



# Notice of Annual Meeting 2024

For Shareholders of  
Sky Network Television Ltd

Commencing at:  
10:30am (NZDT) Thursday, 14 November 2024

**sky**

## Notice of Meeting

Notice is hereby given that the 2024 Annual Meeting of Shareholders of Sky Network Television Limited (Sky, or the Company) will be held at the **Maritime Room, Princes Wharf, Auckland** and via the Computershare online platform at <https://meetnow.global/nz> on Thursday, 14 November 2024, commencing at 10:30am (NZDT).

# Agenda

## Ordinary Business

Item 1: Chair's Address

Item 2: Chief Executive's Address

## Resolutions

Item 3: To consider and, if thought fit, to pass the following ordinary resolutions:

### 1. Auditor's Remuneration

That the Board be authorised to fix the auditor's remuneration for the financial year ending 30 June 2025.

### 2. Directors' Remuneration

That, for the purposes of NZX Listing Rule 2.11.1 and all other purposes, the maximum aggregate amount of remuneration payable by the Company to Directors (in their capacity as Directors) be increased by \$165,000 per annum, from a total pool of \$950,000 per annum to \$1,115,000 per annum, effective from 1 December 2024, with such sum to be divided amongst the Directors as the Board may from time to time determine.

All resolutions to be put to the meeting are discussed in the explanatory notes.

The Board unanimously supports Resolutions 1 and 2 and recommends that shareholders vote in favor of them at the Annual Meeting.

## Other Business

To consider any other business, including shareholder questions, that may properly be brought before the meeting.

By order of the Board

Kirstin Jones

Company Secretary

15 October 2024

# Explanatory Notes

## Resolution 1: Auditor's Remuneration

### Ordinary Resolution

PricewaterhouseCoopers is the Company's auditor and is automatically reappointed under section 207T of the Companies Act 1993. Under section 207S of the Companies Act 1993, auditors' fees and expenses must be fixed in the manner determined at the Annual Meeting. Shareholder approval is therefore sought under this Resolution for the Board to fix the audit fees and expenses of PricewaterhouseCoopers for the financial year ending 30 June 2025 (FY25).

## Resolution 2: Directors' Fees

This Resolution seeks shareholder approval to increase the aggregate amount of remuneration (fee pool) that may be paid each year to the Directors of the Company for their services by \$165,000 per annum, from a total fee pool of \$950,000 per annum to \$1,115,000 per annum, effective from 1 December 2024, with such sum to be divided amongst the Directors as the Board may from time to time determine. Shareholder approval is required under NZX Listing Rule 2.11.1.

### Background

Sky last sought shareholder approval for a fee pool increase nine years ago in October 2015. Over the intervening nine years, the available headroom within the fee pool has fallen to just 7.4%.

Sky needs to ensure it can continue to attract and retain appropriate skills and experience at board level. In the case of Sky's business, we are in a category of one in New Zealand and therefore, the ability to attract relevant international industry experience to our Board is a key consideration.

Whilst we propose to keep Director's base fees unchanged in FY25, the current headroom constraint provides little ability to consider CPI or similar incremental increases in future years. There is also little ability to consider compensating Directors for significant additional work, should that arise, which was the case in FY24 where additional time commitments and work undertaken in relation to a non-binding indicative offer was not compensated.

Sky is therefore asking shareholders to consider a 17% (\$165,000) annual increase in the fee pool to \$1,115,000. This will provide headroom of \$205,675, 18.4% or 1.9x the Non-Executive Director base fee.

EY was commissioned to provide expert advice on Director fees and, recognising the need for international representation on our Board, was asked to consider New Zealand and Australian comparator groups. Currently Sky has two New Zealand based Directors, two Australian based Directors and two international based Directors.

A copy of the report summary is available at [www.sky.co.nz/investor-centre/investor-information](http://www.sky.co.nz/investor-centre/investor-information).

The Board considers Sky's shares are undervalued and therefore whilst comparator groups were selected on the primary basis of market capitalisation, information on revenue and assets has also been included to allow comparison against these metrics. The Board's view on valuation is reflected in both comparator groups showing Sky's relative market capitalisation is low (25th percentile), whereas Sky's revenue and assets are high in comparison (75th percentile).

**The EY report shows that:**

- Current headroom is low against both comparator groups (25th percentile in New Zealand and below that in Australia).
- Overall, the fee pool is equivalent to the 75th percentile in New Zealand terms but low (25th percentile) against Australia.
- Non-Executive Director fees are positioned above the 75th percentile of the New Zealand comparator group and aligned to the median of the Australian comparator group.
- The Chair fees are positioned above the 75th percentile of the New Zealand comparator group and aligned to the median of the Australian comparator group.
- The Audit & Risk Committee (ARC) Chair is aligned to the 75th percentile of the New Zealand comparator group and aligned to the median of the Australian comparator group.
- The People & Performance Committee (PPC) Chair is between the 25th percentile and median of the New Zealand comparator group and below the 25th percentile of the Australian comparator group.
- There is no relevant comparator committee to benchmark against for the Content Rights Committee (CRC), and so an internal reference to the PPC which has a similar workload has been used.
- International based Directors are not compensated for time spent travelling to attend physical meetings.

**Proposed fee changes in FY25**

We are proposing three changes to Directors' remuneration rates in FY25:

The first is to bring the fees for the PPC Chair into line with the market benchmark:

- Current PPC Chair \$12,000.
- Increase by \$4,000 to a new total of \$16,000, positioning the fees at slightly above 75th percentile of the NZ comparator group and slightly below the median of the Australian comparator group.

The second is to bring the fees for the CRC into line with the PPC:

- We introduced a new committee in December 2022 with fees initially set at the low level of \$5,000, primarily due to the lack of headroom in the fee pool. However, the critical importance of content rights on business outcomes and the significant workload undertaken by members of the CRC are not appropriately reflected in the current level of fees.

Thirdly, our Board Chair also serves as Chair of the CRC at the same time. The Board Chair is currently being paid a separate fee for this role and we intend to combine the CRC fee and the Board Chair fee, and at the same time increase the Board Chair fee by 3.6%:

- Current Board Chair fee: \$220,500
- Combining with the CRC fee of \$16,000 to increase to \$236,500
- Plus \$8,500 fee increase (+3.6%) to a new total of \$245,000.

All other Director base fees and committee fees are to remain unchanged for the duration of FY25.

## The Proposed Increase

If the proposed increase is approved by shareholders, the Board will have discretion to divide the fee pool amongst the Directors as it sees fit. However, the current intention is for the proposed increase to be allocated as follows:

### Current and Proposed Board fees

Role	FY24 Fees	Proposed FY25 Fees per role	Proposed FY25 Fees*
Board Chair	\$220,500	\$245,000	\$245,000 <sup>#1</sup>
Deputy Chair	\$143,325	\$143,325	\$143,325
Non-Executive Director (x 4)	\$110,250	\$110,250	\$441,000
Chair Audit and Risk Committee	\$20,000	\$20,000	\$20,000
Member Audit and Risk Committee (x 1 + 1 unpaid position for Board Chair) <sup>#1</sup>	\$12,000	\$12,000	\$12,000
Chair People and Performance Committee	\$12,000	\$16,000	\$16,000
Member People and Performance Committee (x 2)	\$8,000	\$8,000	\$16,000
Chair Content Rights Committee <sup>#1</sup>	\$5,000	\$16,000	#1
Member Content Rights Committee (x 2)	\$5,000	\$8,000	\$16,000
Total Fees for all roles and committee members <sup>#2</sup>	\$879,825		\$909,325
Total Fee pool	\$950,000		\$1,115,000
Headroom	\$70,174		\$205,675
Headroom Percentage	7.4%		18.4%

Notes:  
<sup>#1</sup>. The Board Chair is an unpaid member of the ARC and under the proposed change, the fee previously paid as the Chair of the CRC will be increased to \$16,000 and incorporated into the increased Board Chair fee to a new total of \$245,000.  
<sup>#2</sup>. Actual fees paid in FY25 would be lower as the fee increases are to be applied from 1 December 2024 with pro-rata adjustments made to fees for the FY25 year.

In future we would expect to review headroom more frequently and revert to shareholders with a recommendation for an increase in the fee pool should headroom fall to below 10% or 1x the Non-Executive Director base fee.

## Recommendation

The Board recommends shareholders approve the proposed \$165,000 increase to the fee pool for Non-Executive Directors. The Board considers the proposed increase to be fair and reasonable, and in the best interests of the Company.

# Procedural Notes

## Resolutions

Resolutions 1 and 2 will each be considered as separate ordinary resolutions, requiring approval by a simple majority of the votes of shareholders entitled to vote and voting on each resolution.

## Attendance at Sky's Annual Meeting

As at the date of the release of this notice, Sky intends to conduct a hybrid meeting whereby shareholders will be able to attend the meeting in person at the Maritime Room, Princes Wharf, Auckland or online.

Shareholders will also be able to participate virtually through the Computershare online platform at <https://meetnow.global/nz>. To access the meeting, click 'Go' under the Sky TV meeting and then click 'JOIN MEETING NOW'.

The online platform enables shareholders to view the meeting and presentations as well as providing the opportunity to vote and ask questions. Instructions on how to participate are available in the Virtual Meeting Guide accompanying this notice and available on Sky's website at [www.sky.co.nz/investor-centre/investor-information](http://www.sky.co.nz/investor-centre/investor-information).

We recommend that you read the Virtual Meeting Guide, and log in 15 minutes in advance of the Annual Meeting to ensure you are familiar with it and ready to start at 10.30am (NZDT).

## Shareholder Questions & Comments

As well as being able to ask questions in person at the meeting venue or through the online platform, shareholders can submit questions or comments by emailing them to [investorrelations@sky.co.nz](mailto:investorrelations@sky.co.nz).

## Webcast

A recording of the Annual Meeting will be made available on Sky's website as soon as practicable following the meeting at [www.sky.co.nz/investor-centre/investor-information](http://www.sky.co.nz/investor-centre/investor-information).

## Eligibility to Vote

If you are a shareholder whose name is recorded in the Sky TV share register at the close of business on Tuesday, 12th November 2024, you are entitled to attend the Annual Meeting and vote either in person or by proxy (subject to the time limits for returning proxy/voting forms).

In accordance with NZX Listing Rule 6.3.1, a Director and any Associated Person of a Director is disqualified from voting on Resolution 2, except where any such votes are cast in favour of Resolution 2 by the Director or any Associated Person of a Director as proxy or attorney for a person who is entitled to vote and the Director or that Associated Person votes in accordance with express instructions to vote for a particular resolution on the voting/proxy form.

## Voting and Proxies

### How to vote

There are three methods by which you can exercise your right to vote. Namely, by attending the meeting in person, appointing a proxy and voting online in advance of the meeting, or via the Computershare online platform and voting during the meeting.

All voting at the Annual Meeting will be by poll, as required under the NZX Listing Rules.

### Voting at the in-person meeting

You can exercise your right to vote at the physical meeting in two ways. Namely, by being present and voting in person or by appointing a proxy or representative (in the case of a corporate shareholder) to attend and vote in your place. A voting/proxy form is enclosed with this notice and contains additional details around voting and appointing a proxy or representative.

If you are entitled to vote and wish to do so in person at the Annual Meeting, please bring your voting/proxy form with you, as the barcode will assist with your registration.

### Appointing a Proxy or Representative and Voting online prior to the meeting

If you are unable to attend the meeting in person or online, you may wish to appoint a proxy or representative (in the case of a corporate shareholder) to attend and vote on your behalf. You can choose to exercise your vote online at [www.investorvote.co.nz](http://www.investorvote.co.nz). You will need to provide your CSN/Securityholder Number, which can be found on the proxy form. Follow the prompts to appoint a proxy or representative online. Online voting prior to the meeting is available until 10.30am on Tuesday, 12 November 2024 (NZDT).

Alternatively, you may complete the proxy/voting

form that is included with this notice of meeting. To be valid, a completed proxy/voting form (and any power of attorney under which it is signed) must be received by Computershare no later than 10.30am on Tuesday, 12 November 2024 (NZDT). While the completed proxy form can be sent to Computershare via mail, fax or as an email attachment, we recommend lodging your proxy online at [www.investorvote.co.nz](http://www.investorvote.co.nz).

### If you wish to appoint a proxy:

- The proxy does not need to be a shareholder.
- You may direct your proxy how to vote or give your proxy discretion to vote as they see fit. If you wish to give your proxy that discretion, you should mark the appropriate box online or on the voting/proxy form. If you do not mark any appropriate box online or on the voting/proxy form then your proxy may vote or abstain from voting as they see fit.
- If you have not named a proxy, or your named proxy does not attend the meeting, and you have directed how you wish to vote, the Chair will be your proxy.
- If you appoint a Director or Associated Person of a Director as your proxy, that person will only be able to vote on Resolution 2 in accordance with your express instructions, as set out in your proxy/voting form. Subject to the restrictions described above, the Chair and the Directors will vote all discretionary proxies, for which they have authority to vote, in favour of each resolution.

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