

Notice of Annual Meeting of Shareholders

Wednesday, 14 December 2016

Sanford Limited (the *Company*) gives notice that its Annual Meeting of Shareholders will be held at The Maritime Room, Princes Wharf, Corner Quay and Customs Streets, Auckland 1010 on Wednesday, 14 December 2016 commencing at 2.00pm (see location map below).

The business of the meeting will be:

1. Chairman's Introduction

2. Chief Executive Officer's Review

3. Financial Statements and Reports

To receive and consider the Financial Statements of the Company for the year ended 30 September 2016 together with the Directors' and Auditor's report to Shareholders.

4. Resolutions

To consider and, if thought fit, to pass the following ordinary resolutions:

Resolution 1: Re-election of W Bruce Goodfellow: That W Bruce Goodfellow, who retires by rotation and is eligible for re-election, be re-elected as a director of the Company.

Resolution 2: Re-election of Peter Kean: That Peter Kean, who retires by rotation and is eligible for re-election, be re-elected as a director of the Company.

Resolution 3: Auditor: To authorise the Directors to fix the fees and expenses of the Auditor.

To consider and, if thought fit, to pass the following special resolution:

Resolution 4: Amendment of constitution: That the Company's constitution be amended, with effect from the close of the Annual Meeting, in the manner summarised in this Notice of Annual Meeting (the specific amendments being in the form to be tabled at the Annual Meeting and signed by the Chairman of the Annual Meeting for the purposes of identification).

Refer to the explanatory notes on page 2 for further details on these resolutions.

5. General Business

To consider such other business as may be properly raised at the meeting.



D C McIntosh

General Manager Risk and Corporate Affairs

29 November 2016



Disabled parking is available on the Eastern Viaduct at 210 Quay Street, just after the Canterbury NZ shop. Pay and Display parking is also available at the Eastern Viaduct, 210 Quay Street. Alternative parking is in the Downtown car park at 31 Customs Street West, from where attendees can walk across Customs Street to Princes Wharf.

Procedural Notes

Persons Entitled to Vote

The persons who will be entitled to vote at the Annual Meeting are those persons registered as holding ordinary shares on the Company's share register at 5:00pm on Monday, 12 December 2016.

Ordinary Resolutions (Resolutions 1, 2 and 3)

Each of Resolutions 1, 2 and 3 is an ordinary resolution. In order for an ordinary resolution to be passed, it must be approved by a simple majority of the votes of those shareholders entitled to vote and voting on the resolution.

Special Resolution (Resolution 4)

Resolution 4 is a special resolution. In order for a special resolution to be passed, it must be approved by a majority of 75% of the votes of those shareholders entitled to vote and voting on the resolution.

Proxy / Postal Voting

A shareholder entitled to attend and vote at the Annual Meeting is entitled to:

- appoint a proxy to attend and vote instead of the shareholder; or
- cast a postal vote instead of attending in person or appointing a proxy.

A Proxy/Voting Form is enclosed with this Notice of Annual Meeting. To be effective, the Proxy/Voting Form must be deposited with the Company in accordance with the instructions on the form **not later than 2pm, 12 December 2016**.

In relation to voting by proxy:

- a shareholder may appoint "The Chair of the Meeting" as Proxy. The Chair intends to vote any undirected proxies held by him in favour of Resolutions 1, 2, 3 and 4; and
- a proxy need not be a shareholder of the Company.

A corporation may appoint a person to attend the meeting as its representative in the same manner as that in which it may appoint a proxy.

Explanatory Notes

Explanatory note 1 – Re-election of directors (Resolutions 1 and 2)

As required by clause 27 of the Company's constitution and Rule 3.3.11 of the NZX Main Board / Debt Market Listing Rules (*Rules*):

- W Bruce Goodfellow; and
- Peter Kean,

being the directors who have longest been in office since they were last elected, retire by rotation and, being eligible, offer themselves for re-election.

Peter Kean is considered by the Board to be an Independent Director. W Bruce Goodfellow is not considered an Independent Director due to his association with a major shareholder.

The Board (other than W Bruce Goodfellow and Peter Kean in respect of their own positions) supports the re-election of W Bruce Goodfellow and Peter Kean and recommends that shareholders vote in favour of Resolutions 1 and 2.

Please refer below for a brief biography of each director seeking re-election.

Biography of W Bruce Goodfellow

Bruce has a Doctorate in Chemical Engineering from Auckland University and wide experience in trading, financial and commercial business management. He has been a director of ASX-listed firm Nufarm Limited (formerly Fernz Corporation) since 1991 and is a director of a number of private investment and manufacturing companies as well as being Chairman of The St Kentigern Trust Board, Refrigeration Engineering Company Limited and Sulkem Company Limited.

Biography of Peter Kean

Peter has had extensive corporate experience in New Zealand, Australia and internationally. He is former Managing Director of three Lion Nathan divisions in New Zealand and Australia, including Retail; International, Beer, Spirits and Wine and Dairy and Drinks. He has had vast experience in dealing with major customers in a fast moving and complex world. Peter is also a Director of the New Zealand Rugby Union and Chairman of its Commercial Committee. Other directorships include All Blacks Experience (ABex), The Lion Foundation, Southfuels/Northfuels, the Highlanders and Freightways. Peter is Chairman of the Partners' Programme for the Bank of New Zealand, Rogue Society Gin Limited and A J Hackett – Bungy New Zealand Limited.

Explanatory note 2 – Fixing of auditor's fees and expenses (Resolution 3)

KPMG is automatically re-appointed as auditor under section 207T of the Companies Act 1993 (CA). Resolution 3 authorises the Board to fix the fees and expenses of the auditor.

Explanatory note 3 – Amendments to constitution (Special Resolution 4)

The Company is seeking shareholder approval to the following amendments to its constitution:

- (a) *Overseas investment*: If the Company were to become an Overseas Person under the Overseas Investment Act 2005 (OIA), this could result in the compulsory forfeiture of all of its Fishing Quota. The Company will be an Overseas Person if 25% or more of its shares are held by Overseas Persons. The constitution currently gives the Board some limited powers to seek to prevent this happening, including the power to:
 - (i) require a declaration from the registered holder of shares as to the country of ordinary residence of that registered holder and the beneficial owners of the shares (if different from the registered holder); and

- (ii) on the basis of any such declaration, prohibit share transfers which would result in more than 20% of the Company's shares being held, controlled or beneficially owned by overseas persons or persons not ordinarily resident in New Zealand.

But these provisions are now outdated and are not adequate to prevent all transactions which could result in the 25% overseas ownership limit being crossed. It is proposed that the Company's constitution be updated to include provisions, similar to those found in some other listed companies, which give the Board a much greater ability to take action if the level of Overseas Person ownership exceeds a new prescribed level of 22.5% (previously 20%, as explained below).

- (b) *Update meeting procedure provisions:* It is also proposed that the existing provisions relating to the procedure for meetings of the Company's shareholders and directors be updated to align with 2012 amendments to the Companies Act 1993 (CA) which (amongst other things) enable shareholder meetings to be held by way of a physical / virtual hybrid.

A more detailed explanation of these proposed amendments is set out below and a glossary of the capitalised terms used in this explanatory note 3 is set out on page 11.

The Board supports the proposed amendments to the Company's constitution and strongly recommends that shareholders vote in favour of Special Resolution 4.

A copy of the Company's constitution with the proposed amendments shown by way of mark-up is available on the Company's website at: <http://www.sanford.co.nz/investors/>. Copies of the Company's constitution with the proposed amendments shown by way of mark-up will also be available at the Annual Meeting.

If you have any questions regarding the proposed amendments, please do not hesitate to contact the General Manager, Risk and Corporate Affairs, of the Company at info@sanford.co.nz or +64 (9) 300 8441.

Proposed amendments in relation to share register control (refer to the amendments to clauses 14, 15 and the proposed new Fourth Schedule of the constitution)

Background

The Company owns a significant amount of provisional catch history, quota, and annual catch entitlement, which is collectively referred to as "fishing quota" in the Fisheries Act 1996 (FA).

Investments by Overseas Persons in Fishing Quota require consent under the OIA and FA.¹

A body corporate (such as the Company) is considered an Overseas Person under the OIA if 25% or more of its securities are held by Overseas Persons, which includes individuals or companies domiciled outside New Zealand. The Company is currently not an Overseas Person, because fewer than 25% of its securities are held by Overseas Persons. (The Company estimates Overseas Person ownership to be 16.2%, based on Nasdaq reporting as at 30 September 2016). Accordingly, the Company does not currently require OIA consent to acquire Fishing Quota.

However, the Company is potentially exposed to the overseas investment requirements of the FA and OIA. This is because, if 25% or more of the Company's shares became held by Overseas Persons, the Company would itself become an Overseas Person. This could happen via on-market transfers and/or by transactions involving existing shareholders (e.g. a domestic shareholder being acquired by an Overseas Person and thereby itself becoming an Overseas Person). In most cases, the Company would be very unlikely to know about this ahead of time, or able to prevent it even if it did.

¹ Under section 57D of the FA, an "overseas investment in fishing quota" will occur where:

- (a) an Overseas Person acquires an interest in Fishing Quota; or
- (b) an Overseas Person acquires securities of a person (A) that owns or controls interests in Fishing Quota, if that acquisition, causes A to become an Overseas Person.

If the Company becomes an Overseas Person, it will require consent for any subsequent acquisitions of Fishing Quota. Much more seriously, if the acquirer that causes the Company to exceed the 25% overseas ownership limit fails to apply to the Overseas Investment Office (OIO) for consent prior to completing that acquisition,² the Company could be required to forfeit ownership of all of its Fishing Quota.

- (a) Sections 57B and 57C of the FA provide that a transaction that results in an “overseas investment in fishing quota” requires consent before it is given effect to.
- (b) Section 58 of the FA establishes a forfeiture regime for Fishing Quota acquired in breach of the requirement to obtain consent. If the chief executive of the Ministry for Primary Industries (MPI) believes on reasonable grounds that a person has “been registered as the owner of an interest in fishing quota without obtaining consent when required”, the chief executive:
 - (i) may direct that a caveat be registered against the Fishing Quota; and
 - (ii) must issue a forfeiture notice which states that the interest in Fishing Quota that has been obtained without consent under the overseas investment fishing provisions will be forfeited to the Crown without compensation unless the recipient of the notice applies to the High Court for a declaration as to whether the recipient is an Overseas Person.
- (c) On receipt of a forfeiture notice, the Company has the period specified in the notice (which must be no less than 60 days) to apply to the High Court for a declaration as to whether the Company is an Overseas Person. If the High Court is satisfied that the Company is an Overseas Person, it can order forfeiture or divestment of the Fishing Quota held by that person.

In brief, if an Overseas Person acquires (without first obtaining consent) an interest in securities of the Company which causes the Company to exceed the 25% overseas ownership limit, the Company could be required to forfeit all of its Fishing Quota to the Crown.

If the Company was required to forfeit all of its Fishing Quota, the effect on the Company (and hence its shareholders) would be catastrophic: not only would it constitute the loss of a major proportion of the Company’s assets (in value terms), the Company would not be able to operate its fishing business without access to Fishing Quota.

Given the recent rise in the level of offshore ownership and liquidity of the shares, the Board believes it is now necessary to update its constitution, to protect the Company’s assets for the benefit of all shareholders.

The proposed amendments, which are discussed further below, are intended to significantly strengthen the Company’s ability to restrict the number of its securities that are held by Overseas Persons. In particular, the proposed amendments give the Board various powers to ensure that the Company stays (or returns to being) under the overseas ownership threshold, which is (no less than) 90% of the 25% overseas ownership limit – i.e. 22.5%.

Relevant provisions in the Company’s current constitution not sufficient

The Company’s constitution already contains provisions (see clauses 14 and 15.5) which address, to an extent, the risk outlined above, by entitling the Board to:

- (a) require a declaration from the registered holder of shares as to the country of ordinary residence of that registered holder and the beneficial owners of the shares (if different from the registered holder); and

² The Company considers that foreign buyers of New Zealand assets do not necessarily appreciate the requirement to seek overseas investment consent. New Zealand is one of a relatively small number of countries that operates such a regime. Accordingly, it is likely that a foreign buyer acquiring shares in the Company – particularly only a small parcel - would not appreciate the need to seek consent for its acquisition.

- (b) on the basis of any such declaration, prohibit share transfers which would result in more than 20% of the Company's shares being held, controlled or beneficially owned by overseas persons or persons not ordinarily resident in New Zealand.

However, these provisions were introduced into the Company's constitution before the OIA (in its current form) came into effect. The Company considers that they do not adequately align with the provisions of the OIA as it now is. In the Company's view, they should be updated to give the Company and its shareholders greater protection from the risk of the Company having to forfeit its Fishing Quota due to becoming an Overseas Person without consent. In particular:

- (a) The Board's power to interrogate the Company's shareholders in the current constitution (clause 14) is not sufficient to identify whether a person is an Overseas Person under the OIA in all circumstances.³ The Company considers that the Board's power to interrogate its share register should be amended to align much more clearly with the statutory definition of Overseas Person.
- (b) The Board's power to refuse to register a transfer of securities in clause 15.5 of the Company's current constitution is not directly linked to the potential for that transfer to cause the Company to become an Overseas Person. The Company would prefer to clarify this point, so that there is no doubt that it is able to exercise its powers to refuse to register a transfer in that situation.
- (c) The current constitution does not include a power for the Board to require a shareholder to sell their securities where that shareholder (whether as a result of that shareholder acquiring shares in the Company, someone else acquiring shares in that shareholder, or some other event (such as an "upstream" transfer of shares in that shareholder's holding company)) has caused the level of overseas ownership in the Company to exceed a threshold prescribed by the Board. Given the potentially catastrophic consequences of the Company becoming an Overseas Person, the Company considers that its constitution should include such a power to ensure it can return to a prescribed level of overseas ownership below the level at which quota forfeiture might occur. A number of other listed companies have similar provisions in their constitutions, including Air New Zealand Limited (which could lose overseas landing rights if its level of overseas ownership/control was too high) and Meridian Energy Limited, Mercury NZ Limited and Genesis Energy Limited (which are all required to remain majority Crown-owned and in which no person, other than the Crown, may have a relevant interest in more than 10% of any class of voting securities).

The existing provisions are also inadequate considering how shares are traded on the NZX and share purchases subsequently settled and registered.

Overview of the proposed amendments relating to share register control

There are four key concepts (defined in clause 2 of the proposed new Fourth Schedule of the constitution) which drive the Board's ability to address the above risks under the proposed amendments:

- (a) The "Legislative Limit": this is the statutory level at which the number of securities in the Company held by Overseas Persons makes the Company itself an Overseas Person (and hence potentially subject to forfeiture of Fishing Quota in the absence of a remedy or exemption). As outlined above, the Legislative Limit in the OIA is currently 25%.
- (b) The "Overseas Ownership Threshold": this is the point at which the Board is able to exercise certain of its powers. It is a specified percentage of the Legislative Limit. The initial level is 90%, which means the Board's powers effectively start at an overseas ownership level of 22.5%.⁴ The proposed provisions allow

³ As set out above, the current constitution only allows the Company to require a shareholder to disclose information regarding the registered holder's or beneficial owner's country of ordinary residence. However, whether or not a person is an Overseas Person under the OIA is a much more complex question than merely what their country of ordinary residence is.

⁴ This "Overseas Ownership Threshold" is similar in concept to the 80% level reflected in clause 15.5 of the Company's current constitution.

the percentage to be increased by the Board from the default of 90%, including to above 100%.⁵ Further explanation of this threshold is set out below.

- (c) “Breach the Overseas Ownership Threshold”: this means for the Company either to breach the Overseas Ownership Threshold OR to increase the extent to which it is in breach of the Overseas Ownership Threshold.⁶
- (d) “Affected Shares”: these are shares which the Board determines (via the process outlined below) are implicated in a Breach of the Overseas Ownership Threshold and in respect of which the Board can exercise its powers to require (or effect) a sale.

Using those four key concepts, the proposed amendments:

- (a) empower the Company to:
 - (i) require a current, or proposed new, shareholder to provide information concerning whether they are an Overseas Person (*Required Disclosure*) (clause 3 of the proposed new Fourth Schedule of the constitution) – and the Company must keep a record of all such disclosures (clause 4 of that Fourth Schedule); and
 - (ii) determine whether or not that current or proposed new shareholder may cause, or may have already caused, a Breach of the Overseas Ownership Threshold;
- (b) entitle the Company to refuse to register a share transfer if it considers that registration of that transfer will, or is likely to, cause the Company to Breach the Overseas Ownership Threshold as a result - or if a potential transferee has provided no, or an inadequate, *Required Disclosure* (clause 5 of the proposed new Fourth Schedule of the constitution);
- (c) enable the Board to determine that some shares are Affected Shares, via a two-stage process:
 - (i) notification to a holder who:
 - (A) has not provided an adequate *Required Disclosure* within 15 working days from the date of the notice requesting that *Required Disclosure*; or
 - (B) has provided a *Required Disclosure* as a result of which the Board considers the holder may have caused the Company to Breach the Overseas Ownership Threshold,that the Board is considering exercising its relevant powers under the Fourth Schedule, and inviting them to make representations to the Company within 15 working days from the date of that notice (clause 7 of the proposed new Fourth Schedule of the constitution); and
 - (ii) following receipt of any such representations (or if none are provided within the 15 working day period), notification to the holder that:
 - (A) certain of the holder’s securities in the Company are Affected Shares;

⁵ Increasing the percentage threshold may be desirable if the Company was granted a comprehensive OIO exemption which meant that, for example, up to 50% of the Company’s securities could be owned or controlled by Overseas Persons. In such circumstances, the Board may consider that the level at which it should be able to exercise compulsory sale rights should be greater than 100% of the Legislative Limit (i.e. the statutory 25%).

⁶ The second part of this definition is to ensure that the Company can force the sale of not just the one shareholder who takes the Company over the Overseas Ownership Threshold, but also all those who take it even further above the Overseas Ownership Threshold.

- (B) the voting rights attaching to those Affected Shares are suspended (if the Board so determines); and
 - (C) the holder has 20 working days to sell the Affected Shares to a person who is not an Overseas Person (i.e. to “remedy” the Company’s Breach of the Overseas Ownership Threshold) - failing which the Company may sell the Affected Shares on behalf of that shareholder pursuant to a method of sale which has been given prior approval by NZX,
- (clauses 8 and 9 of the proposed new Fourth Schedule of the constitution).

The remaining clauses deal with consequential matters or matters required to effectively implement the provisions outlined above, including:

- (a) *No liability*: clause 13 of the proposed new Fourth Schedule, which provides that, except for as specifically provided for in the Company’s constitution and to the maximum extent permitted by law, neither the Company nor any of its directors, officers, employees, agents or advisers shall have any liability to any person in connection with the exercise of any of the powers set out in the proposed new Fourth Schedule.
- (b) *Finality of decisions*: clause 16 of the proposed new Fourth Schedule any decisions and actions made or performed by or on behalf of the Company or the Board in connection with the exercise of any of the powers set out in the proposed new Fourth Schedule are final and not subject to appeal or review.

There are three key features of the proposed amendments which deserve further comment:

- (a) As outlined above, the Overseas Ownership Threshold is set at a percentage of the Legislative Limit. The initial percentage will be 90% - that is, 22.5% ownership by Overseas Persons. This will provide 2.5% “headroom” before the Legislative Limit is met. The Company considers this significant because:
 - (i) it will give the Board an ability to proactively intervene where it is aware that the Legislative Limit is close to being exceeded;
 - (ii) it will mean that increases of Overseas Person ownership which have not yet been identified will be less likely to trigger the Legislative Limit; and
 - (iii) it will mean the Company is not put in a position where it is potentially constantly right on the Legislative Limit (which would be the case if it only had the ability to force a reduction to just below the 25% level).

While the provisions in the Company’s current constitution reflect a threshold of 80% of the Legislative Limit (i.e. overseas ownership of 20%, giving 5% “headroom”), the Company considers that, given the greater breadth and effectiveness of the proposed provisions, “headroom” of 2.5% is sufficient.

- (b) The provisions outlined are designed to result in a “last in, first out” regime. Existing holdings by Overseas Persons will not be subject to potential compulsory sale as a result of subsequent acquisitions by (or existing holders subsequently becoming) Overseas Persons. Rather, only holdings which have caused the Company to Breach the Overseas Ownership Threshold (which includes a further breach of the Overseas Ownership Threshold) will be potentially subject to compulsory sale.
- (c) The provisions rely on a degree of Board judgment, for example as to whether or not information received from a shareholder is adequate. The Company considers this is inevitable, as it is very difficult to see how provisions which were purely mechanical could be reliably considered effective in all cases. Directors, however, would be required to exercise those powers consistently with their usual duties – including, in particular, the duty to act in good faith and what they consider to be the best interests of the Company.

NZX approval and waiver

NZX has granted the Company:

- (a) approval under Rule 11.1.5, in relation to the proposed amendments which grant the Board ability to restrict transfers of the Company's securities; and
- (b) a waiver from Rule 11.1.6, in relation to the Board's ability to suspend voting rights attaching to Affected Shares.

The NZX's approval under Rule 11.1.5 and waiver from Rule 11.1.6 have been granted subject to certain conditions. Those conditions can be summarised as follows:

- (a) the Company will be given a non-standard ("NS") designation on NZX;
- (b) the Company must appropriately disclose an outline and explanation of the provisions in the Company's constitution that restrict the transfer of securities and of the circumstances in which voting rights may be suspended (*Outline And Explanation Of The Effects*) in any offering documents for equity securities, or securities convertible into equity securities, offered by the Company and in any statements provided to security holders under Rule 11.2.1;
- (c) this Notice of Meeting must include an Outline And Explanation Of The Effects;
- (d) the Company must include an Outline And Explanation Of The Effects on its website and include reference to that disclosure in each annual report published by the Company;
- (e) the Company must obtain approval from NZX in relation to the method of sale prior to exercising its power to require compulsory sale of Affected Shares on behalf of a shareholder; and
- (f) the Outline And Explanation Of The Effects must include an explanation that:
 - (i) should the Company become aware that a transfer of its securities will, if registered, cause the Company to exceed the Overseas Ownership Threshold, the Company has the ability to refuse to register that transfer of securities; and
 - (ii) should the Company determine that certain of its securities are Affected Shares, the Company has the power to suspend the voting rights attaching to those Affected Shares until those Affected Shares are disposed of to a non-Overseas Person (whether as a result of a sale by the relevant shareholder or by the Company exercising its power to require the compulsory sale of Affected Shares on behalf of the relevant shareholder).

In addition, NZX has approved the proposed amendments to its constitution under Rules 6.1.1 and 6.1.2(c).

The Company therefore considers that the proposed amendments can be adopted in a manner that is consistent with the Rules. The Company also considers that the conditions set out above will increase the likelihood of shareholders and potential shareholders being aware of the ownership restrictions in the Company's constitution.

Consequences of not approving Resolution 4

If Resolution 4 is not passed by the requisite majority of shareholders, the amendments which are strongly recommended by the Board will not be made. In this case, the Board expects that it would proceed as follows:

- (a) seek to ascertain the reasons Resolution 4 was not approved;
- (b) consider whether the proposed amendments to the Company's constitution could be varied in a manner which adequately address those reasons but still addresses the material risks faced by the Company (as discussed under the heading "Background" on page 4 above); and

- (c) if so, seek NZX approval of these varied amendments and then convene a special meeting of shareholders to seek approval of those varied amendments.

The Board believes that this will not be necessary, and that shareholders pass Resolution 4 at the Annual Meeting:

- (a) At a minimum, these steps would entail additional cost for the Company.
- (b) More troublingly, they would also entail a (potentially material) delay, during which the Company would be potentially exposed to transactions which could have been remedied under the proposed amendments but could not be under the Company's current constitution – a risk which, given the awareness of these issues resulting from this notice of meeting, may be greater than previously it was.

Proposed engagement with OIO and MPI to agree a process for retrospective consent

The Company is also engaging with MPI and the OIO to try and secure a conditional exemption from the consent requirements of the FA and OIA in the event that an acquirer of the Company's securities causes the Company to exceed the Legislative Limit. The conditional exemption proposed would afford the Company a period of time sufficient to allow the Company to either:

- (a) exercise the (proposed new) powers in its constitution to require the sale of Affected Shares so that the Company is no longer an Overseas Person; or
- (b) obtain a retrospective consent under the OIA (so that the relevant shareholder/s can retain their interests in the Company and the Company can retain its Fishing Quota).

The Company's engagement with MPI and OIO is on-going and the prospects of obtaining the conditional exemption sought cannot be determined at this stage. However, the Company considers that:

- (a) whether or not such an exemption is forthcoming, the proposed amendments to the Company's constitution are desirable (for the reasons outlined above); and
- (b) the prospects of such an exemption being granted will not be harmed by, and may well be enhanced by, inclusion of these provisions.

Proposed amendments in relation to meeting procedure (refer to the amendments to the Second and Third Schedule of the constitution)

The Company also considers that it is desirable for its constitution to be updated to reflect new flexibility in relation to director and shareholder meeting procedure.

Shareholder meeting procedure

In 2012, the CA was amended to enable meetings of shareholders to be held through a combination of shareholders attending at a physical address and shareholders attending by audio, audio and visual or electronic means, with shareholders participating by any of those means being considered present and part of the quorum.

The Company's constitution currently only allows for a meeting to be held by shareholders attending either in person or via audio, audio and visual or electronic means. The Company considers it appropriate to take advantage of the CA amendments and allow for shareholder participation through a combination of these methods. This would allow the Company to hold a "hybrid" shareholder meeting if it wished, with shareholders being able to attend in person or electronically via a personal computer with a broadband connection. It is also proposed that the sections in the constitution relating to voting and proxies be updated to allow shareholders to participate electronically.

The proposed amended constitution will provide that shareholder participation by electronic means may only occur where the Board approves those means and where the shareholder, proxy or representative complies with any conditions imposed by the Board relating to that participation.

Director meeting procedure

As with shareholder meetings, it is proposed that the provisions in the constitution relating to Board meetings be updated to clarify that a meeting can be held by a combination of attendance at a physical location and by contemporaneous linking together of telephone or other means of communication (including audio or audio visual communication).

Glossary

Term	Definition
Affected Shares	has the meaning given to that term in clause 1 of the proposed new Fourth Schedule (and is explained above on page 7).
Breach the Overseas Ownership Threshold	has the meaning given to that term in clause 1 of the proposed new Fourth Schedule (and is explained above on page 6).
CA	means the Companies Act 1993
Company	means Sanford Limited
FA	means the Fisheries Act 1996
Fishing Quota	means provisional catch history, quota, or annual catch entitlement (each as defined in section 2 of the FA), and any interest that the Company holds in provisional catch history, quota, or annual catch entitlement.
Legislative Limit	has the meaning given to that term in clause 1 of the proposed new Fourth Schedule (and is explained above on page 6).
MPI	means the Ministry for Primary Industries
OIA	means the Overseas Investment Act 2005
OIO	means the Overseas Investment Office
Outline And Explanation Of The Effects	has the meaning given to that term on page 9.
Overseas Ownership Threshold	has the meaning given to that term in clause 1 of the proposed new Fourth Schedule, (and is explained above on page 6).
Overseas Person	has the meaning given to that term in section 7 of the OIA.
Required Disclosure	has the meaning given to that term in clause 1 of the proposed new Fourth Schedule (and is explained above on page 7).
Rules	means the NZX Main Board / Debt Market Listing Rules