

ELECTING TO BE A SHAREHOLDER

If you've signed a Master Rights Agreement, then you should qualify to elect to become a shareholder in Recorded Music New Zealand Limited. It's totally up to you – you don't have to be a shareholder, but you can sign up if you want to have your say in certain things. Some notes explaining this are attached. If you'd like to elect to be a Shareholder, please complete this form.

A. YOUR DETAILS (all fields are required)

Name: [as per your Input Agreement]

Email Address

Postal Address

Date

If you're completing this form on behalf of a company / label (ie not on your own account), please state your:

Name:

Title:

B. THINGS YOU NEED TO CONFIRM TO QUALIFY TO BE A SHAREHOLDER

Yes I am / we are a New Zealand citizen, a person legally resident in New Zealand or legally incorporated in New Zealand under the Companies Act 1993.

Yes I / we would like to become an Independent Shareholder in **RECORDED MUSIC NZ** (at no cost).

WHAT NOW?

- Email this form back to Rochelle Stables rochelle@recordedmusic.co.nz
- We'll be in touch shortly to confirm your form's been accepted
- Any queries phone Rochelle on (09) 361 6839

ELECTING TO BECOME A SHAREHOLDER IN RECORDED MUSIC NEW ZEALAND LIMITED ("Company")

EXPLANATORY NOTES

These notes outline what shares you can hold, your voting rights and your rights to vote on the appointment of certain directors to the board.

We strongly recommend you read the Company's Constitution, as it sets the rules for the structure and governance of the Company. Some key elements of the Constitution which may be of interest include the following (but this is NOT a summary of the key features of the Constitution, it's up to you to read it in its entirety).

TWO CLASSES OF SHARES

- **Threshold Shares:** to qualify to hold Threshold Shares, you must have received at least 6% of the last 3 years' distributions made by Company.
- **Independent Shares:** to qualify to hold Independent

Shares (one per shareholder), you must have a current signed Input Agreement with Company, and have made an election to hold a share.

THE BOARD

- **Threshold Shareholders:** may appoint one Director each.
- **Independent Shareholders:** may together appoint the "Independent Director" & the "Artist Representative Director". This is done by postal/email vote (not an actual meeting), and is determined by a majority of those entitled to vote and voting. The Independent Director must be an Independent Shareholder.
- **Chairperson:** The Chairperson is appointed by a majority of all of the other directors.
- **Term:** The Chairperson, The Artist Representative Director and the Independent Director are appointed for a term of three years.

SHAREHOLDER VOTES

- **Threshold Shareholders:** their voting right is determined as a percentage calculated by their share

of the overall Company distributions made in the prior financial year.

- **Independent Shareholders:** the Independent Director is appointed by the Independent Shareholders as their proxy in the New Constitution to vote at shareholder meetings (other than in certain very limited cases). Their voting right (through the Independent Director) is determined as a percentage calculated by their share of the overall Company distributions made in the prior financial year.

- **Ordinary shareholders' resolutions:** require the vote of the majority of all shareholders voting to be passed. Special resolutions require 75%.

BOARD MEETINGS

- **Quorum:** Four directors comprising two Threshold Directors and any two of the Chairperson, the Artist Representative Director and the Independent Director.
- **Board resolutions:** are passed by a majority, provided a quorum is present.
- **The Chairperson:** does NOT have a casting vote.