either by a number of the Directors who make up a quorum meeting in one place or by means of audio, or audio and visual, communication by which all Directors participating can hear each other throughout the meeting.
11.5	Interests	Directors will comply with section 140 of the Act relating to disclosure of the interests of directors and if they are interested then they will not take part in or vote on any such matter when it comes before the Board.
11.6	Calling meetings	A Director may convene a meeting of the Board by giving notice to each Director: <ul style="list-style-type: none"> a. not less than five working days' before the meeting date in writing by hand or by electronic means or by phone or some other oral communication; b. specify the date, time and place of the meeting and, if it will be held using technology then the way of participating; c. describe the matters to be discussed in enough detail for a Director to understand the topic.
11.7	Quorum	Board meetings will have a quorum of 50% of the Directors and no matter can be considered if that number is not present (including by use of technology in accordance with clause 11.4). If there is no quorum present then the meeting will be adjourned for one week and at that adjourned meeting the quorum will be made up of the number of Directors who attend that meeting.
11.8	Voting	Each Director has one vote and the chairperson has a casting vote. A resolution will be passed if a majority of Directors vote in favour of it.
11.9	Written resolutions	A resolution in writing signed by all the Directors who are entitled to vote on it is as valid as if passed at a meeting of Directors. Such resolutions may be signed in counterpart and a copy of such resolutions will be put in the Company records.
11.10	Decisions without meetings	The Directors may make a unanimous decision without a Director's meeting by Electronic Means. A decision in accordance with Electronic Means shall be as valid and effectual as if it had been passed at a meeting duly convened and held, providing the following conditions are complied with: <ul style="list-style-type: none"> a. Approval from each Director must be received by one person being either such person as all the Directors have nominated in advance for that purpose or such other person as volunteers if necessary ("the Recipient"), which person may, for the avoidance of doubt, be one of the directors; b. Following receipt of responses from all of the Directors, the Recipient must communicate to all of the Directors by any means whether the resolution has been formally approved by the Directors; c. The date of the decision shall be the date of the communication from the Recipient confirming formal approval; The recipient must prepare a minute or written resolution of the decision.
11.11	Validity	Even if a person was invalidly appointed as a Director their actions taken will be valid.
11.12	Minutes	The Board will keep minutes of its meetings and of meetings of the Shareholders.
11.13	Chairperson	The Directors may elect a chairperson of the board and determine how long they hold that position and that person may be the managing director. If there is no chairperson elected or the chairperson is not at a meeting then the Directors present may choose one of their number to be the chairperson of that meeting.

12.	Advisory Council	
12.1	Members	The Company will or may choose to have an advisory council made up of those who play a substantial role in the Company.
12.2	Functions	The Advisory Council will: a. be consulted by the Directors when needed; b. give feedback on the Company's activities to the Directors.
12.3	Meetings	The date and location of meetings of the Advisory Council shall be determined by the Board, provided that they occur at least once a year. The meeting is to be conducted as the Council considers fit, including the appointment of a chairperson.
12.4	Directors	Directors may attend and address any meeting of the Advisory Council.
12.5	Voting	Each Member is entitled to one vote at each meeting of the Advisory Council. A resolution may be passed by a simple majority.
12.6	Liability	The Advisory Council owes no duties to the Company, fiduciary or otherwise. The Board is not required to follow its recommendations, except in relation to clause 12.2(c).
13.	Liquidation	
13.1	Liquidation of the Company	If the Company is liquidated for any reason then the surplus assets of the Company (after payment of all costs, debts and liabilities) shall be paid to or distributed to the Shareholders on pro rata basis.
14.	Definitions and Interpretation	
14.1	Definitions	<p>Unless the context otherwise requires, the following words and expressions have the meanings given to them in this clause:</p> <p>Act means the Companies Act 1993;</p> <p>Associated Shareholder means in relation to an Investor Shareholder, any other Investor Shareholder which is also any of the following:</p> <ol style="list-style-type: none"> A holding company of the first-named Investor Shareholder; A subsidiary of the first-named Investor Shareholder; A subsidiary of a holding company of the first-named Investor Shareholder; A related company of the first-named Investor Shareholder; Any company, partnership or other entity which directly or indirectly controls or is controlled by or under common control with the first-named Investor Shareholder. For the purposes of this definition "control" means the ownership of 50% or more of the issued share capital or the legal power to appoint 50% of the directors of the entity in question, or to otherwise direct or cause the direction of the general management and policies of the entity in question; In relation to an individual, a member of the family of the first-named Investor Shareholder (including grandparents, parents, siblings, spouse, domestic partner, children and in-laws), any trust or company in which the principal beneficiaries or shareholders are that individual or any member of his/her family. <p>For the purposes of this definition the terms "holding company", "subsidiary" and "related Company" have the meaning given to them in the Act.</p> <p>Board means the Directors of the Company;</p> <p>Company means Collett's Corner Limited (company number 7083213);</p> <p>Constitution means this constitution of the Company as amended from time to time;</p> <p>Directors means the directors of the Company appointed from time to time;</p> <p>Founder Share means a share carrying the rights set out in clause 5.2(a)(i) and the rights set out in section 36(1) of the Act;</p>

		<p>Investor Share means a share carrying the rights set out in clause 5.2(a)(ii) and the rights set out in section 36(1) of the Act;</p> <p>Mission means the mission set out in clause 2;</p> <p>Register means the Register of Shareholders maintained by the Company;</p> <p>Share means a share issued by the Company and includes both Founder Shares and Investor Shares;</p> <p>Shareholder means a person registered in the Register as the owner of a Share or Shares (or who is entitled to have their name entered in the Register if it has not been entered yet) and, for the avoidance of doubt, includes any firm, company, corporation or other body; and</p> <p>Special Resolution means a resolution in writing signed by not less than 75% of the Shareholders, who would be entitled to vote on a resolution at a meeting of Shareholders.</p>
14.2	Interpretation	<ul style="list-style-type: none"> (i) A reference to a clause is to that clause in this Constitution. (ii) Words or phrases defined in the Act have the same meaning in this Constitution unless the context otherwise requires. (iii) Words importing the singular number only include the plural number and vice versa. (iv) A reference to a person includes any firm, company or other body corporate. (v) Headings are inserted for convenience only and shall be ignored in interpreting this Constitution. (vi) References to any statute or regulation are to New Zealand statutes and regulations unless the context otherwise requires and shall with all necessary modifications apply to any modification or re-enactment.

This Constitution was prepared by Parry Field Lawyers



This Constitution was prepared for Ohu Development Ltd

