

Disclosure of beginning to have substantial holding

Section 276, Financial Markets Conduct Act 2013

To NZX Limited
and

To Sky Network Television Limited (**Sky**)

Date this disclosure made: 1 November 2019

Date on which substantial holding began: 1 November 2019

Substantial product holder(s) giving disclosure

Full name(s): New Zealand Rugby Union Incorporated (**NZRU**)

Summary of substantial holding

Class of quoted voting products: Ordinary shares in Sky

Summary for NZRU

For this disclosure,—

- (a) total number held in class: 21,801,325
- (b) total in class: 436,026,518
- (c) total percentage held in class: 5.000% (see further details below)

Details of relevant interests

Details for NZRU

Nature of relevant interest(s): Legal title to 21,801,325 ordinary shares in Sky, subject to a restriction deed between Sky and NZRU dated 14 October 2019 (**Restriction Deed**).

For that relevant interest —

- (a) number held in class: 21,801,325
- (b) percentage held in class: 5.000% (see further details below)
- (c) current registered holder(s): N/A (issue of new shares)
- (d) registered holder(s) once transfers are registered: N/A

Details of transactions and events giving rise to substantial holding

Details of the transactions or other events requiring disclosure: The issuance to NZRU of 21,801,325 fully paid ordinary shares in Sky (which is less than 5% on an absolute basis but, which when rounded to 3 decimal places, is 5.000%), subject to certain restrictions under the Restriction Deed, pursuant to certain partnership arrangements between Sky and NZRU to which the Restriction Deed relates.

A copy of the Restriction Deed is attached (7 pages).

Additional information

Address(es) of substantial product holder(s): Level 4, 100 Molesworth Street, Thorndon, Wellington, New Zealand

Contact details: Keith Binnie, +64 27 471 7308, Keith.Binnie@nzrugby.co.nz

Name of any other person believed to have given, or believed to be required to give, a disclosure under the Financial Markets Conduct Act 2013 in relation to the financial products to which this disclosure relates:

Sky Network Television Limited

Certification

I, Keith Binnie, certify that, to the best of my knowledge and belief, the information contained in this disclosure is correct and that I am duly authorised to make this disclosure by all persons for whom it is made.

A handwritten signature in blue ink that reads "Keith Binnie". The signature is written in a cursive, flowing style.

Dated 14 October 2019

RESTRICTION DEED

between

SKY NETWORK TELEVISION LIMITED

and

**NEW ZEALAND RUGBY UNION
INCORPORATED**

RESTRICTION DEED

PARTIES

- (1) **SKY NETWORK TELEVISION LIMITED** (the Company); and
- (2) **NEW ZEALAND RUGBY UNION INCORPORATED** (the Holder).

BACKGROUND

- A. As part consideration for securing certain rights from and arrangements with the Holder pursuant to the Relevant Agreements, the Company will issue the Shares to the Holder on the terms set out in the Relevant Agreements.
- B. The Holder agrees to hold the Shares on the terms of this deed.

TERMS OF THIS DEED:

1. DEFINITIONS AND CONSTRUCTION

- 1.1 **Defined terms:** In this deed, unless the context requires otherwise:

ASX means ASX Limited, or the financial market operated by it, as the context requires;

ASX Listing Rules means the listing rules of ASX as amended, varied, modified or waived from time to time;

Business Day means a day on which the NZX is open for trading;

Non-Interested Directors means, in relation to any decision, directors of the Company who are not "interested" in that decision for the purposes of the Companies Act 1993;

NZX means NZX Limited and includes its successors and assigns and, as the context permits, includes any duly authorised delegate of NZX;

NZX Listing Rules means the listing rules applying to the main board equity securities market operated by NZX (or any successor to that market) as altered from time to time by NZX;

Relevant Agreements means the binding short form partnership framework agreement recorded in the letter dated 13 October 2019 from the Company to the Holder (which was counter-signed by the Holder on 13 October 2019) and any subsequent long form agreement entered into between the Company and the Holder pursuant to, and to record further details of, that short form partnership framework agreement;

Restricted Period means the period commencing on the date on which the Shares are issued to the Holder and ending on the date occurring two years after the date on which the Shares are issued;

Shares means 21,801,325 fully paid ordinary shares in the Company issued to the Holder pursuant to the Relevant Agreements and subject to the restrictions contained in this deed; and

Takeovers Code means the Takeovers Code set out in the schedule to the Takeovers Code Approval Order 2000, as amended or replaced from time to time.

2. RESTRICTIONS APPLICABLE TO SHARES

2.1 Subject to clause 3 of this deed, the Holder unconditionally and irrevocably undertakes that it will not directly or indirectly:

- (a) sell, transfer, assign, transfer by way of security or otherwise dispose of; or
- (b) offer to agree to sell, transfer, assign, transfer by way of security or otherwise dispose of, its right and title to, and its legal and beneficial interest in, any of the Shares during the Restricted Period; or
- (c) do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of any of the Shares during the Restricted Period,

without the prior written approval of each of the Non-Interested Directors and the Company (at their respective discretions).

2.2 The Holder acknowledges that the right of the Holder to deal with the Shares is also subject to any other restrictions imposed under the NZX Listing Rules, the ASX Listing Rules and the Financial Markets Conduct Act 2013.

2.3 If at any time during the Restricted Period the Shares are sub-divided or consolidated, then the provisions of this deed shall continue to apply in respect of the Shares as sub-divided or consolidated, and all references to "Shares" shall be read accordingly.

2.4 If at any time after the end of the Restricted Period up until 31 December 2025, the Holder intends to sell all or any portion of the Shares, the Holder shall:

- (a) no less than 10 Business Days prior to any sale being agreed to or effected by or on behalf of the Holder:
 - (i) give the Company written notice of such intention to sell, including details of the relevant portion of the Shares it intends to sell and its intended timing of the sale (such date being for the avoidance of doubt no less than 10 Business Days after the date of the notice); and

- (ii) engage in good faith discussions with the Company,

in order to allow the Company the opportunity to identify potential purchasers of the relevant portion of the Shares that the Holder intends to sell; and

- (b) to the extent the Company identifies and nominates any bona fide alternative purchaser of the relevant portion of the Shares (such alternative purchaser being nominated prior to the Holder's intended timing of the sale and being willing and capable of executing the transaction not later than the Holder's intended timing of the sale), then, provided that the price payable by, and the other material terms applicable to the purchase by, any such potential purchaser(s) nominated by the Company are no less favourable to the Holder than the price and other material terms offered to the Holder at the relevant time by a ready, willing, bona fide third party purchaser, the Holder will sell (and do all things necessary to

effect and conclude a sale of) the relevant portion of the Shares to such potential purchaser(s) nominated by the Company.

In consideration of the obligations of the Holder in this clause 2.4, the Company agrees and undertakes to keep confidential and not to disclose any information provided by the Holder to the Company pursuant to this clause 2.4 except:

- (c) where required to do so pursuant to law, the NZX Listing Rules or the ASX Listing Rules and such exception shall not apply where the requirement arises as a result of the Company's breach of this confidentiality undertaking; or
- (d) where required to do so in order to procure a bona fide alternative purchaser of the relevant Shares and in such circumstances the Company undertakes to procure that any potential purchaser to whom information is disclosed does not further disclose that information.

3. EXCEPTIONS

- 3.1 **Security Interest:** Notwithstanding the restrictions set out in clause 2.1 of this deed, the Holder may grant a security interest over all or any of the Shares in favour of a registered bank or other similar recognised lending institution, provided that the bank or institution first enters into a Restriction Deed with the Company (which the Company will promptly execute) in relation to the Shares on the same terms as this deed, to take effect from the enforcement of the security interest, for the remainder of the Restricted Period.
- 3.2 **Takeover or Scheme of Arrangement:** Notwithstanding the restrictions set out in clause 2.1 of this deed, if a full or partial offer is made under the Takeovers Code for the Company's shares during the Restricted Period, or a scheme of arrangement is implemented in respect of the Company's shares during the Restricted Period, then the Holder may sell, or agree or offer to sell, all or any of the Shares to the offeror under that offer or sell or dispose of all or any part of the Shares under the scheme of arrangement. For the avoidance of doubt, the provisions of clause 2.4 shall not apply if the intended sale occurs pursuant to a full or partial offer made under the Takeovers Code or pursuant to a Scheme of Arrangement.

4. NOTICES

- 4.1 Any notice produced under or relating to this deed shall be in writing addressed to the party at the physical address or email address from time to time designated by that party in writing to the other party. Until any other designation is given, the physical address or email address of each party is as set out below:

HOLDER

ADDRESS: New Zealand Rugby House
100 Molesworth Street
Wellington 6011
New Zealand

ATTENTION: Keith Binnie

COMPANY

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

EMAIL: keith.binnie@nzrugby.co.nz

with a copy provided to:

ADDRESS: Simpson Grierson
Level 27, Lumley Centre
88 Shortland Street
Auckland 1010
New Zealand

ATTENTION: James Hawes

EMAIL: James.Hawes@simpsongrierson.com

ATTENTION: Sophie Moloney
Blair Woodbury

EMAIL: sophie.moloney@sky.co.nz
blair.woodbury@sky.co.nz

with a copy provided to:

ADDRESS: Buddle Findlay
PwC Tower
188 Quay Street
Auckland 1010
PO Box 1433
Auckland 1140
New Zealand

ATTENTION: Nick Bragg

EMAIL: nick.bragg@buddlefindlay.com

4.2 Any notice given under this deed shall be deemed to have been received:

- (a) at the time of delivery, if delivered by hand;
- (b) three Business Days after the date of mailing, if sent by ordinary post within New Zealand;
- (c) 10 Business Days after the date of mailing, if posted or delivered overseas; or
- (d) at the time at which the sender's information system indicates that the email was successfully received, if sent by email,

provided that any communication received or deemed received after 5pm or on a day which is not a Business Day in the place to which it is delivered, posted or sent will be deemed not to have been received until the next Business Day in that place.

5. GENERAL

5.1 **Holder Warranties:** The Holder warrants and represents in favour of the Company that the following is true and correct as at the date of this deed and at all times until the expiry of the Restricted Period (except as expressly provided for below):

- (a) it has full power and authority, without the consent of any other person, to enter into and perform its obligations under this deed;
- (b) it has taken all necessary action to authorise the execution, delivery and performance of this deed in accordance with its terms;
- (c) this deed constitutes legal, valid and binding obligations and, subject to any necessary stamping and registration, is enforceable in accordance with its terms;
- (d) the execution, delivery and performance by it of this deed does not and will not violate, breach or result in a contravention of:
 - (i) any applicable law, regulation or authorisation;

- (ii) its constitution or other constituent documents; or
 - (iii) any agreement, undertaking, security interest or document which is binding on it;
 - (e) prior to the beginning of the Restricted Period, it has not done, or omitted to do, any act which would result in it dealing in the Shares such that it will take effect during the Restricted Period in contravention of this deed;
 - (f) so far as it is aware, and relying on the warranty and representation made by the Company in clause 5.2, the Shares will, immediately following issue, be free from all security interests and other third party interests or rights and subject to clause 3.1 will remain so during the Restricted Period;
 - (g) so far as it is aware, and relying on the warranty and representation made by the Company in clause 5.2, there is no person who will have at or immediately following issuance of the Shares any economic or beneficial interest in the Shares other than the Holder; and
 - (h) as at the time of issuance of the Shares, the Shares are all the securities, economic interests or other interests that the Holder has directly or indirectly in the Company.
- 5.2 **Company Warranty:** The Company warrants and represents in favour of the Holder that, except for any encumbrances, rights or interests imposed under the terms of this deed or any other Relevant Agreement, the Shares will be issued fully paid up and free from all encumbrances and third party rights and interests.
- 5.3 **Specific Performance:** The Holder acknowledges that damages alone would be an inadequate remedy for breach of its obligations under this deed and the appropriate remedies for such a breach will include orders for specific performance, injunctive relief, any other equitable relief and/or damages.
- 5.4 **Enforceability:** The provisions of this deed are for the benefit of, and are intended to be enforceable by, any of the Non-Interested Directors under the Contract and Commercial Law Act 2017 (New Zealand).
- 5.5 **Severability:** If any provision of this deed is found by a court or other competent authority to be void or unenforceable, such provision will be deemed to be deleted from this deed and the remaining provisions of this deed will continue in full force and effect.
- 5.6 **Variation and cancellation:** This deed may not be varied, modified, amended or cancelled unless such variation, modification, amendment or cancellation is expressly agreed in writing by each party.
- 5.7 **Governing law:** This deed is governed by and construed in accordance with New Zealand law and the parties agree to submit to the jurisdiction of the New Zealand courts.
- 5.8 **Counterpart:** The parties may execute a counterpart copy of this deed by executing a facsimile copy, photocopy of a facsimile copy or PDF email copy of this deed. The transmission by facsimile or PDF email by each party of a signed counterpart copy of this deed to the other parties shall be deemed proof of signature of the original and the signed facsimile or PDF email copy so transmitted shall be deemed an original for the purposes of this deed.

EXECUTION

DATED this 14 day of October 2019

EXECUTED as a DEED for and on behalf)
of SKY NETWORK TELEVISION)
LIMITED)

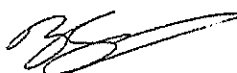


Director

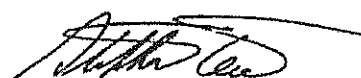


Director

EXECUTED as a DEED for and on behalf)
of NEW ZEALAND RUGBY UNION)
INCORPORATED with the common seal)
attached)



Chairman



Chief Executive

