



ASX Code: ZYL



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Company Announcement Office
Australian Securities Exchange
Level 4, Exchange Centre
20 Bridge Street
Sydney NSW 2000

Full Terms & Conditions of Exsteen A Preference Shares

Rights and privileges attaching to, and terms and conditions of, the Exsteen "A" Preference Shares

1. Interpretation

In this Article, unless otherwise stated or unless the context indicates otherwise, the following words and expressions will bear the meanings assigned to them:

- 1.1 "2008 Act" - means the Companies Act, 71 of 2008, as amended or substituted from time to time;
- 1.2 "2008 Act Effective Date"- means the date on which the 2008 Act comes into operation;
- 1.3 "this Article" - means this Article 33;
- 1.4 "Companies Act" - means the Companies Act, 61 of 1973, as amended or replaced from time to time, including, subsequent to the 2008 Act Effective Date, as replaced by the 2008 Act;
- 1.5 the "Company" - means Main Street 795 (Proprietary) Limited, registration number 2010/005727/07, a private company incorporated in accordance with the laws of the Republic of South Africa;

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- 1.6 **"Dividend Date"** - means each date on which an Exsteen "A" Preference Dividend is declared in terms of Article 2.4;
- 1.7 **"Eligible Profits"** - means all preference dividends received by the Company from Newco in respect of the Newco "A" Preference Shares from time to time;
- 1.8 **"Exsteen "A" Preference Dividend"** - means the cumulative, preferential cash dividend payable on an Exsteen "A" Preference Share under Article 2 below;
- 1.9 **"Exsteen "A" Preference Share"** - means an "A" cumulative, redeemable preference share of par value R1.00, having the rights and privileges set out in this Article, and which shall, after the 2008 Act Effective Date, constitute a separate class of shares with rights and privileges and subject to the terms and conditions equivalent to those attaching to such preference shares immediately prior to the 2008 Act Effective Date;
- 1.10 **"Holder"** - means the holder of an Exsteen "A" Preference Share, from time to time;
- 1.11 **"Issue Price"** - means the price at which the Company allots and issues an Exsteen "A" Preference Share;
- 1.12 **"Newco"** - means Main Street 800, registration number 2010/005759/07, a private company incorporated in accordance with the laws of the Republic of South Africa;

- 1.13 **"Newco "A" Preference Shares"** - means 1 000 "A" cumulative, redeemable preference shares of par value R0.01 each in the share capital of Newco bearing the rights and privileges set out in Article 33, and which shall, after the 2008 Act Effective Date, constitute a separate class of shares with rights and privileges and subject to the terms and conditions equivalent to those attaching to such preference shares immediately prior to the 2008 Act Effective Date;
- 1.14 **"Ordinary Share"** - means an ordinary share in the issued share capital of the Company, which shall, after the 2008 Act Effective Date, constitute a separate class of shares with rights and privileges equivalent to those attaching to such Ordinary Shares immediately prior to the 2008 Act Effective Date;
- 1.15 **"Prime Rate"** - means the publicly quoted prime overdraft rate of interest of the Standard Bank of South Africa Limited, from time to time, nominal annual, compounded monthly, as certified by any branch or more senior manager of that bank, whose appointment and designation it shall not be necessary to prove, and whose determination of the Prime Rate shall be proof of that rate until the contrary is established; and
- 1.16 **"Redemption Amount"** - means in respect of an Exsteen "A" Preference Share at any time, an amount equal to its Issue Price plus an amount equal to all Exsteen "A" Preference Dividends which should have been declared and paid, but which remain unpaid, on that Exsteen "A" Preference Share, at that time.

2. Exsteen "A" Preference Dividends

2.1 Each Exsteen "A" Preference Share confers on its Holder, (registered as such on the relevant Dividend Date), the right to receive out of Eligible Profits, on the relevant Dividend Date, in priority to and before any provision for, declaration or payment of any dividend or capital or other distribution on any other class of share in the capital of the Company from such Eligible Profits, a cumulative, preferential cash dividend ("**Preference Dividend**") in an amount calculated in accordance with the following formula:

$$N = R \times P$$

where:

N = the Exsteen "A" Preference Dividend per Exsteen "A" Preference Share per annum;

R = the Prime Rate plus 200 basis points; and

P = the Issue Price per Exsteen "A" Preference Share.

2.2 All Exsteen "A" Preference Dividends shall be calculated as if they accrue on a day-to-day basis on a 365 day year, and shall be compounded monthly in arrear.

2.3 If an Exsteen "A" Preference Share is redeemed, the Exsteen "A" Preference Dividend on that Exsteen "A" Preference Share will cease to accrue with effect from its redemption date unless, on the surrender of the relevant share certificate to the Company, it fails to pay the Redemption Amount in full, in which case the Exsteen "A" Preference Dividend will continue to accrue without interruption.

2.4 The Company must declare and pay Exsteen "A" Preference Dividends at its election as and when it has resources to do so.

3. **Winding-up and return of capital**

Each Exsteen "A" Preference Share shall, on a winding-up, liquidation or any other return of capital by the Company, confer on the Holder thereof (registered as such on the relevant date), the right to receive in full out of

the assets of the Company, in priority to and before any provision for, or payment of, any distribution on any other class of share in the capital of the Company, *pro rata* with the Holders of all other Exsteen "A" Preference Shares, an amount equal to the Redemption Amount.

4. **No further participation**

Except as provided in this Article, an Exsteen "A" Preference Share does not confer on its Holder any right to participate in the profits or in any distribution of the assets or capital of the Company.

5. **Redemption**

5.1 Notwithstanding any provision to the contrary in this Article, the Company shall not have any obligation, and no Holder shall have any right to require the Company, to redeem or repurchase any Exsteen "A" Preference Share prior to three years after the date of issue of the Exsteen "A" Preference Share concerned ("**Restricted Period**").

5.2 The Exsteen "A" Preference Shares shall be redeemable only at the election of the Company as and when the Company has resources available to do so.

5.3 Subject to the provisions of the Companies Act, the Company will be obliged immediately to redeem all Exsteen "A" Preference Shares which remain in issue if any of the following events occurs:

5.3.1 the Company is placed into liquidation or under judicial management, whether provisional or final; or

5.3.2 a meeting of its shareholders, directors or other officers is convened for the purpose of considering any resolution for, or to bring an application for, or to file documents with a court or any registrar for, its winding-up, judicial management or dissolution or any such resolution is passed; or

5.3.3 the Company makes or attempts to make or recommends any general offer of compromise with any or all of its creditors; or

- 5.3.4 the Newco "A" Preference Shares are redeemed.
- 5.4 If a Exsteen "A" Preference Share is to be redeemed, the Company must:
- 5.4.1 redeem that Exsteen "A" Preference Share for its full Redemption Amount, against the Holder's tender to the Company of the relevant share certificate; and
- 5.4.2 apply amounts standing to the credit of its Exsteen "A" Preference Share premium account for the purpose of that redemption (except in respect of any portion of the Redemption Amount which constitutes an Exsteen "A" Preference Dividend, which must be funded from the distributable profits of the Company).
- 5.5 If a share certificate which has been surrendered in relation to the redemption of an Exsteen "A" Preference Share includes any shares which are not to be redeemed at that time, the Company must issue a new share certificate to the Holder for the shares that are not to be redeemed, free of charge.

6. General meetings and voting rights

- 6.1 A Holder shall not be entitled to receive notice of, attend or vote, either in person or by proxy, at any general meeting of the Company, by virtue of or in respect of the Exsteen "A" Preference Shares, other than:
- 6.1.1 during a period which any Exsteen "A" Preference Dividend (or any part thereof) or any Redemption Amount (or any part thereof) remains in arrear and unpaid, provided that such period shall commence after the end of the financial year of the Company in respect of which such Exsteen "A" Preference Dividend accrues or such Redemption Amount becomes payable; and

- 6.1.2 in regard to any resolution which directly affects any of the rights attached to the Exsteen "A" Preference Shares or the interests of the Holders, including a resolution for the winding-up of the Company or the reduction of the capital of the Company (but which shall exclude a decision whether or not to redeem any Preference Shares).
- 6.2 In the circumstances contemplated in Article 6.1, the Company must give due notice to each Holder of the general meeting in question.
- 6.3 At every meeting of Holders, the provisions of these articles relating to the general meetings of ordinary members shall apply *mutatis mutandis*, except that a quorum at any such general meeting shall be any person or persons holding or representing by proxy at least 75 percent of the Exsteen "A" Preference Shares, provided that if at any adjournment of such meeting a quorum is not present, the provisions of these articles relating to adjourned general meetings shall, *mutatis mutandis*, apply.
- 6.4 At every general meeting of the Company at which a Holder as well as holders of other classes of shares are present and entitled to vote, upon a poll, a Holder shall be entitled to that proportion of the total votes in the Company in which the aggregate amount of the nominal value of the Exsteen "A" Preference Shares held by that Holder bears to the aggregate amount of the nominal value of all shares issued by the Company and entitled to be voted at such meeting.

Yours faithfully,



Nicholas Ong
Company Secretary
ZYL Limited