

SKY NETWORK TELEVISION LIMITED

# Offer Document



**2.83 for 1 Accelerated Entitlement Offer Of New Shares  
21 May 2020**

Not for distribution or release in the United States

**This Offer Document is an important document. You should read the entire document before deciding what action to take with respect to your Entitlements. If you have any doubts as to what you should do, please consult your broker, financial, investment or other professional advisor. This Offer Document may not be distributed outside New Zealand or Australia, except to certain institutional and professional investors in such other countries and to the extent contemplated in this Offer Document.**

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# IMPORTANT NOTICE

## GENERAL INFORMATION

The Offer is made under the exclusion in clause 19 of Schedule 1 of the Financial Markets Conduct Act 2013 and pursuant to the provisions of section 708AA of the Corporations Act 2001 (Cth) (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73).

This Offer Document is not a product disclosure statement or other disclosure document for the purposes of the FMCA, the Corporations Act or any other law, has not been lodged with the Financial Markets Authority or ASIC, and does not contain all of the information that an investor would find in a product disclosure statement or other disclosure document, or which may be required in order to make an informed investment decision about the Offer or Sky.

## ADDITIONAL INFORMATION AVAILABLE UNDER SKY'S CONTINUOUS DISCLOSURE OBLIGATIONS

Sky is subject to continuous disclosure obligations under the NZX Listing Rules and ASX Listing Rules. You can find market releases by Sky at [nzx.com](http://nzx.com) and at [asx.com.au](http://asx.com.au) under the code "SKT".

Sky may, during the period of the Offer, make additional releases to the NZX and the ASX. To the maximum extent permitted by law, no release by Sky to the NZX or the ASX will permit an applicant to withdraw any previously submitted application without Sky's prior consent.

## OFFERING RESTRICTIONS

This Offer Document does not constitute an offer, advertisement or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

This Offer Document may not be sent or given to any person who is not an Eligible Shareholder or an Institutional Investor in circumstances in which the Offer or distribution of this Offer Document would be unlawful. The distribution of this Offer Document (including an electronic copy) outside New Zealand or Australia may be restricted by law. In particular, this Offer Document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside of New Zealand or Australia except to Institutional Investors or as Sky may otherwise determine in compliance with applicable laws.

Neither this Offer Document, any accompanying NZX or ASX announcements, nor the Entitlement and Acceptance Form may be released or distributed in the United States.

This Offer Document, any accompanying NZX or ASX announcements and the Entitlement and Acceptance Form do not constitute an offer to sell, or the solicitation of an offer to buy, any securities

in the United States or to any person who is acting for the account or benefit of any person in the United States (to the extent such person is acting for the account or benefit of a person in the United States), or in any other jurisdiction in which, or to any person to whom, such an offer would be illegal.

Neither the Entitlements nor the New Shares have been, or will be, registered under the US Securities Act of 1933, as amended (*US Securities Act*) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements may not be issued to, or taken up or exercised by, and the New Shares may not be offered or sold, directly or indirectly, in the United States or to persons acting for the account or benefit of a person in the United States (to the extent such persons hold Existing Shares and are acting for the account or benefit of a person in the United States), except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and the applicable securities laws of any state or other jurisdiction of the United States. The Entitlements and the New Shares to be offered and sold in the Retail Entitlement Offer pursuant to this Offer Document may only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) under the US Securities Act), in reliance on Regulation S.

Further details on the offering restrictions that apply are set out in Part Four.

If you come into possession of this Offer Document, you should observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities law. Sky disclaims all liability to such persons.

## FUTURE PERFORMANCE

This Offer Document includes certain "forward-looking statements" about Sky and the environment in which Sky operates, such as indications of, and guidance on, future earnings and financial position and performance. Forward-looking information is inherently uncertain and subject to contingencies, known and unknown risks and uncertainties and other factors, many of which are outside of Sky's control, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. A number of important factors could cause actual results or performance to differ materially from forward-looking statements. No assurance can be given that actual outcomes or performance will not materially differ from the forward-looking statements. The forward-looking statements are based on information available to Sky as at the date of this Offer Document. Except as required by law or regulation (including the NZX Listing Rules or ASX Listing Rules), Sky undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

In particular, this Offer Document and the presentation released to NZX and ASX includes financial outlook information for FY20 (the “financial outlook information”). The financial outlook information has been prepared by Sky based on an assessment of current economic and operating conditions, including in relation to the impact of the COVID-19 pandemic on Sky’s business, and various assumptions regarding future factors, events and actions, including in relation to economic conditions, subscriber numbers, advertising revenue, the return to live sport and the level of restrictions on movement and gatherings, and costs associated with sport programming rights. The financial outlook information is subject to a number of risks, including the risks set out in the presentation released to NZX and ASX. Investors should be aware that the timing of actual events, including in relation to the return of live sport, the reduction of restrictions on movement and gatherings, and the level of costs associated with sport programming rights, and the magnitude of their impact might differ from that assumed in preparing the financial outlook information, which may have a material negative effect on Sky’s actual financial performance, financial position and cash flows in FY20 and FY21. In addition, the assumptions upon which the financial outlook information is based are by their very nature subject to significant uncertainties and contingencies, many of which will be outside Sky’s control and are not reliably predictable. Accordingly, neither Sky nor any other person can give investors assurance that the outcomes discussed in the financial outlook information will be achieved. **Investors are strongly cautioned not to place undue reliance on forward-looking statements, including Sky’s FY20 revised guidance, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the COVID-19 pandemic.**

#### **CHANGES TO THE OFFER**

Subject to the NZX Listing Rules and ASX Listing Rules, Sky reserves the right to alter the dates set out in this Offer Document.

Additionally, Sky reserves the right to withdraw all or any part of the Offer (either generally or in particular cases) and the issue of New Shares at any time before the Allotment Date at its absolute discretion.

#### **NO GUARANTEE**

No guarantee is provided by any person in relation to the New Shares to be issued pursuant to the Offer. Likewise, no warranty is provided with regard to the future performance of Sky or any return on any investments made pursuant to this Offer Document.

#### **DECISION TO PARTICIPATE IN THE OFFER**

The information in this Offer Document does not constitute a recommendation to acquire or invest in New Shares nor does it amount to financial product advice. This Offer Document has been prepared without taking into account the particular needs or circumstances of any investor, including an investor’s investment objectives, financial and/or tax position.

#### **PRIVACY**

Any personal information provided by Eligible Shareholders on the Entitlement and Acceptance Form or via the online application will be held by Sky or the Registrar at the addresses set out in the Directory.

Sky and/or the Registrar may store your personal information in electronic format, including in online storage or on a server or servers which may be located in New Zealand, Australia or overseas. The information will be used for the purposes of administering your investment in Sky.

This information will only be disclosed to third parties with your consent or if otherwise required or permitted by applicable law. Under the New Zealand Privacy Act 1993 and the Australian Privacy Act 1988 (Cth), you have the right to access and correct any personal information held about you.

#### **ENQUIRIES**

Enquiries about the Offer can be directed to your broker, financial, investor or other professional advisor. If you have any questions about the number of New Shares shown on the Entitlement and Acceptance Form that accompanies this Offer Document, or how to apply online or complete the Entitlement and Acceptance Form, please contact the Registrar.

#### **DEFINED TERMS**

Capitalised terms used in this Offer Document have the specific meaning given to them in the Glossary in Part Five of this Offer Document.

## PART 1: LETTER FROM THE CHAIR

I am pleased to advise you that Sky Network Television Limited is conducting an equity raise of NZ\$157 million, and you are invited to participate. This equity raise is the outcome of the impact of COVID-19 on the business combined with the review of capital structure that I mentioned in my Letter to Shareholders contained in the FY20 Interim Report.

The equity raise is via a NZ\$9 million fully underwritten placement to certain institutional investors, together with a fully underwritten 2.83 for 1 pro-rata accelerated non-renounceable entitlement offer to raise approximately NZ\$148 million (the *Offer*).

Prior to the onset of COVID-19, we had been making considerable progress on our strategy, including the renewal of key sports rights, growth in our entertainment streaming services (both organically and through the Lightbox acquisition) and improvements in associated revenues, reduced churn of satellite subscribers and an ongoing review and rationalisation of both organisation structure and the capital intensity of Sky. In short, the strategic initiatives established during the previous 12 months were gaining traction.

When the COVID-19 situation began to unfold, our focus was on safeguarding the health and wellbeing of staff, ensuring we continued to deliver excellent services to entertain and inform customers, and ensuring the business was well prepared for a period of heightened disruption. In parallel we quickly moved to position Sky to withstand further potential impacts, including economic downturn, but particularly in relation to the uncertain availability of live sport. These actions included further decisive action on costs, with significant reductions to operating expenses and deferral of non-essential capital projects that have continued while the COVID-19 uncertainty remains.

In conjunction with the equity raising, Sky has secured ongoing support from its banking syndicate, through a number of facility amendments which provide for facility funding limits being maintained at existing levels, combined with increased covenant flexibility through to 31 July 2023. The Board currently intends to reinvest available free cash flow during FY20 and FY21, and will re-evaluate the commencement of dividend payments in FY22.

The actions taken over recent weeks combined with today's announcement of an equity raise place us in a secure position to weather the current uncertain conditions while also providing the foundation for executing on the next phase of Sky's growth strategy. Details of the strategy and how we intend to use the proceeds of the equity raise are available in the accompanying presentation, and I encourage you to read it.

Under the Offer, eligible shareholders may subscribe for 2.83 new ordinary shares for every 1 existing Sky share held as at 7.00pm (NZST) (5.00pm (AEST)) on the Record Date of Monday 25 May 2020, at an application price of NZ\$0.12 per new share (or A\$0.11 per new share).

The application price reflects a 63.6% discount to NZ\$0.33, being the last closing price of Sky's shares on the NZX on 20 May 2020, and a 30.4% discount to the theoretical ex-rights price of NZ\$0.17.<sup>1</sup>

The placement and institutional component of the Offer will be accelerated and will close on Friday 22 May 2020. Eligible retail shareholders have until 5.00pm (NZST) (3.00pm (AEST)) on Tuesday 9 June 2020 to subscribe for new shares. In addition to being able to take up their entitlement, eligible retail shareholders will also have the opportunity to apply for an additional number of shares up to a maximum of 20% of their entitlement. Online application at [www.shareoffer.co.nz/sky](http://www.shareoffer.co.nz/sky) is strongly encouraged, particularly in light of potential delays in postal services at this time.

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<sup>1</sup> TERP is the Theoretical Ex-Rights Price at which Sky ordinary shares would trade immediately after the ex-rights date for the Offer. TERP is calculated with reference to Sky's closing share price of \$0.33 on 20 May 2020 and includes all new shares issued under the placement and Offer. TERP is a theoretical calculation only and the actual price at which Sky ordinary shares will trade immediately after the ex-rights date for the Offer will depend on many factors and may not be equal to TERP.

The placement and the Offer are fully underwritten by Forsyth Barr Group Limited and Goldman Sachs New Zealand Limited. Under the Offer, there will be no trading of entitlements or any shortfall bookbuild of new shares not taken up. Those shareholders who do not exercise their entitlements, or who are ineligible to do so, will have their shareholdings diluted.

I am also pleased to confirm that all Directors intend to take up their direct entitlements, to the extent that they are eligible to participate in the Offer.

On behalf of your Board, I thank you for your continued support and welcome your participation in the Offer.

Yours Sincerely,

A handwritten signature in black ink, appearing to read "Philip Bowman", written over a horizontal line.

Philip Bowman  
Chair

## PART 2: OFFER AT A GLANCE

<b>Issuer</b>	Sky Network Television Limited
<b>The Offer</b>	<p>A pro rata accelerated non-renounceable entitlement offer of 2.83 New Shares for every 1 Existing Share held by an Eligible Shareholder at 7.00pm (NZST) or 5.00pm (AEST) on the Record Date, with fractional entitlements being rounded down to the nearest share. A shorter than usual offer period will apply to Eligible Institutional Shareholders, with the Institutional Entitlement Offer taking place over the Business Day the Offer is announced and the following Business Day. If an Eligible Shareholder does not take up all of its Entitlements, its current shareholding will be diluted as a result of the issue of New Shares.</p> <p>New Shares attributable to the Institutional Entitlement Offer not taken up by Eligible Institutional Shareholders under the Institutional Entitlement Offer and the Entitlements of certain Ineligible Institutional Shareholders may, subject to demand, be allocated to Institutional Investors who participate in the institutional placement or as Sky and the Underwriters may otherwise agree.</p> <p>New Shares that are attributable to Entitlements that are not taken up by Eligible Retail Shareholders (together with those attributable to Entitlements of Ineligible Retail Shareholders) will be offered to Eligible Retail Shareholders who take up their Entitlements in full, allowing them to subscribe for additional New Shares up to a maximum of 20% of their Entitlements.</p>
<b>Application Price</b>	NZ\$0.12 (or the A\$ Price) per New Share.
<b>Existing Shares currently on issue</b>	436,226,518 Existing Shares.
<b>Maximum number of New Shares being offered under the Offer</b>	1,234,521,046 New Shares (subject to rounding).
<b>Offer size</b>	The approximate amount to be raised under the Offer is NZ\$148 million.
<b>New Shares</b>	The same class as, and ranking equally with, Existing Shares.
<b>Eligible Retail Shareholders</b>	<p>You are an Eligible Retail Shareholder if, as at 7.00pm (NZST) or 5.00pm (AEST) on the Record Date, you are recorded in Sky's share register as a Shareholder and:</p> <ul style="list-style-type: none"><li>(a) your address is shown in Sky's share register as being in New Zealand or Australia; or</li><li>(b) Sky considers, in its discretion, you may be treated as an Eligible Retail Shareholder,</li></ul> <p>and you are not in the United States and not acting for the account or benefit of a person in the United States (or, in the event that you are acting for the account or benefit of a person in the United States, you are not participating in the Offer in respect of that person) and you are not an Institutional Shareholder.</p>

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**How to apply***Eligible Retail Shareholders*

Applications must be made:

- (a) online at [www.shareoffer.co.nz/sky](http://www.shareoffer.co.nz/sky); or
- (b) by completing the personalised Entitlement and Acceptance Form and returning it to the Registrar together with payment.

Given disruptions to the postal service, applying online is recommended. If you wish to make a postal application, you should make it as soon as possible so as to ensure that it will arrive before 9 June 2020.

*Eligible Institutional Shareholders*

The Joint Lead Managers will contact Eligible Institutional Shareholders to advise them of the terms and conditions of participation in the Offer and confirm their application process.

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**Underwriting**

The Offer is fully underwritten by the Underwriters.

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## PART 3: IMPORTANT DATES

### INSTITUTIONAL ENTITLEMENT OFFER

This timetable is relevant to Eligible Institutional Shareholders who intend to participate in the Institutional Entitlement Offer. Eligible Retail Shareholders should refer to the important dates for the Retail Entitlement Offer set out in the “Retail Entitlement Offer” table on the following page.

Key Event	Date <sup>2</sup>
Trading halt commences on the NZX Main Board and the ASX (pre-market open)	Thursday, 21 May 2020
Institutional Entitlement Offer opens at 10.00am (NZST) or 8.00am (AEST)	Thursday, 21 May 2020
Institutional Entitlement Offer closes at 2.00pm (NZST) or 12.00pm (AEST)	Friday, 22 May 2020
Announce results of Institutional Entitlement Offer	Friday, 22 May 2020
Trading halt lifted on the NZX Main Board and ASX	Monday, 25 May 2020
Record Date 7.00pm (NZST) or 5.00pm (AEST)	Monday, 25 May 2020
Settlement of Institutional Entitlement Offer on ASX	Friday, 29 May 2020
Settlement of Institutional Entitlement Offer on the NZX Main Board and commencement of trading of allotted New Shares on the NZX Main Board and ASX	Tuesday, 2 June 2020

<sup>2</sup> The dates set out in the table above (and any references to them in this Offer Document) are subject to change and are indicative only. All times and dates refer to NZ standard time (unless otherwise specified). Sky reserves the right to amend the timetables (including by extending the closing dates for the Offer or accepting late Applications, either generally or in particular cases) subject to the NZX Listing Rules. Any extension of the closing dates for the Offer will have a consequential effect on the issue date of New Shares.

## RETAIL ENTITLEMENT OFFER

The timetable immediately below is relevant to Eligible Retail Shareholders who intend to participate in the Retail Entitlement Offer. Eligible Institutional Shareholders should refer to the important dates for the Institutional Entitlement Offer set out in the “Institutional Entitlement Offer” table on the previous page.

<b>Key Event</b>	<b>Date<sup>3</sup></b>
Record Date 7.00pm (NZST) or 5.00pm (AEST)	Monday, 25 May 2020
Expected dispatch of the Offer Document and Entitlement and Acceptance Forms	Wednesday, 27 May 2020
Retail Entitlement Offer opens	Wednesday, 27 May 2020
Retail Entitlement Offer closes at 5.00pm (NZST) or 3.00pm (AEST) (last day for online applications, or for receipt of the Acceptance Form, with payment)	Tuesday, 9 June 2020
Announce results for Retail Entitlement Offer	Friday, 12 June 2020
Settlement of Retail Entitlement Offer on ASX	Monday, 15 June 2020
Settlement of Retail Entitlement Offer on the NZX Main Board and commencement of trading of allotted New Shares on the NZX Main Board	Tuesday, 16 June 2020
Commencement of trading of allotted New Shares on ASX	Wednesday, 17 June 2020
Despatch of holding statements for New Shares issued under the Retail Entitlement Offer	Monday, 22 June 2020

Applicants are encouraged to submit their personalised Entitlement and Acceptance Forms or apply via the online application process as soon as possible. No cooling-off rights apply to applications submitted under the Offer and once an application is submitted, it cannot be withdrawn without Sky's prior consent.

<sup>3</sup> The dates set out in the table above (and any references to them in this Offer Document) are subject to change and are indicative only. All times and dates refer to NZ standard time (unless otherwise specified). Sky reserves the right to amend the timetables (including by extending the closing dates for the Offer or accepting late Applications, either generally or in particular cases) subject to the NZX Listing Rules. Any extension of the closing dates for the Offer will have a consequential effect on the issue date of New Shares.

## **PART 4: DETAILS OF THE OFFER**

### **THE OFFER**

The Offer is an offer of New Shares to Eligible Shareholders under a pro rata accelerated non-renounceable entitlement offer. Under the Offer, Eligible Shareholders are entitled to subscribe for 2.83 New Shares for every 1 Existing Share held at 7.00pm (NZST) or 5.00pm (AEST) on the Record Date. The New Shares will be the same class as, and will rank equally with, Existing Shares which are quoted on the NZX Main Board and ASX. It is a term of the Offer that Sky will take any necessary steps to ensure that the New Shares are, immediately after issue, quoted on the NZX Main Board and ASX.

If you are an Eligible Shareholder you may take up all, part or none of your Entitlements. If you are an Eligible Shareholder and you do not take up all of your Entitlements, your current shareholding will be diluted as a result of the issue of New Shares.

The maximum number of New Shares being offered under the Offer is 1,234,521,046 New Shares (subject to rounding). Sky will raise a total of approximately NZ\$148 million through the Offer, which is fully underwritten by the Underwriters.

### **APPLICATION PRICE**

The Application Price is NZ\$0.12 (or the A\$ Price) per New Share.

The A\$ Price is A\$0.11 per New Share. The Australian dollar price of A\$0.11 has been set by Sky taking into account the NZ\$:A\$ exchange rate published by the Reserve Bank of New Zealand on its website on 20 May 2020. The Application Price must be paid in full on application. Payment of the Application Price must be made, for the Retail Entitlement Offer, together with a completed Entitlement and Acceptance Form delivered (either by mail, delivery or email) to the Registry in accordance with the instructions set out in the Entitlement and Acceptance Form or in accordance with the online application process.

Any New Shares (including additional New Shares) issued to you will be issued on the branch register on which you currently hold the Existing Shares to which your Entitlement relates.

Sky may accept late applications and application monies, but it has no obligation to do so. Sky may accept or reject (at its discretion) any Entitlement and Acceptance Form or online application which it considers is not completed correctly, and may correct any errors or omissions on any Entitlement and Acceptance Form or the online application.

An application may not be withdrawn without Sky's prior consent once submitted.

Application monies received will be held in a trust account with the Registry until the corresponding New Shares are allotted or the application monies are refunded. Interest earned on the application monies will be for the benefit, and remain the property, of Sky and will be retained by Sky whether or not the issue of New Shares takes place. Any refunds of application monies (without interest) will be made within 10 Business Days of allotment (or the date that the decision not to accept an application is made, as the case may be).

## **WITHDRAWAL**

Subject to Sky's compliance with all applicable laws, Sky reserves the right to withdraw the Offer at any time at its absolute discretion. If any Application is not accepted, all applicable application monies will be refunded, without interest, to the relevant Shareholder.

## **OVERVIEW OF THE OFFER**

Sky will raise a total of approximately NZ\$148 million through the Offer. The Offer is fully underwritten by the Underwriters. The maximum number of New Shares that are being offered under the Offer is 1,234,521,046 New Shares (subject to rounding).

As described in further detail below, the Offer comprises the following components:

- the Institutional Entitlement Offer; and
- the Retail Entitlement Offer.

The Offer is a pro-rata accelerated non-renounceable entitlement offer, which is made pursuant to a waiver by NZX granted 21 May 2020 and class waivers by ASX granted 31 March 2020 and as amended on 23 April 2020. This means that if you, as an Eligible Shareholder, do not take up all, part or none of your Entitlements under the Offer, then your Entitlement will lapse, and you will receive no value for those lapsed Entitlements. Further, if you do not take up your Entitlements, you will have your percentage holding in Sky reduced as a result of the Offer.

## **PURPOSE OF THE OFFER**

Sky intends that the proceeds raised from the Offer will be applied to strengthen Sky's balance sheet and reposition for its refreshed strategy.

## **THE INSTITUTIONAL ENTITLEMENT OFFER**

### **Overview of the Institutional Entitlement Offer**

Sky is offering Eligible Institutional Shareholders the opportunity to subscribe for 2.83 New Shares for every 1 Existing Share held as at 7.00pm (NZST) or 5.00pm (AEST) on the Record Date, at an Application Price of NZ\$0.12 (or the A\$ Price). This ratio and the Application Price are the same as for the Retail Entitlement Offer. The Joint Lead Managers will seek to approach Eligible Institutional Shareholders, who may take up all, part or none of their Entitlements.

The Institutional Entitlement Offer opens at 10.00am (NZST) or 8.00am (AEST) on Thursday, 21 May 2020 and closes at 2.00pm (NZST) or 12.00pm (AEST) on Friday, 22 May 2020 (subject to Sky's right to modify these dates or times).

Entitlements will not be quoted and cannot be traded on the NZX Main Board, the ASX or privately transferred.

### **Eligibility under the Institutional Entitlement Offer**

The Institutional Entitlement Offer is only open to Eligible Institutional Shareholders. Sky will determine the Shareholders who will be treated as Eligible Institutional Shareholders for the purpose of determining the Shareholders to whom an offer of New Shares will be made under the Institutional Entitlement Offer. In exercising its discretion, Sky may have regard to a number of matters, including legal and regulatory requirements and logistical and registry constraints. Sky will determine which Shareholders will be treated as Ineligible Institutional Shareholders.

Sky reserves the right to reject any application for New Shares under the Institutional Entitlement Offer that it considers comes from a person who is not an Eligible Institutional Shareholder.

#### **Acceptance of Entitlement under the Institutional Entitlement Offer**

The Joint Lead Managers will seek to contact Eligible Institutional Shareholders to inform them of the terms and conditions of participation in the Institutional Entitlement Offer and will seek confirmation of their Entitlements under the Offer. Application for New Shares by Eligible Institutional Shareholders (other than Approved US Shareholders and Approved US Investors) can only be made by contact with the Joint Lead Managers.

Entitlements are not rounded up to a minimum holding. The number of New Shares to which an Eligible Institutional Shareholder is entitled under its Entitlement will, in the case of fractions of New Shares, be rounded down to the nearest whole number. Applications in excess of an Eligible Institutional Shareholder's Entitlement will not be accepted.

New Shares attributable to the Institutional Entitlement Offer not taken up by Eligible Institutional Shareholders under the Institutional Entitlement Offer and the Entitlements of certain Ineligible Institutional Shareholders may, subject to demand, be allocated to Institutional Investors who participate in the institutional placement or as Sky and the Underwriters may otherwise agree.

#### **Settlement of the Institutional Entitlement Offer**

Settlement of the Institutional Entitlement Offer will occur on the Institutional Settlement Date in accordance with arrangements advised by the Joint Lead Managers. Each investor remains responsible for ensuring its own compliance with the Takeovers Code and other applicable law.

### **THE RETAIL ENTITLEMENT OFFER**

#### **Overview of the Retail Entitlement Offer**

Sky is offering Eligible Retail Shareholders the opportunity to subscribe for 2.83 New Shares for every 1 Existing Share held as at 7.00pm (NZST) or 5.00pm (AEST) on the Record Date, at an Application Price of NZ\$0.11 (or the A\$ Price) per New Share. This ratio and the Application Price are the same as for the Institutional Entitlement Offer. Eligible Retail Shareholders are sent this Offer Document together with a personalised Entitlement and Acceptance Form and may take up all, part or none of their Entitlements.

The Retail Entitlement Offer opens on Wednesday, 27 May 2020 and closes at 5.00pm (NZST) or 3.00pm (AEST) on Tuesday, 9 June 2020 (subject to Sky's right to modify these dates or times).

Entitlements will not be quoted and cannot be traded on the NZX Main Board, the ASX or privately transferred.

#### **Eligibility under the Retail Entitlement Offer**

The Retail Entitlement Offer is only open to Eligible Retail Shareholders.

The Retail Entitlement Offer does not constitute an offer to any person who is not an Eligible Retail Shareholder (including any Institutional Shareholder or an Ineligible Retail Shareholder). In particular, Shareholders who are in the United States or who are acting for the account or benefit of persons in the United States (to the extent such persons are acting for the account or benefit of a person in the United States) are not eligible to participate in the Retail Entitlement Offer.

Any person allocated New Shares under the Institutional Entitlement Offer is not able to participate in the Retail Entitlement Offer in respect of those New Shares.

Sky reserves the right to reject any application for New Shares under the Retail Entitlement Offer that it considers comes from a person who is not an Eligible Retail Shareholder.

### **Acceptance of Entitlement under the Retail Entitlement Offer**

The Entitlement and Acceptance Form distributed to Eligible Retail Shareholders with this Offer Document sets out an Eligible Retail Shareholder's Entitlement to participate in the Retail Entitlement Offer. Applications for New Shares by Eligible Retail Shareholders can only be made on an original Entitlement and Acceptance Form sent with this Offer Document or via an online application at [www.shareoffer.co.nz/sky](http://www.shareoffer.co.nz/sky).

Entitlements are not rounded up to a minimum holding. The number of New Shares to which an Eligible Retail Shareholder is entitled under an Entitlement will, in the case of fractions of New Shares, be rounded down to the nearest whole number.

Eligible Retail Shareholders are not obliged to subscribe for any or all of the New Shares to which they are entitled under the Offer. They may take up all, part or none of their Entitlements.

Any person outside New Zealand or Australia who takes up an Entitlement in the Retail Entitlement Offer (and therefore applies for New Shares) through a New Zealand or Australian resident nominee, and their nominee, will be deemed to have represented and warranted to Sky that the Offer can be lawfully made to their nominee pursuant to this Offer Document. None of Sky, the Joint Lead Managers, the Underwriters, the Registrar or any of their respective directors, officers, employees, agents, or advisers accept any liability or responsibility to determine whether a person is eligible to participate in this Offer.

### **Application to take up additional New Shares in Retail Entitlement Offer**

New Shares that are attributable to Entitlements that are not taken up by Eligible Retail Shareholders (together with those attributable to Entitlements of Ineligible Retail Shareholders) will be offered to Eligible Retail Shareholders who take up their Entitlements in full.

Eligible Retail Shareholders who have taken up all of their Entitlements in full may apply for these additional New Shares, up to a maximum amount of New Shares equal to 20% of their Entitlements. Eligible Retail Shareholders apply for these additional New Shares by completing the appropriate section on the Entitlement and Acceptance Form, or as directed via the online application, and applying for additional New Shares at the Offer Price. **Payment must be made for both your Entitlements and any additional New Shares for which you wish to apply.**

If you elect to apply for your Entitlements using the A\$ Price, then any additional New Shares that you are applying for **must also be paid for in Australian dollars at the A\$ price.**

Allocations and any necessary scaling of additional New Shares applied for by Eligible Retail Shareholders who take up their Entitlements in full will be determined by Sky and the Joint Lead Managers.

### **NOMINEES**

If you hold Existing Shares as nominee for more than one person, then you may (depending on the nature of each such person) be an Eligible Institutional Shareholder, Ineligible Institutional Shareholder, Eligible Retail Shareholder or Ineligible Retail Shareholder with regard to the Entitlement of each such person. Nominees who hold Shares on behalf of persons in the United States, or who are acting for the account or benefit of persons in the United States, are not eligible to participate on behalf of those persons.

### **Notice to nominees and custodians**

The Retail Entitlement Offer is being made to all Eligible Retail Shareholders. Nominees and custodians with registered addresses in eligible jurisdictions, irrespective of whether they participated under the Institutional Entitlement Offer, may also be able to participate in the Retail Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold existing Shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Retail Shareholder.

Nominees and custodians who hold Shares as nominees or custodians will receive a letter from Sky. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to, and they must not purport to accept the Retail Entitlement Offer in respect of:

- (a) beneficiaries on whose behalf they hold Existing Shares who would not satisfy the criteria for an Eligible Retail Shareholder;
- (b) Eligible Institutional Shareholders who received an offer to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not);
- (c) Ineligible Institutional Shareholders who were ineligible to participate in the Institutional Entitlement Offer; or
- (d) Shareholders who are not eligible under applicable securities laws to receive an offer under the Retail Entitlement Offer.

In particular nominees and custodians who hold Shares on behalf of persons in the United States, or who are acting for the account or benefit of persons in the United States, are not eligible to participate on behalf of those persons, and may not take up Entitlements on behalf of, or send any documents relating to the Retail Entitlement Offer to, any person in the United States.

Sky is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares or Entitlements. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws. Sky is not able to advise on foreign laws.

## **OVERSEAS SHAREHOLDERS**

The Offer is only open to Eligible Shareholders and persons who Sky is satisfied can otherwise participate in the Offer in compliance with all applicable laws. Sky has determined that it would be unduly onerous to extend the Retail Entitlement Offer to Ineligible Retail Shareholders and the Institutional Entitlement Offer to Ineligible Institutional Shareholders because of the small number of such Shareholders, the number and value of Shares that they hold and the cost of complying with the applicable regulations in jurisdictions outside New Zealand and Australia.

The distribution of this Offer Document (including an electronic copy) outside New Zealand or Australia may be restricted by applicable law. Any failure to comply with such restrictions may contravene applicable securities law. Sky disclaims all liability to such persons.

Nominees and custodians may not distribute any part of this Offer Document, and may not permit any beneficial shareholder to participate in the Offer who is located, in the United States or any other country outside New Zealand and Australia except to institutional and professional investors listed in, and to the extent permitted under, this section.

## **Canada**

This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces") and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such New Shares. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – *Prospectus Exemptions*, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the New Shares outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with generally accepted accounting practice in New Zealand and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board.

Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

#### *Statutory rights of action for damages and rescission*

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the New Shares purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Company if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the *Securities Act* (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that:

- (a) the Company will not be liable if it proves that the purchaser purchased the New Shares with knowledge of the misrepresentation;



- (b) in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of the New Shares as a result of the misrepresentation relied upon; and
- (c) in no case shall the amount recoverable exceed the price at which the New Shares were offered.

Section 138 of the *Securities Act* (Ontario) provides that no action shall be commenced to enforce these rights more than:

- (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action.

These rights are in addition to and not in derogation from any other right the purchaser may have.

*Certain Canadian income tax considerations.* Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding, or disposition of the New Shares as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

*Language of documents in Canada.* Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

### **European Union (Denmark, Germany and the Netherlands)**

This document has not been, and will not be, registered with or approved by any securities regulator in Denmark, Germany or the Netherlands. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in Denmark, Germany and the Netherlands except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in Denmark, Germany and the Netherlands is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

### **Hong Kong**

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any of the contents of this document, you should obtain independent professional advice

## **Norway**

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in the Norwegian Securities Trading Act of 29 June 2007 no. 75 (Section 10.6) and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

## **Singapore**

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) of Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

## **Switzerland**

The offering of the New Shares in Switzerland is exempt from requirement to prepare and publish a prospectus under the Swiss Financial Services Act ("FinSA") because such offering is made to professional clients within the meaning of the FinSA only and the New Shares will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. This Offering

Memorandum does not constitute a prospectus pursuant to the FinSA, art. 652a, or art. 752 of the Swiss Code of Obligations (in its version applicable during the transitory period after entering into force of FinSA on January 1, 2020) or a listing prospectus within the meaning of art. 27 et seqq. of the SIX Listing Rules (in their version enacted on January 1, 2020, and to be applied during the transitory period), and no such prospectus has been or will be prepared for or in connection with the offering of the New Shares.

### **United Arab Emirates**

Neither this document nor the New Shares have been approved or passed on in any way by the Emirates Securities and Commodities Authority ("ESCA") or any other governmental authority in the United Arab Emirates. The Company has not received authorisation from the ESCA or any other governmental authority to market or sell the New Shares within the United Arab Emirates. This document does not constitute, and may not be used for the purpose of, an offer of securities in the United Arab Emirates. No services relating to the New Shares, including the receipt of applications, may be rendered within the United Arab Emirates.

No offer or invitation to subscribe for New Shares is valid, or permitted from any person, in the Abu Dhabi Global Market or the Dubai International Financial Centre.

### **United Kingdom**

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

### **United States**

This Offer Document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, and may not be distributed to any person in the United States.

The Entitlements and the New Shares have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not

subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

The Entitlements and New Shares offered and sold in the Institutional Entitlement Offer may be offered and sold only (a) in the United States to Approved US Shareholders and Approved US Investors, and (b) outside the United States in "offshore transactions" (as defined in Rule 902(h) under Regulation S under the US Securities Act) in reliance on Regulation S.

The Entitlements and New Shares offered and sold in the Retail Entitlement Offer may not be taken up in the United States or by any person acting for the account or benefit of any person in the United States (to the extent such person is acting for the account or benefit of a person in the United States). The Entitlements offered and sold in the Retail Entitlement Offer may only be taken up, and the New Shares offered and sold in the Retail Entitlement Offer may only be offered and sold, outside the United States in "offshore transactions" (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act.

## UNDERWRITING AGREEMENT

Sky has requested the Underwriters to underwrite the placement and the Offer and the Underwriters have agreed to do so. This means that the Underwriters will subscribe at the Application Price for any New Shares that are not subscribed for under the placement or by Eligible Shareholders under the Offer in accordance with the terms of the Underwriting Agreement. A summary of the principal terms of the Underwriting Agreement are set out immediately below:

- The Underwriters have the power to appoint sub-underwriters.
- The Underwriters will be paid an agreed fee for their services in connection with the placement and the Offer.
- The Underwriting Agreement contains termination events, representations, warranties and indemnities that are customary for an offer of this nature.
- The Underwriters may terminate their obligations under the Underwriting Agreement, including by reason of events which have, or are likely to have, a material adverse effect on Sky, the Shares or the Offer. These may be as a result of events related to Sky or as a result of external events, such as material or fundamental changes in financial, economic and political conditions in certain countries or financial markets.
- If the Underwriting Agreement is terminated, a termination fee may be payable to the Underwriters.
- Sky has indemnified the Underwriters and their respective directors, officers, partners, employees and advisers against certain losses sustained, suffered or incurred, arising out of or in connection with the Offer, the allotment of the New Shares or the Underwriting Agreement.
- For a period commencing on the date of the Underwriting Agreement and ending 90 days after the Allotment Date for the Retail Entitlement Offer, Sky will not and procures that other members of the Group will not, without the prior written consent of the Underwriters:
  - allot or issue any Shares or other equity securities of Sky (whether preferential, redeemable, convertible or otherwise);
  - issue or grant any right or option that entitles the holder to call for the issue of Shares or other equity securities by Sky or that is otherwise convertible into, exchangeable for or redeemable by the issue of, Shares or other equity securities by Sky;
  - create any debt instrument or other obligation which may be convertible into, exchangeable for or redeemable by, the issue of Shares or other equity securities by Sky;
  - otherwise enter into any agreement whereby any person may be entitled to the allotment and issue of any Shares or other equity securities by Sky; or
  - make any announcement of an intention to do any of the above,

other than pursuant to existing employee incentive plans (including as may be amended or updated from time to time), the placement or the Offer; or

- dispose or grant security over all or any material part of its business or assets;
- enter into any commitment that is or may be material in the context of the placement, the Offer, the underwriting or the quotation of Shares on the NZX or the ASX; or

- undertake any action that results in the placement or Offer not being able to be made in New Zealand or Australia,

other than as publicly disclosed or disclosed to the Underwriters prior to the date of the Underwriting Agreement.

## **TERMS AND RANKING OF NEW SHARES**

New Shares will rank equally with, and have the same voting rights, dividend rights and other entitlements as, Existing Shares in Sky quoted on the NZX Main Board and ASX. Entitlements will not be quoted and cannot be traded on the NZX Main Board, ASX or privately transferred. It is a term of the Offer that Sky will take any necessary steps to ensure that the New Shares are, immediately after issue, quoted on the NZX Main Board and ASX.

Sky does not have a formal dividend policy. The Board currently intends to reinvest available free cash flow during FY20 and FY21, and will re-evaluate the commencement of dividend payments in FY22.

### **NZX**

The New Shares have been accepted for quotation by NZX and will be quoted on the NZX Main Board upon completion of allotment procedures. The NZX Main Board is a licensed market under the FMCA. However, NZX accepts no responsibility for any statement in this Offer Document. It is expected that trading on the NZX Main Board of the New Shares issued under:

- the Institutional Entitlement Offer will commence on Tuesday, 2 June 2020; and
- the Retail Entitlement Offer will commence on Tuesday, 16 June 2020.

### **ASX**

An application has or will be made to ASX for quotation of the New Shares issued under the Offer and Sky expects that the New Shares will be quoted upon completion of allotment procedures. It is expected that trading on ASX of the New Shares issued under:

- the Institutional Entitlement Offer will commence on Tuesday, 2 June 2020; and
- the Retail Entitlement Offer will commence on Wednesday, 17 June 2020.

ASX accepts no responsibility for any statement in this Offer Document. The fact that ASX may approve the New Shares for quotation is not to be taken in any way as an indication of the merits of Sky. Holding statements for New Shares allotted under the Offer will be issued and mailed as soon as practicable after allotment. Applicants under the Offer should ascertain their allocation before trading in the New Shares. Applicants can do so by contacting the Registrar, whose contact details are set out in the Directory.

Applicants selling New Shares prior to receiving a holding statement do so at their own risk. No person accepts any liability or responsibility should any person attempt to sell or otherwise deal with New Shares before the holding statement showing the number of New Shares allotted to an applicant is received by the applicant for those New Shares.

## PART 5: GLOSSARY

<b>Term</b>	<b>Definition</b>
<b>A\$ Price</b>	A\$0.11 per New Share.
<b>Allotment Date</b>	In respect of the: (a) Institutional Entitlement Offer, Tuesday, 2 June 2020; and (b) Retail Entitlement Offer, Tuesday, 16 June 2020.
<b>Application Price</b>	NZ\$0.12 (or the A\$ Price) per New Share.
<b>Approved US Investor</b>	A limited number of persons that are not Shareholders as at the Record Date that are located in the United States and that Sky and the Joint Lead Managers have pre-identified (in advance of the Offer) and have determined to be either: (a) QIBs that are acting for their own account or for the account or benefit of one or more persons, each of whom is a QIB; or (b) Eligible US Fund Managers, and in each case whose participation in the Offer Sky and the Joint Lead Managers have expressly approved.
<b>Approved US Shareholder</b>	A limited number of persons that are Shareholders as at the Record Date and as at the date of 21 May 2020 that are located in the United States and that Sky and the Joint Lead Managers have pre-identified (in advance of the Offer) and have determined to be either: (a) QIBs that are acting for their own account or for the account or benefit of one or more persons, each of whom is a QIB; or (b) Eligible US Fund Managers, and in each case whose participation in the Offer Sky and the Joint Lead Managers have expressly approved.
<b>ASIC</b>	The Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited or the market it operates (as the context requires).
<b>ASX Listing Rules</b>	The official listing rules of ASX.
<b>Business Day</b>	Has the meaning giving to that term in the NZX Listing Rules.
<b>Corporations Act</b>	The Australian Corporations Act 2001 (Cth).
<b>Eligible Institutional Shareholder</b>	A person who, as at 7.00pm (NZST) or 5.00pm (AEST) on the Record Date, was recorded in Sky's share register as being a Shareholder and: (a) has an address in New Zealand, Australia, Canada, Denmark, Germany, Hong Kong, the Netherlands, Norway, Singapore, Switzerland, the United Arab Emirates or the United Kingdom, or is a person who Sky reasonably believes the Institutional Entitlement Offer may be made to under all applicable laws without the need for any registration, lodgement or other formality, and who is not in the United States, or if a Shareholder is in the United States that it is an Approved US Shareholder or an Approved US Investor; and (b) is an Institutional Investor (or the nominee of an Institutional Investor) and is invited to participate in the Institutional Entitlement Offer.

<b>Eligible Retail Shareholder</b>	<p>A person who, as at 7.00pm (NZST) or 5.00pm (AEST) on the Record Date, was recorded in Sky's share register as being a Shareholder and:</p> <p>(a) whose address is recorded in Sky's share register as being in New Zealand or Australia; or</p> <p>(b) who Sky otherwise reasonably determines may be treated as an Eligible Retail Shareholder,</p> <p>and who is not in the United States and not acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of a person in the United States) and who is not an Institutional Shareholder.</p>
<b>Eligible Shareholder</b>	An Eligible Retail Shareholder or an Eligible Institutional Shareholder.
<b>Eligible US Fund Manager</b>	A dealer or other professional fiduciary organised or incorporated in the United States that is acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not "US persons" (as defined in Rule 902(k) under the US Securities Act) for which it has and is exercising investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act.
<b>Entitlement</b>	A right to subscribe for 2.83 New Shares for every 1 Existing Share held at 7.00pm (NZST) or 5.00pm (AEST) on the Record Date at the Application Price, issued pursuant to the Offer.
<b>Entitlement and Acceptance Form</b>	The personalised entitlement and acceptance form accompanying this Offer Document for Eligible Retail Shareholders.
<b>Existing Share</b>	A Share on issue on the Record Date.
<b>FMCA</b>	The Financial Markets Conduct Act 2013.
<b>Ineligible Institutional Shareholder</b>	A person who, as at 7.00pm (NZST) or 5.00pm (AEST) on the Record Date, was recorded in Sky's share register as being a Shareholder who is not an Institutional Investor but, if the Shareholder's address was shown in Sky's share register as being in New Zealand, Australia, Canada, Denmark, Germany, the Netherlands, Hong Kong, Norway, Singapore, Switzerland, United Arab Emirates or the United Kingdom would in the reasonable opinion of Sky be an Institutional Investor.
<b>Ineligible Retail Shareholder</b>	A Shareholder who is not an Institutional Shareholder or an Eligible Retail Shareholder.
<b>Ineligible Shareholder</b>	A shareholder other than an Eligible Shareholder.
<b>Institutional Entitlement Offer</b>	The offer of New Shares to Eligible Institutional Shareholders.
<b>Institutional Investor</b>	<p>A person with an address:</p> <p>(a) in New Zealand, who Sky considers is a wholesale investor as defined in the FMCA;</p> <p>(b) in Australia, who is a "wholesale client" within the meaning of section 761G of the Corporations Act and either (i) a "sophisticated investor" within the meaning of section 708(8) of the Corporations Act, or (ii) a "professional investor" within the meaning of section 708(11) of the Corporations Act;</p>



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- (c) in Canada, who is an "accredited investor" as defined in National Instrument 45-106 – Prospectus and Registration Exemptions ("NI 45-106") and, if relying on subsection (m) of the definition of that term, is not a person created or being used solely to acquire or hold securities as an accredited investor;
  - (d) in Denmark, Germany or the Netherlands who is a "qualified investor" as defined in Article 2(e) of the Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union;
  - (e) in Hong Kong, who is a "professional investor" as defined under the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong;
  - (f) in Norway, who is a "professional client" as defined in Norwegian Securities Trading Act of 29 June 2007 no. 75 (Section 10-6);
  - (g) in Singapore, who is an "institutional investor" or an "accredited investor" as such terms are defined in the Securities and Futures Act, Chapter 289 of Singapore;
  - (h) in Switzerland, who is a "professional client" in the meaning of article 4(3) of the Swiss Financial Services Act ("FinSA") or someone who has validly elected to be treated as a professional client pursuant to article 5(2) of the FinSA;
  - (i) in the United Arab Emirates, who received communication in relation to the Offer from outside the United Arab Emirates;
  - (j) in the United Kingdom, who is a person who (i) is a "qualified investor" within the meaning of Section 86(7) of the United Kingdom Financial Services and Markets Act 2000 (ii) is within the categories of persons referred to in Article 19(5) (investment professionals) or Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc) of the United Kingdom Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended or (iii) if the Offer Shares are being marketed in the United Kingdom in compliance with the National Private Placement Regime (within the meaning of the Alternative Investment Fund Managers Regulation 2013), is a "professional investor" (within the meaning of the Alternative Investment Fund Managers Directive, as implemented in the United Kingdom); or
  - (k) who Sky is satisfied the Institutional Entitlement Offer may be made to under all applicable laws without the need for any registration, lodgement or other formality,

provided that if such an investor is in the United States, it is only an Institutional Investor if it is an Approved US Shareholder or an Approved US Investor.

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<b>Institutional Settlement Date</b>	The date of settlement of New Shares under the Institutional Entitlement Offer, expected to be Friday, 29 May 2020 on ASX and Tuesday, 2 June 2020 on NZX.
<b>Institutional Shareholder</b>	Eligible Institutional Shareholders and Ineligible Institutional Shareholders.
<b>Joint Lead Managers</b>	Forsyth Barr Limited and Goldman Sachs New Zealand Limited.
<b>New Share</b>	A Share in Sky offered under the Offer of the same class as, and ranking equally in all respects with, Sky's quoted Shares at the Allotment Date.

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<b>NZX</b>	NZX Limited.
<b>NZX Listing Rules</b>	The listing rules of NZX in relation to the NZX Main Board (or any market in substitution for that market) in force from time to time, read subject to any applicable rulings or waivers.
<b>NZX Main Board</b>	The main board equity security market operated by NZX.
<b>NZX Primary Market Participant</b>	Any company, firm, organisation, or corporation designated or approved as a primary market participant from time to time by NZX.
<b>Offer</b>	The accelerated non-renounceable entitlement offer of New Shares detailed in this Offer Document, comprising the Institutional Entitlement Offer and the Retail Entitlement Offer.
<b>Offer Document</b>	This document.
<b>QIB</b>	A “qualified institutional buyer” as that term is defined in Rule 144A under the US Securities Act.
<b>Record Date</b>	Monday, 25 May 2020.
<b>Registrar</b>	Computershare Investor Services Limited
<b>Retail Entitlement Offer</b>	The offer of New Shares to Eligible Retail Shareholders.
<b>Share</b>	A fully paid ordinary share in Sky.
<b>Shareholder</b>	A registered holder of Shares.
<b>Sky</b>	Sky Network Television Limited (company number 1579204).
<b>Takeovers Code</b>	The Takeovers Code set out in the schedule to the Takeovers Regulations 2000.
<b>Underwriters</b>	Forsyth Barr Group Limited and Goldman Sachs New Zealand Limited.
<b>US Persons</b>	Has the meaning given in Rule 902(k) under the US Securities Act.
<b>US Securities Act</b>	The U.S. Securities Act of 1933, as amended.

**NOTE:**

- All references to time are to New Zealand standard time unless stated or defined otherwise.
- All references to currency are to New Zealand dollars unless stated or defined otherwise.
- All references to legislation are references to New Zealand legislation unless stated or defined otherwise.
- This Offer Document, the Offer and any contract resulting from it are governed by the laws of New Zealand, and each applicant submits to the exclusive jurisdiction of the courts of New Zealand.

## PART 6: DIRECTORY

### ISSUER

**Sky Network Television Limited**  
10 Panorama Road  
Mt Wellington  
Auckland 1060  
New Zealand

### LEGAL ADVISORS

**Chapman Tripp**  
Level 35, ANZ Centre  
23-29 Albert Street  
Auckland 1010  
New Zealand

### JOINT LEAD MANAGERS AND UNDERWRITERS

**Forsyth Barr Limited (as Joint  
Lead Manager) and Forsyth  
Barr Group Limited (as  
Underwriter)**

Level 23  
Lumley Centre  
88 Shortland Street  
Auckland 1010  
New Zealand

**Goldman Sachs New Zealand  
Limited (as Joint Lead  
Manager and Underwriter)**

Level 39  
48 Shortland Street  
Auckland 1010  
New Zealand

If you have any queries about the Entitlements shown on the Entitlement and Acceptance Form which accompanies this Offer Document, or how to apply online or complete the Entitlement and Acceptance Form, please contact the Registrar at:

### SHARE REGISTRAR

#### **Computershare Investor Services Limited**

***New Zealand***  
Private Bag 92119  
Auckland, 1142  
New Zealand

159 Hurstmere Road  
Takapuna  
Auckland 0622  
Telephone: 0800 650 034

Application Website: [www.shareoffer.co.nz/sky](http://www.shareoffer.co.nz/sky)

Company Website: [www.computershare.com/nz](http://www.computershare.com/nz)

***Australia***  
GPO Box 2975  
Melbourne VIC 3000  
Australia

Yarra Falls  
452 Johnston Street  
Abbotsford, VIC 3067  
Telephone: +61 03 9415 5000

[www.computershare.com/au](http://www.computershare.com/au)



Sky Network Television Limited  
Offer Document