Dated: 26 August 2026

# Deed of Amendment and Restatement

Heretaunga Building Society

**Society**

and

Trustees Executors Limited

**Supervisor**

This **Deed of Amendment and Restatement** is made on26 August 2026

between (1) Heretaunga Building Society (the **Society**)

and (2) Trustees Executors Limited (the **Supervisor**)

# Background

A The Society is governed by a Debt Security Trust Deed dated 20 December 1990 as amended from time to time and most recently by deed of amendment and restatement dated on or about 16 November 2016 (**Existing Trust Deed**).

B Clause 8.2 of the Existing Trust Deed provides that, in the event that the requirements of the law or of any regulatory agency applicable to the Society are introduced so as to require the observance of prudential financial restrictions expressed differently from those set forth in the Existing Trust Deed, the Supervisor and the Society may execute a deed of amendment providing for appropriately amended prudential financial restrictions.

C New conditions of licence proposed to be issued by the Reserve Bank of New Zealand (the **RBNZ**) pursuant to section 18 of the *Non-Bank Deposit Takers Act 2013* will, in effect, replace certain existing prudential requirements in the Deposit Taker Regulations by:

(a) amending the minimum capital ratio of the Society; and

(b) implementing new risk weightings.

D Therefore, the Supervisor and the Society have agreed to amend the Existing Trust Deed in accordance with clause 8.2 to ensure that it aligns with the new prudential financial restrictions that apply to the Society.

E By this Deed, the Society and the Supervisor have determined to amend and restate the Existing Trust Deed in the form of the amended and restated Debt Security Trust Deed attached at Schedule 1 of this Deed (**Restated Trust Deed**).

# This Deed Records

**Definitions**

2. In this Deed, unless the context requires otherwise:

**Effective Date** means the date of this Deed;

**Existing Trust Deed** means the Debt Security Trust Deed dated 20 December 1990 as amended from time to time and most recently by deed of amendment and restatement dated on or about 16 November 2016, and as described in Background Recital A; and

**Restated Trust Deed** means the Existing Trust Deed, as amended and restated in the form set out in Schedule 1, and as described in Background Recital E.

**Interpretation**

3. In this Deed, unless the context requires otherwise:

(a) capitalised terms not otherwise defined in this Deed have the meanings given to them in the Existing Trust Deed;

(b) a reference to this Deed includes all schedules, exhibits, attachments, annexures and appendices to it;

(c) any reference to time and date is to a time and date in New Zealand unless a contrary intention is expressed;

(d) any party to this Deed (or any other agreement) includes its successors, permitted assignees, transferees, substitutes and executors and administrators; and

(e) an obligation or duty to perform an affirmative action includes procuring that action or causing that action to take place.

**Amendment and Restatement**

4. The Society and the Supervisor agree that with effect on and from the Effective Date:

(a) the Existing Trust Deed will be amended and restated in the form of the Restated Trust Deed; and

(b) the rights and obligations assumed by the parties shall be governed by, and construed in accordance with, the terms set out in the Restated Trust Deed.

**Miscellaneous**

5. The Society and the Supervisor will do all things reasonably required (from time to time) to effectively carry out and give effect to the terms and intentions of this Deed.

6. Counterparts:

(a) This Deed may be signed in any number of counterparts and by the Society and the Supervisor on separate counterparts.

(b) Each counterpart constitutes an original of this Deed, and all together constitutes one Deed.

7. This Deed is governed by and is to be construed in accordance with the laws of New Zealand.

8. For the purposes of section 9 of the *Property Law Act 2007*, and without limiting any other mode of delivery, this document will be delivered by each party (each a **Delivering Party**) immediately on the earlier of:

(a) physical delivery of an original of this document, executed by the relevant Delivering Party, into the custody of each other Delivering Party or each other Delivering Party's solicitors; or

(b) transmission by the relevant Delivering Party or its solicitors (or any other person authorised in writing by the relevant Delivering Party) of a facsimile, photocopied or scanned copy of an original of this document, executed by the relevant Delivering Party, to each other Delivering Party or each other Delivering Party's solicitors.

## Execution

**EXECUTED** and **DELIVERED** as a deed.

**SIGNED** for and on behalf of
**HERETAUNGA BUILDING SOCIETY** by:

| | |
|---|---|
| Authorised Signatory | Authorised Signatory |
| Mr S A Greer (Chair) | Mr W P S Harvey (Director) |
| Print Name | Print Name |

Witness to both signatures

Mr R C Greenwood
Print Name

General Manager - Heretaunga Building Society
Occupation

**SIGNED** for and on behalf of
**TRUSTEES EXECUTORS LIMITED** by:

| | |
|---|---|
| ~~Director~~ | David Shaw, Senior Client Manager<br>~~Director~~ Authorised Signatory |
| ~~Print Name~~ | Stuart Howard, Senior Client Manager<br>Print Name Authorised Signatory |

Witness to both signatures

Natalie Greig-Low
Print Name

Operations Analyst, Auckland
Occupation

## The Schedule: Amended and Restated Deed

**Dated 20 December 1990 as amended and restated from time to time**

# DEBT SECURITY TRUST DEED

HERETAUNGA BUILDING SOCIETY

TRUSTEES EXECUTORS LIMITED

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**THIS TRUST DEED** is dated 20 December 1990 as amended and restated from time to time and most recently by deed dated 26 August 2026, being an amendment and restatement of a trust deed made 20 December 1990.

**BETWEEN**

(1) **HERETAUNGA BUILDING SOCIETY** a registered building society having its registered office at Hastings ("**the Society**")

(2) **TRUSTEES EXECUTORS LIMITED** ("**the Supervisor**")

**BACKGROUND**

A. The Society and the Supervisor (the latter as Trustee) are parties to a Debt Security Trust Deed dated 20 December 1990, as subsequently amended and supplemented to date (the "**Trust Deed**").

B. The Financial Markets Conduct Act 2013 (the "**FMC Act**") and the Financial Markets Conduct Regulations 2014 made under it (the "Regulations") require the Trust Deed to specify certain matters.

C. Clause 8.1(c) of the Trust Deed entitles the Trustee to concur with the Society in making any alteration, modification, variation or addition to the Trust Deed if the Trustee is of the opinion that such alteration, modification, variation or addition is not or is not likely to become prejudicial to the general interests of the Redeemable Shareholders or the Depositors or of any Class thereof.

D. This Trust Deed incorporates provisions that comply with the requirements of the FMC Act and the Regulations (by including in the Trust Deed those matters required by the FMC Act and Regulations that are not already contained in the Trust Deed) as well as being a consolidation of the amendments made since 20 December 1990 and updating certain references.

**NOW THIS DEED WITNESSES AND IT IS HEREBY AGREED** as follows:

## 1. EFFECTIVE DATE, DEFINITIONS AND CONSTRUCTION

1.1 **Effective Date**: The provisions of this Deed shall come into force and have effect as from the Effective Date, which has the same meaning as in Part 2 of Schedule 4 of the FMC Act.

1.2 **Interpretation**:

(a) This Deed shall be construed and take effect as a contract and declaration of trust made in New Zealand.

(b) All references to money in this Deed shall unless the contrary is stated be references to New Zealand currency.

(c) Subject to the terms and conditions of issue of any Debt Securities where for the purposes of any provision of this Deed it is necessary to determine the New Zealand currency equivalent of a sum expressed in a non-New Zealand currency such sum shall unless otherwise agreed in writing by the Supervisor either generally or in any particular case be converted to New Zealand currency on a basis agreed from time to time with the Auditors and any Debt Securities which are payable in a non-New Zealand currency shall for the purposes of this Deed be treated as being Debt Securities of an amount equal to the New Zealand currency equivalent determined as aforesaid PROVIDED ALWAYS THAT in determining the New Zealand currency equivalent of a Liability in a non-New Zealand currency; account may be taken of any contract or arrangement in force for covering the risk of fluctuations between New Zealand currency and the non-New Zealand currency of the Liability.

1.3 **Definitions**: In this Deed (including the Schedules):

"**Appropriate Rate**" means a rate of interest two per cent above the ordinary rate of interest payable by the Supervisor to its principal bankers at the relevant time on overdraft.

"**Approved Mortgage Principal**" means in respect of a loan to any External Person from a member of the Guaranteeing Group secured by registrable mortgage over Freehold Land, the principal or that portion of the principal outstanding:

(a) The aggregate of which and any amounts secured by prior Charges over that Freehold Land does not exceed:

(i) 90% of the value of the Freehold Land where it is principally being used for residential accommodation purposes PROVIDED THAT where the aggregate of the principal outstanding and any amounts secured by Prior Charges over that Freehold Land exceed 80% of the value of the Freehold Land, the External Person will, at the request of the Society, arrange Lenders' Mortgage Insurance on the total amount of principal outstanding.

(ii) 50% of its value where the Freehold Land is used principally for rural purposes other than residential accommodation; or

(iii) 60% of its value where the Freehold Land is used principally for urban commercial purposes; and

(b) Where the interest rate under the loan is reviewable upon not more than 24 months' prior notice from Reference Date or where the loan matures or is repayable within that same period.

(c) For purposes of paragraphs (a) (i) (ii) and (iii) the value of the Freehold Land shall be that determined at the time of its latest valuation for purposes of assessing the security for all or any part of the loan or the amount of the latest Government Valuation, whichever may be the higher.

"**Associated Body Corporate**" means a body corporate which is not a Subsidiary where the Society or any Guaranteeing Subsidiary:

(a) has adopted the equity method of accounting in relation to its holding of equity capital of the body corporate; or

(b) holds not less than one-fifth, but not more than one-half, of the equity capital of the body corporate.

"**Associated Person**" means any person, or relative (within the meaning of the Income Tax Act 2007) of any person, who controls or manages the Society or who is controlled by the Society or one or more of the same persons who control or manage the Society, whether directly or through one or more nominees in terms of the Income Tax Act 2007 assuming for this purpose that the Society is a company, such person or relative not being a Guaranteeing Subsidiary; and without limitation includes any Non-Guaranteeing Related Body Corporate and any Associated Body Corporate.

"**Auditors**" means the person or persons for the time being holding the office of auditor of the Society as provided by the Building Societies Act.

"**Bank**" means:

(a) The Reserve Bank of New Zealand;

(b) A bank registered under the Reserve Bank of New Zealand Act 1989; and

(c) A company which the Directors have certified in writing to the Supervisor is, to the best of their knowledge and belief after taking appropriate advice, accorded by the jurisdiction in which it is domiciled recognition as a banking institution so long as such certificate has not been revoked.

"**book value**" means the value shown in the books of the relevant entity to the extent that the value has not been fixed in breach of Clause 2.2(e).

"**Building Societies Act**" means the Building Societies Act 1965.

"**Certificate**" means a document issued by the Society evidencing the ownership and the terms of a Debt Security referred to in the document to the extent required by Clause 4.5.

"**Charge**" means any mortgage, trust, pledge, lien, security interest or other charge or encumbrance (including the charge, lien or retained security title of a conditional vendor), deferred purchase, financial lease, option to purchase, sale-and-repurchase or sale-and-leaseback arrangement, except for any of the foregoing imposed by law or the general conditions of sale of a supplier and arising in the ordinary course of business providing there is no default in payment of the moneys thereby secured.

"**Class**" in relation to securities means those securities (including Debt Securities) issued or to be issued by the Society where the rights of all the holders thereof are the same and which rank equally among themselves in respect of:

(a) Amounts payable as interest or dividends; and

(b) Priority for repayment of principal and outstanding interest upon a receivership, distribution, or winding up; and

(c) Redeemability prior to receivership or winding up; and

(d) Entitlement and priority to any surplus on a receivership, distribution or winding up; and in relation to holders means the holders of those securities.

"**Committed Undrawn Lending Facilities**" means, as at the relevant date, and if in relation to a period being the maximum of, the undrawn amounts under the Society's current revolving credit facilities (aggregated if more than one) that are able to be drawn down at the option of the borrower;

"**Companies Act**" means the Companies Act 1993.

"**company**" means any body corporate wherever incorporated or domiciled and where the context so admits shall include an individual.

"**Debt Security**" means any debt security (including any security in respect of which any exemption under the Securities Act permitted the Society to comply with that Act as if the security were a debt security) which is outstanding and not secured by a Charge of which the Society is the issuer which is or at any time has been offered to the public for subscription (within the meaning of the Securities Act) by or on behalf of the Society or pursuant to a regulated offer under the FMC Act and any debt security which is constituted as a Debt Security and any debt converted to a Debt Security in accordance with Clause 4.3, and includes every Redeemable Share whether or not offered to the public for subscription or as a regulated offer pursuant to the FMC Act.

The expression "**Debt Security**" does not include any security which was issued or constituted by the Society at any time before 1 January 1991 where the holder thereof has exercised the holder's right not to be a beneficiary under this Deed and be bound by its terms in respect of such security.

"**Depositor**" means a person whose name is for the time being entered in the Register of Depositors hereinafter mentioned as the holder of Deposits and includes his legal and personal representatives.

"**Deposit Moneys**" means the Principal Moneys outstanding and interest or other amount at any time and from time to time payable on or in relation to the Deposits and all costs charges and expenses earned or incurred by the Supervisor in relation to the Deposits and Redeemable Shares and in relation to the recovery of the forementioned moneys under this Deed or the terms of issue of any of the Deposits; and has the aforesaid meaning in relation to a Class of Deposits where the context so requires.

"**Deposit Takers Regulations**" means the Deposit Takers (Credit Ratings, Capital Ratios, and Related Party Exposures) Regulations 2010, as amended and in force from time to time, and includes any regulations replacing those regulations, and any conditions of license issued by the Bank to the Society from time to time that apply to the Society in substitution for those regulations.

"**Deposits**" means all Debt Securities other than Redeemable Shares and includes the Principal Moneys thereof and other moneys payable in respect thereof.

"**Directors**" means the directors of the Society for the time being appointed as such in accordance with the Rules of the Society.

"**Directors' Certificate**" means a certificate signed by at least two Directors on behalf of all the Directors as to any fact or matter.

"**Directors' Quarterly Report**" means a certificate and resolution passed by the Directors pursuant to and in conformity with Clause 3.1(e).

"**Enforcement Time**" means the date upon which the Supervisor determines or becomes bound to declare the Deposit Moneys and Redeemable Share Moneys to be immediately due and payable.

"**Exposure**" means the aggregate of all amounts (other than uncapitalised interest) owing to the Guaranteeing Group by a Single Group and held by the Guaranteeing Group as redeemable shares in that Single Group and any amount which the Guaranteeing Group is, or would if requested, be obliged to advance, invest or otherwise make available under any undrawn commitment of or guarantee, performance bond, indemnity, security or like obligation given by the Guaranteeing Group to that Single Group or in respect of actual or contingent liabilities of that Single Group to any External Person.

"**External Person**" means any person other than a member of the Guaranteeing Group.

"**Extraordinary Resolution**" means an Extraordinary Resolution of the Depositors or a Class thereof or of the Redeemable Shareholders or a Class thereof, passed in the manner provided in Schedule I hereto.

"**FMA**" means the Financial Markets Authority established pursuant to the FMC Act.

"**FMC Act**" means the Financial Markets Conduct Act 2013 and where the context permits or requires, includes all regulations made thereunder.

"**Freehold Land**" means any interest in land in New Zealand held on fee simple tenure or stratum estate or land held on lease in New Zealand the term or currency of which is perpetually renewable or on lease having either an unexpired term of not less than 21 years or capable of being renewed at the option of the lessee for a period or periods which together with the unexpired period of the current term would be an aggregate period of not less than 21 years and includes all buildings and improvements forming part thereof other than trade plant and machinery and trade fixtures.

"**generally accepted accounting practice**" means generally accepted accounting practice as defined in section 8 of the Financial Reporting Act 2013 and, if the context requires, in relation to an entity such as the Society.

"**Government Valuation**" in relation to Freehold Land means the latest capital value of the fee simple, stratum estate or leasehold interest therein as the case requires appearing in the district valuation roll kept pursuant to the Rating Valuation Act 1998 or any special revaluation made by Valuation New Zealand (or any successor) plus the amount (less depreciation) shown in the books of account of the owner of any improvements of a capital nature made subsequent to the date of valuation to the extent to which it is certified by a Directors' Certificate that the value of the land has been thereby increased.

"**Guaranteed Investment Principal**" means the principal or that portion of the principal outstanding to the Guaranteeing Group under any investment, liability or obligation not included in Liquid Assets for which a Prime Debtor is liable whether as principal debtor, guarantor, endorser or otherwise; including without limitation a registered mortgage to the extent repayment of the principal outstanding is guaranteed by the Housing Corporation of New Zealand or by an insurance company or wholly-owned Subsidiary thereof which is certified by Directors' Certificate to be, to the best of the Directors' knowledge and belief after taking appropriate advice, of a comparable credit-standing to a Prime Debtor as defined in this Deed.

"**Guaranteeing Group**" means the Society and (if there are any) the Guaranteeing Subsidiaries or when the context so admits or requires any one or more of them.

"**Guaranteeing Group Member**" means the Society or any Guaranteeing Subsidiary for the time being.

"**Guaranteeing Group Balance Sheet**" means a consolidated balance sheet of the Guaranteeing Group as at any date prepared in accordance with the Building Societies Act, the FMC Act and accounting principles and practices applied on a basis consistent with those applied in the most recently published audited balance sheet of the Society or if there are any Subsidiaries in the most recently published audited consolidated balance sheet of the Society and its Subsidiaries,

PROVIDED ALWAYS THAT:

(a) The balance sheets of Non-Guaranteeing Subsidiaries shall not be consolidated but the investments therein may be valued in accordance with generally accepted accounting principles, and

(b) if at any time when preparing any balance sheet the Society desires to make any material change in any accounting principle or practice applied in the most recently published audited

balance sheet or consolidated balance sheet as aforesaid such change shall only be made if the same is approved in writing by the Auditors.

"**Guaranteeing Subsidiary**" means any Subsidiary which shall at any time hereafter become a Guaranteeing Subsidiary as provided by this Deed so long as it shall not have been discharged from liability hereunder.

"**Holding Company**" means a company which is for the time being the holding company of another body corporate within the meaning of Section 5 of the Companies Act.

"**interest**" includes dividends and charges of the nature of interest.

"**in writing**" and "**written**" includes words printed, typewritten, lithographed, telexed, facsimiled or otherwise represented or reproduced in visible form by any other means.

"**issue**" includes accept, receive, allot and (in terms of Clause 4.3(b) convert; and "issued" has a corresponding meaning and includes "deemed to have been issued".

"**Issuer Obligations**" has the meaning given to it in the FMC Act.

"**Lenders' Mortgage Insurance**" means, in respect of a loan to any External Person from a member of the Guaranteeing Group secured by a registrable mortgage over Freehold Land, a lenders' mortgage insurance policy provided by an insurer acceptable to the society whereby the insurer underwrites the obligation of the External Person to repay the loan or otherwise indemnifies the lender against loss through the failure to repay the loan.

"**Liabilities**" means term and current liabilities, provisions and other obligations and items excepting deferred tax which in accordance with generally accepted accounting practice in New Zealand are regarded as matters to be reflected in a balance sheet as liabilities and (without limitation) includes:

(a) Redeemable Share Moneys;

(b) Moneys which are payable in respect of any shares in preference to, or equally with moneys payable in respect of Redeemable Shares;

(c) Contingent liabilities under guarantees, performance bonds, indemnities, securities or otherwise where there could be recourse to the Guaranteeing Group for the liabilities of External Persons, excepting contingent liabilities in respect of disputed claims or which, to the satisfaction of the Auditors, are fully secured by a Charge over assets of an External Person or which are fully guaranteed or indemnified by a Prime Debtor.

"**Listed Securities**" means any shares, stock, managed investment products, debentures, notes or other investments which are listed for quotation on any recognised stock exchange or whose prices are listed regularly in daily or weekly newspapers, other than amounts included in Liquid Assets, Guaranteed Investment Principal or Secured Indebtedness.

"**Liquid Assets**" means any of the following assets beneficially owned by or available to the Guaranteeing Group:

(a) Cash;

(b) Deposits with any bank registered under the Reserve Bank Act 1989;

(c) Deposits with any Prime Debtor other than those included in paragraph (b) payable (with or without notice) or realisable in cash (in the event of any dispute in the opinion of the Auditors) within 30 days of Reference Date;

(d) Public Sector Securities which are listed securities or which are payable (with or without notice) within 30 days of the Reference Date;

(e) Securities for which any Prime Debtor is liable whether as principal debtor, guarantor, endorser or otherwise, and which are Listed Securities or payable (with or without notice) or realisable in cash (in the event of any dispute in the opinion of the Auditors) within 30 days of the Reference Date;

(f) The estimated net proceeds of that portion of any proposed increase in paid-up shares (including Redeemable Shares) of the Society or proposed issue of Subordinated Debt (other than paid-up shares or Subordinated Debt to be issued to another member of the Guaranteeing Group) which is payable in cash within 30 days of Reference Date by a Prime Debtor or in respect of which payment as aforesaid has been unconditionally underwritten by a Prime Debtor.

(g) (For purposes of calculating compliance with Clause 2.1(c)(i) and (iii) only) the amount which may be unconditionally drawn down within 30 days of Reference Date by the Society under any facility or accommodation with a Prime Debtor which is to the satisfaction of the Auditors unable to be revoked or cancelled by the Prime Debtor within 30 days of the Reference Date except in the event of:

(i) the passing of a resolution or the making of an order winding up the Society, the cancellation by the Registrar of Building Societies of the registration of the Society the appointment of a receiver of any assets of the Society or the appointment of a statutory manager under the Corporations (Investigation and Management) Act 1989; or

(ii) the Society stopping or suspending payment to its creditors; or

(iii) the Society entering into any arrangement or composition with its creditors generally,

(h) Marketable Debt Securities

"**Majority of Depositors**" means:

(a) the five largest (in Principal amount of Deposits held) holders of Deposits; and

(b) if the Principal of the Deposits held by the Depositors referred to in (i) above does not amount in the aggregate to 50% of the Principal of the Deposits, such other holders of Deposits the aggregate Principal of whose Deposits together with the aggregate Principal of the Deposits held by the Depositors referred to in subparagraph (i) comprises more than fifty per cent (50%) of the Principal of the Deposits.

"**Marketable Debt Securities**" means debt securities issued by New Zealand issuers incorporated in or otherwise with a permanent establishment in New Zealand, having a Standard and Poors long term credit rating of A+ or better or a Standard and Poors short term credit rating of A1 or better (or, if the debt securities are rated by another recognised rating agency the equivalent rating accorded to the debt securities by that rating agency as certified by the Society), which, in the opinion of the Society, are capable of being converted in to cash by sale or other realisation or repayment within 30 days of Reference Date.

"**Market Valuation**" in relation to Freehold Land means the amount of a valuation thereof made within a period of twelve (12) months (or such greater period as the Auditors in their discretion shall accept) of the date on which the same falls to be determined hereunder:

(a) by a member of the New Zealand Institute of Valuers chosen by the Society and approved by the Auditor or, if acceptable to the Auditors in their discretion,

(b) by Directors' Certificate.

"**month**" means a calendar month.

"**Non-Guaranteeing Related Body Corporate**" means any Related Body Corporate other than the Society or a Guaranteeing Subsidiary.

"**Non-Guaranteeing Subsidiary**" means a Subsidiary which is not a Guaranteeing Subsidiary.

"**Other Tangible Assets**" means Freehold Land and any other Tangible Assets other than:

(a) Liquid Assets;

(b) Guaranteed Investment Principal;

(c) Approved Mortgage Principal;

(d) Secured Indebtedness;

(e) Listed Securities;

(f) Unlisted Securities; and

(g) Unsecured Indebtedness.

"**owing**" includes unpaid.

"**person**" includes a firm, a company and a local or public authority; and also includes an unincorporated body of persons; and words importing persons or individuals include firms companies and local or public authorities.

"**Prime Debtor**" means a Bank, any wholly-owned subsidiary of any Bank which subsidiary is itself a financial intermediary, a government, any person incorporated by statute and which is directly controlled or capable without further legislative act or decree of being controlled by a government, any corporation the shares in which are owned by a government and which if such corporation were a company within the meaning of the Companies Act would be a subsidiary of such government and any local authority within the meaning of the Local Authorities Loans Act 1956.

"**Principal**" and "**Principal Moneys**" means in relation to Deposits or Redeemable Shares, the amount (other than interest) payable on redemption of the Deposits or Redeemable Shares (as the case may be) inclusive of the premium (if any) of the Deposits or Redeemable Shares (as the case may be) payable in accordance with the conditions of issue thereof.

"**Product Disclosure Statement**" means the product disclosure statement, or other disclosure document required by the FMC Act, relating to Debt Securities issued under the Trust Deed, as amended, supplemented or replaced from time to time.

"**Public Sector Securities**" means and includes New Zealand Government Stock issued and registered in New Zealand (including Treasury Bills) and any other securities issued by any local or other public authority to which the Local Authorities Loans Act 1956 applies or any other security for which the New Zealand Government or any such local or public authority is liable whether as principal debtor, guarantor, endorser or otherwise.

"**Redeemable Share Moneys**" means at any time and from time to time the Principal Moneys and dividends or interest payable on the Redeemable Shares; and has the aforesaid meaning in relation to a Class of Redeemable Shares where the context so requires.

"**Redeemable Shareholder**" means a person whose name is for the time being entered in the Register of Redeemable Shareholders as the holder of Redeemable Shares, and includes his/her legal and personal representatives.

"**Redeemable Share**" means any security that is a redeemable share in terms of the definitions of "debt security" in section 8(1)(b)(iii) of the FMC Act in the form of a share issued, or to be issued, by the Society pursuant to Section 11 of the Building Societies Act and not redeemed; but does not

include a share which carries the right to payment of any dividend, or on which interest is payable from the annual surplus of the Society, and which is irredeemable or redeemable only at the option of the Society.

The expression "**Redeemable Share**" does not include any security which was issued by the Society at any time before 1 January 1991 where the holder thereof has exercised the holder's right not to be a beneficiary under this Trust Deed and be bound by its terms in respect of such security.

"**Reference Date**" means the date as at which any of the restrictions contained in Clause 2.1 is being applied or as at which any of the amounts relevant to the application of Clause 2.1 is being determined or, if the context so requires, any date from which a length of time specified herein is to be measured.

"**Register**" means the register of any Class of Securityholder to be kept by the Society pursuant to the provisions of this Deed.

"**Registered Address**" in respect of a Depositor or a Redeemable Shareholder means his address for the time being recorded in the Register.

"**Related Body Corporate**" means any body corporate which is:

(a) a Holding Company or a Subsidiary of the Society; or

(b) a Holding Company or a Subsidiary of any body corporate which is a Related Body Corporate of the Society by virtue of paragraph (a) of this definition.

"**Related Party**" has the same meaning as set out in the Deposit Takers Regulations.

"**Relevant Requirements**" means the requirements of the FMC Act, any other relevant act or law, any requirement of the Supervisor pursuant to this Deed including any report or agreement provided to the Supervisor in a form agreed between the Supervisor and the Issuer in relation to this Deed from time to time and any legally binding guideline, ruling, notice, framework or methodology, or approval given by the FMA or the Registrar of Financial Service Providers.

"**Reserves**" means the amount by which Total Tangible Assets exceeds Total Liabilities.

"**Rules**" mean the Rules or constitution of the Society, as they or it may have been at the relevant time.

"**Secured Indebtedness**" means, to the extent not already included in Liquid Assets, Guaranteed Investment Principal or Approved Mortgage Principal and such that the total amount owing to the Guaranteeing Group and any holder of a Charge having priority to the Charge of the Society secured over or outstanding in relation to the relevant assets does not exceed 85% of their Value at Reference Date, the principal outstanding to the Guaranteeing Group under any Charge.

"**Secured Liabilities**" means liabilities of any kind to any External Person secured by a Charge over any asset of the Guaranteeing Group.

"**Securities Act**" means the Securities Act 1978.

"**security**" and "**Debt Security**" each have the same meaning as in the Securities Act and the FMC Act.

"**Securityholder**" means a Depositor or a Redeemable Shareholder.

"**Single Group**" means a person, a group of companies or A partnership or any other commercial association of persons which for trading, consolidation of accounts, raising of credit, trust deed or other commercial purposes acts or should reasonably be considered or credit-rated as one financial entity or group.

"**Subordinated Debt**" means a liability of a member of the Guaranteeing Group to an External Person which on a winding up or a receivership of the member concerned is to the satisfaction of the Supervisor either to be deferred in point of payment to all other liabilities (including in respect of Redeemable Share Moneys) whether secured or unsecured, present or future ("the preferred liabilities") of the member , or in respect of which any distribution to the creditor on account thereof will be subject to an express or implied trust to account to the creditors entitled to the preferred liabilities.

"**Subsidiary**" means a company which is for the time being a subsidiary of the Society within the meaning of Section 5 of the Companies Act.

"**Supervisor**" means the supervisor or supervisors for the time being under this Deed.

"**Tangible Assets**" means all property and assets other than those which in the opinion of the Auditors should, according to generally accepted accounting principles and practice in New Zealand be regarded as intangible assets.

"**Total Approved Mortgage Principal**" means the total on a consolidated basis of the Values of all Approved Mortgage Principal owing to the Guaranteeing Group as would be disclosed in a Guaranteeing Group Balance Sheet if one was prepared as at the Reference Date.

"**Total Liabilities**" means the aggregate on a consolidated basis of the amounts of all Liabilities of the Society and the Guaranteeing Subsidiaries as would be disclosed in a Guaranteeing Group Balance Sheet if one was prepared as at the Reference Date ADJUSTED by deducting all Subordinated Debt.

"**Total Liquid Assets**" means the total on a consolidated basis of the Values of all Liquid Assets of the Guaranteeing Group as would be disclosed in a Guaranteeing Group Balance Sheet if one was prepared as at the Reference Date.

"**Total Listed Securities**" means the total on a consolidated basis of the Values of Listed Securities of the Guaranteeing Group as would be disclosed in a Guaranteeing Group Balance Sheet if one was prepared as at the Reference Date.

"**Total Other Liabilities**" means Total Liabilities less the aggregate of:

(a) the Deposit Moneys outstanding, and

(b) the Redeemable Share Moneys outstanding.

"**Total Other Tangible Assets**" means the total on a consolidated basis of the Values of all Other Tangible Assets of the Guaranteeing Group as would be disclosed in a Guaranteeing Group Balance Sheet if one was prepared as at the Reference Date.

"**Total Guaranteed Investment Principal**" means the total on a consolidated basis of the Value of all Guaranteed Investment Principal owing to the Guaranteeing Group as would be disclosed in a Guaranteeing Group Balance Sheet if one was prepared as at the Reference Date.

"**Total Secured Indebtedness**" means the total on a consolidated basis of the Value of all Secured Indebtedness owing to the Guaranteeing Group as would be reflected in a Guaranteeing Group Balance Sheet if one was prepared as at the Reference Date.

"**Total Secured Liabilities**" means the total on a consolidated basis of the amounts of all Secured Liabilities of the Guaranteeing Group as would be disclosed in a Guaranteeing Group Balance Sheet if one was prepared as at the Reference Date.

"**Total Tangible Assets**" means the aggregate on a consolidated basis of the Values of the Tangible Assets of the Guaranteeing Group as would be disclosed in a Guaranteeing Group Balance Sheet if one was prepared as at the Reference Date.

"**Total Unlisted Securities**" means the total on a consolidated basis of the Values of all Unlisted Securities of the Guaranteeing Group as would be disclosed in a Guaranteeing Group Balance Sheet if one were prepared at the Reference Date.

"**Total Unsecured Indebtedness**" means the total on a consolidated basis of the Value of all Unsecured Indebtedness owing to the Guaranteeing Group as would be reflected in a Guaranteeing Group Balance Sheet if one was prepared as at the Reference Date.

"**Trust Deed**" and "**this Deed**" means this trust deed (including unless the context otherwise requires the Schedules hereto) as originally executed and as it may from time to time be amended in accordance with the provisions in that behalf hereinafter contained and when the context so admits includes any deed which is or is expressed to be supplemental to or collateral to these presents.

"**Unlisted Securities**" means shares of any kind, managed investment products, stock or debentures, other than amounts included in Liquid Assets, Guaranteed Investment Principal, Secured Indebtedness or Listed Securities.

"**Unsecured Indebtedness**" means any actual indebtedness of an External Person to any member of the Guaranteeing Group whether payable or not, which is not included in Liquid Assets, Guaranteed Investment Principal, Approved Mortgage Principal, Secured Indebtedness, Listed Securities or Unlisted Securities.

"**Value**" means:

(a) in relation to Liquid Assets and Listed Securities an amount determined as the fair market value thereof by reference to stock exchange quotations by a method approved by the Auditors;

(b) in relation to Guaranteed Investment Principal, Approved Mortgage Principal, Secured Indebtedness and Unsecured Indebtedness, the book values thereof less a proper provision for income yet to mature and for bad and doubtful debts where such a provision is appropriate;

(c) in relation to Unlisted Securities either the lesser of the book value less a proper provision for income yet to mature and for bad or doubtful debts where such provision is appropriate, and the net tangible asset backing as disclosed by the latest relevant balance sheet, or, as determined by other evidence or method, whichever may be acceptable to the Auditors;

(d) in relation to Freehold Land the Government Valuation thereof or at the option of the Society the Market Valuation thereof;

(e) in relation to motor vehicles the book value thereof after depreciation;

(f) in relation to other assets the book values thereof less a proper provision for income yet to mature and for bad or doubtful debts where such a provision is appropriate;

"**Wholly Owned Subsidiary**" means a Subsidiary all the shares in which are beneficially owned by the Guaranteeing Group.

"**Working Day**" has the same meaning as in the Interpretation Act 1999.

Subject to the foregoing, words defined in the Companies Act, the FMC Act or in the Building Societies Act shall have the same meaning in this Deed. In the event of differing meanings or definitions, the order of precedence shall be: the Building Societies Act, the FMC Act and then the Companies Act. Words importing one gender include the other genders. The plural number includes the singular number and vice versa. References to an Act includes Regulations and exemption notices made under that Act and shall unless the context otherwise requires be to that Act (and Regulations and exemption notices thereunder) as amended or re-enacted or substituted.

1.4 **Section headings**: The section clause and paragraph headings appear as a matter of convenience and shall not affect the construction of this Deed.

1.5 **Schedules**: The Schedules to this Deed and the provisions and conditions contained therein shall have the same force and effect as if set out in the body of this Deed.

## 2. COVENANTS BY THE SOCIETY AND THE GUARANTEEING SUBSIDIARIES

2.1 **Financial Restrictions**: The Society and each of the Guaranteeing Subsidiaries covenants with the Supervisor that it will not at any time:

(a) **Total Liabilities Limit**: Permit Total Liabilities to exceed 95% of Total Tangible Assets.

(b) **Secured Liabilities Restriction**:

(i) Permit Total Secured Liabilities to exceed 1% of Total Tangible Assets.

(ii) Notwithstanding the provisions of paragraph (i) **PROVIDED THAT**:

(1) at all times the amount of Total Liabilities less Total Secured Liabilities does not exceed the amount of 95% of Total Tangible Assets less 105% of Total Secured Liabilities; and

(2) the amount of Total Secured Liabilities exceeding 1% of Total Tangible Assets is secured by fixed Charge(s) over the same specific assets as secure the amount of Total Secured Liabilities which does not exceed 1% of Total Tangible Assets and not over any other assets; and

(3) Total Secured Liabilities at no times exceed 7% of Total Tangible Assets; and

(4) the Society's regular business is so conducted that at least once during each financial year there is a period when Total Secured Liabilities does not exceed 1% of Total Tangible Assets;

the amount of Total Secured Liabilities may exceed 1% of Total Tangible Assets for a period not longer than that within which the Guaranteeing Group can make arrangements for the repayment or release from the security of the Charge of the amount of Total Secured Liabilities which exceeds 1% of Total Tangible Assets.

(c) **Liquidity Requirements**:

(i) Permit Total Liquid Assets to be less than 15% of (Total Tangible Assets less Reserves);

(ii) Permit the total amount payable in cash over any half-year to any persons by way of interest (including withholding tax payable in relation thereto) to exceed income actually received in cash over the same period from the investments of the Guaranteeing Group .

(iii) Fail to ensure that the assets of the Guaranteeing Group that are or may be available, whether by way of security or otherwise, are sufficient or likely to be sufficient to enable its Liabilities to be discharged when they become due.

(iv) Permit Exposure to a single issuer of a Marketable Debt Securities or, in relation to such an issuer that is a member of a group of companies, Exposure to the Single Group of which the issuer is a member (other than to a Bank) to exceed 15% of Total Liquid Assets.

(d) **Lending and Investment Quality Restrictions**:

(i) Permit the aggregate of Total Secured Indebtedness, Total Unsecured Indebtedness, Total Listed Securities and Total Unlisted Securities, to exceed 15% of Total Tangible Assets;

(ii) Permit the aggregate of Total Unsecured Indebtedness, Total Listed Securities and Total Unlisted Securities to exceed 5% of Total Tangible Assets.

(e) **Capital Ratio**:

(i) Permit the consolidated capital ratio of the Guaranteeing Group to be less than:

(1) 10%;or

(2) if at any time the Deposit Takers Regulations require a higher minimum capital ratio, that higher minimum capital ratio.

For this purpose "capital ratio" has the same meaning as set out in, and is to be calculated in accordance with, the Deposit Takers Regulations.

(f) **Related Party Exposures**:

(i) Permit aggregate exposures of the Guaranteeing Group to Related Parties to exceed:

(1) 15% of capital; or

(2) if at any time the Deposit Takers Regulations require a lower maximum limit on exposures to Related Parties, that lower maximum limit, in all cases calculated in accordance with the Deposit Takers Regulations.

(g) **Liquidity Mismatch Requirements**:

(i) Permit the Total Liquid Assets to be less than 115% of any deficit arising from:

(1) the aggregate amount receivable by the Guaranteeing Group in cash by way of principal and interest on all moneys due to the Society (excluding, for the avoidance of doubt, any such moneys from Liquid Assets) during the next three months (based on contractual maturities); less

(2) the aggregate of the total amount payable by the Guaranteeing Group in cash to the Securityholders by way of:

aa. 20% of the Principal of the Securities payable during the next three months (based on contractual maturities); and

bb. 20% of Committed Undrawn Lending Facilities.

2.2 **Other restrictions**: The Society and each of the Guaranteeing Subsidiaries covenants with the Supervisor that:

(a) **Not to Issue Secured Debt Securities or to Bearer**: It has not secured and will not secure by way of Charge over any assets of the Guaranteeing Group the payment of Principal or interest or other moneys payable under any Debt Securities or issue any Debt Securities payable to "bearer".

(b) **Not to lend to or guarantee obligations of Associated Persons**: The Guaranteeing Group has no Exposure (except as set forth in Schedule II to this Deed) and will not at any time permit Exposure to arise in respect of any Associated Person, except Exposure:

(i) which is, or if it became an actual liability would be secured as Guaranteed Investment Principal or approved Mortgage Principal and on normal commercial terms; or

(ii) in respect of housing loans secured as Guaranteed Investment Principal or Approved Mortgage Principal to members of the staff of the Guaranteeing Group.

(c) **Not to deal with associated person except on arms-length basis**: It will not purchase any asset or services from, or dispose of any Assets or provide any services to any Associated Person other than for full market value, on an arms-length basis and in the ordinary course of business.

(d) **Disposal of undertaking**: It will not sell or transfer whether by a single transaction or any series of transactions whether related or not the whole or any substantial part of the business, undertaking or assets of the Guaranteeing Group viewing such business, undertaking or assets as a single entity except to the Society or any Guaranteeing Subsidiaries.

(e) **Writing up of values of assets**: It will not write up the value of any Tangible Asset in its books of account to a value in excess of an amount acceptable as a Value to the Auditors.

(f) **Enter into unlimited guarantees**: It will not enter into or permit the subsistence of any guarantee, indemnity or security (not prohibited by Clause 2.2(b)) for the obligations of any External Person for any unlimited amount of liability.

2.3 **Obligation to bring in subsidiaries as guaranteeing subsidiaries**: The Society covenants with the Supervisor that it will from time to time:

(a) **Notice of change in Subsidiaries**: Forthwith give notice in writing to the Supervisor of:

(i) the acquisition or formation by the Society or any Guaranteeing Subsidiary of any Subsidiary including the name thereof and whether or not it is a Wholly Owned Subsidiary and furnish to the Supervisor a copy of the most recent audited balance sheet and profit and loss account of any Subsidiary so acquired;

(ii) any change in the shareholding of a Subsidiary which does or may effect or result in a change of control or direction thereof by the Guaranteeing Group.

(b) **Make wholly-owned subsidiaries guaranteeing subsidiaries**: With all reasonable expedition after any company incorporated in New Zealand becomes a Wholly Owned Subsidiary (including the acquisition of shares in the capital of any Subsidiary whereby it becomes a Wholly Owned Subsidiary) or after any Wholly Owned Subsidiary incorporated outside New Zealand commences business or acquires assets in New Zealand, procure that such Wholly Owned Subsidiary shall become a Guaranteeing Subsidiary by executing, stamping (if required), registering and delivering to the Supervisor a deed in the form or substantially in the form prescribed in Schedule II hereto, guaranteeing the Redeemable Share Moneys and the Deposit Moneys and thereby agreeing to become bound as a Guaranteeing Subsidiary AND the Society may on its own volition (without being under any obligation) procure any Non-Guaranteeing Subsidiary to become a Guaranteeing Subsidiary by executing, registering and delivering to the Supervisor a deed as aforesaid **PROVIDED ALWAYS** that if the Supervisor is requested by the Society to permit a Wholly Owned Subsidiary to remain a Non-Guaranteeing Subsidiary or cease to be a Guaranteeing Subsidiary and the Supervisor is satisfied that there are sound commercial reasons why this dispensation should be granted, the Supervisor may upon and subject to such conditions as it considers appropriate, permit such Subsidiary to remain or become a Non-Guaranteeing Subsidiary on the basis that the Supervisor may subsequently for good reasons withdraw such dispensation and by notice require the Subsidiary to become a Guaranteeing Subsidiary;

(c) **Ensure compliance by guaranteeing subsidiaries** : Use its voting powers in and representation on the board of directors of each Guaranteeing Subsidiary in such manner as to ensure full compliance and observance by each Guaranteeing Subsidiary at all times with the covenants, conditions, agreements and provisions of this Deed and in such manner also as to prevent any act or omission on the part of any Guaranteeing Subsidiary to comply with

and perform the same or which would or might detrimentally affect the interests of the Redeemable Shareholders or Depositors.

2.4 **Further covenants by the society and guaranteeing subsidiaries**: The Society and each of the Guaranteeing Subsidiaries covenants with the Supervisor that it will at all times:

(a) **Permit attendance at General Meetings**: Permit the Supervisor through its agent or attorney or representative to attend any general meeting of the Society and to be heard at any such meeting which it so attends on any part of the business of the meeting which concerns the Supervisor or any of the Securityholders;

(b) **Allow Supervisor to inspect accounting records**: Ensure that its full accounting records and all other documents shall at all reasonable times (whether kept at the registered office or any other place or places) be open for inspection by the Supervisor or any person appointed for such purpose in writing by the Supervisor;

(c) **Give Supervisor information**: Whenever requested give to the Supervisor or any person appointed by the Supervisor such oral or written information as he or she shall reasonably require with respect to all matters relating to its business or any of its property (whether acquired before or after the date of this Deed) or otherwise relating to its affairs and those of its Subsidiaries except that neither the Society nor any Guaranteeing Subsidiary shall be bound to disclose any trade secret or process or trade information which it is forbidden by contract to disclose;

(d) **Refund Supervisor for expenditure**: Permit the Supervisor or any other person appointed by the Supervisor to make any payments that may in the opinion of the Supervisor be rendered necessary or expedient by reason of any default on the part of the Society or Guaranteeing Subsidiary concerned in performing any of the covenants herein contained in that behalf and will on demand repay to the Supervisor all moneys expended by the Supervisor or any such person for any such purpose and in the meantime all moneys so expended with interest at the Appropriate Rate shall from the date of expenditure form part of the Deposit Moneys, and will on demand pay and satisfy and obtain the release of any liabilities to which the Supervisor or any such person as aforesaid may become subject consequent upon the execution or purported execution or attempted exercise of any of the trusts powers authorities or discretions conferred by this Deed.

(e) **Not refer to Supervisor in Offer Document without approval**: Not issue any Product Disclosure Statement or other offer document bearing the name of the Supervisor or referring to the Supervisor's duties under the Trust Deed without obtaining the prior approval of the Supervisor to the text of each such reference.

(f) **Not declare dividends**: Not without the prior consent in writing of the Supervisor

(i) make any return of paid-up capital or fixed capital shares,

(ii) pay any dividend out of annual surplus, or

(iii) make any distribution from share premium account or reserve,

(other than in the case of a payment by a Guaranteeing Subsidiary to the Society or to another Guaranteeing Subsidiary) while payment of any of the Redeemable Share Moneys or Deposit Moneys which have become due and payable remains in default.

(g) **Not issue Debt Securities when in breach**: Not without the consent in writing of the Supervisor offer or issue pursuant to a regulated offer under the FMC Act any Debt Securities whilst the Society or any Guaranteeing Subsidiary is in breach of any of the provisions of the Trust Deed, or is in breach of the provisions of the FMC Act regulating the offering or issuing of debt securities or any related prospectuses, Product Disclosure Statements or other offer documents.

(h) **Register mortgages and file memoranda of charges promptly**: Register mortgages and file memoranda of Charges securing loans and other indebtedness owing to the Guaranteeing Group as soon as possible and in any event within any applicable statutory time-limits.

(i) **Register offer documents promptly**: Register each Product Disclosure Statement and (if required by law) each other offer document with the Registrar of Financial Service Providers.

(j) **Notify upon breach**: If, at any time, the Society has reasonable grounds to believe that it has breached, or may have breached or is likely to breach, any of its Issuer Obligations in a material respect, it will as soon as practicable, notify the Supervisor in writing of the breach or possible breach and the steps (if any) that is has taken or intends to take in light of the breach or possible breach, and the date by which the steps were taken or are to be taken.

(k) **Serious financial problems**: if it becomes aware of information on the basis of which it could reasonably form the opinion that it is, or is likely to become, insolvent (as defined in the FMC Act), as soon as practicable:

(i) disclose to the Supervisor all information relevant to that matter that is in the possession or under the control of the Society and that was obtained in the course of, or in connection with, the performance of its function as issuer; and

(ii) advise the Supervisor of the steps (if any) that the Society intends to take in respect of that matter and the date by which the steps are to be taken.

(l) **NBDT Notifications**:

(i) at the same time as any director of the Society notifies the Reserve Bank of New Zealand ("Reserve Bank") of suitability concerns in terms of, and pursuant to Section 42 of the Non-bank Deposit Takers Act 2013 ("NBDT Act"), notify the Supervisor of the same by way of a copy of the notification given to the Reserve Bank, as well as notifying the Supervisor of the Reserve Bank's response and any action taken in relation to such notification;

(ii) at the same time as the Society makes any notification to the Reserve Bank under the NBDT Act or receives any notice or request for information from the Reserve Bank, notify the Supervisor of the same including a copy of the relevant notification or request.

**2.5 Appointment of Auditor**

(a) **Consultation with Supervisor**: The Society must:

(i) before recommending the appointment or reappointment of a person as an Auditor:

(1) consult with the Supervisor on the appointment or reappointment; and

(2) ensure that any comments of the Supervisor concerning the proposed Auditor are brought to the attention of the person or persons appointing or reappointing the Auditor;

(ii) notify the Supervisor if the Auditor resigns from appointment, or declines to accept appointment or reappointment, and must pass on to the Supervisor any explanation provided by the Auditor for resigning from appointment or declining to accept appointment or reappointment; and

(iii) not attempt to prevent a person who has resigned from appointment as the Auditor, or declined to accept appointment or reappointment as the Auditor, from offering an explanation, or disclosing to the Supervisor the reason, for resigning or declining appointment or reappointment.

(b) **Specified Engagement**: The Society must, before recommending the appointment or reappointment of a person as the Auditor:

(i) give the Supervisor an opportunity to be a party to an assurance engagement carried out by an auditor in relation to the Society's compliance with the Trust Deed for the purpose of the Supervisor obtaining assurance of matters relevant to the exercise or performance of the powers or duties of the Supervisor; and

(ii) consult with the Supervisor on the nature and scope of any such engagement.

2.6 **Terms of Appointment**: The Society must ensure that the following terms are included in the terms of appointment of an auditor in its capacity as Auditor:

(a) that the Auditor will, at the beginning of the audit, review, or engagement, give the Supervisor an opportunity to meet with the Auditor, without any representative of the Society being present, in order to allow the Supervisor an opportunity to raise any issues or concerns relevant to the exercise or performance of the powers or duties of the Supervisor; and

(b) that the Auditor will give the Supervisor an opportunity to meet with the Auditor, without any representative of the Issuer being present, to discuss matters arising in the performance of the audit, review, or engagement and to answer any questions the Supervisor may have concerning the audit, review, or engagement.

## 3. REPORTS AND NOTICES TO AND REMUNERATION OF SUPERVISOR

The Society covenants with the Supervisor that it will from time to time during the currency of this Deed:

### 3.1 Furnish annual accounts

(a) Furnish (or cause to be furnished directly by the Auditors) to the Supervisor within four (4) months after the close of each financial year of the Society:

(i) a copy of the balance sheet and revenue and appropriation account of the Society; and,

(ii) if there are Guaranteeing Subsidiaries a copy of the Guaranteeing Group Balance Sheet and revenue and appropriation account of the Guaranteeing Group; and,

(iii) if there are Non-Guaranteeing Subsidiaries a copy of the consolidated balance sheet and revenue and appropriation account of the Society and its Subsidiaries;

each duly audited and made up in the case of each of the aforesaid balance sheets as at the close of that financial year and in the case of each of the aforesaid revenue and appropriation accounts covering that financial year together with all other financial statements documents and reports required by the Building Societies Act to be annexed to or to accompany such balance sheets and revenue and appropriation accounts and duly signed by the persons required to sign the same by the Building Societies Act but with such adaptations as may be necessary to comply with the provisions of the Trust Deed.

(b) **Furnish annual auditors' report**: Furnish or cause to be furnished to the Supervisor at the same time as it furnishes to the Supervisor as provided in Clause 3.1(a) the aforesaid copies of the audited balance sheets and revenue and appropriation accounts a separate report prepared in a form agreed from time to time between the Auditor, Issuer and Supervisor or in accordance with any report or agreement in relation to this Deed.

(c) **Furnish annually auditors' report on last directors' quarterly report**: Within four months after the close of each financial year of the Society deliver to the Supervisor a separate report (or include such a report in the report furnished by the Auditors pursuant to Clause 3.1(b) a report by the Auditors stating that they have perused the Directors' Quarterly Report supplied

after the close of the last financial year of the Society to the Supervisor and that on the basis of the information gained by them in the performance of their duties as Auditors in their opinion the figures and calculations are correct and the statements made in such report are reasonable.

(d) **Furnish half-yearly unaudited accounts**: Furnish or cause to be furnished to the Supervisor at the same time as it furnishes to the Supervisor each Directors' Quarterly Report at the end of each financial year and half-year (unless already furnished pursuant to Clause 3.1(a)) a copy of the unaudited Guaranteeing Group Balance Sheet referred to in such Report together with a revenue and appropriation account of the Guaranteeing Group, such accounts being signed by two Directors as being approved by the Directors.

(e) **Furnish quarterly directors' reports**: Within six weeks after the end of each financial quarter of the Society (unless otherwise agreed by the Supervisor) and at the option of the Society at any other time furnish to the Supervisor a report signed by two Directors in a form agreed from time to time with the Supervisor or in accordance with any reasonable requirement of the Supervisor in relation to this Deed.

(f) **Monthly Internal Financial Statements**: Within 7 days after the date of presentation to a meeting of the Society's directors but in any event within 30 days of the end of each calendar month excepting those ending a quarter-year in respect of which a Directors Quarterly Report is due to be provided furnish to the Supervisor (together with a confirmation that words and expressions in the following documents bear the same meaning as in the Trust Deed) a copy of the financial statements prepared for the Society's internal management purposes, and also:

(i) a maturity profile showing monetary assets and monetary liabilities, matching periods ending one month, over one to three months, over three to six months, over six months to 1 year, over 1 year to 2 years etc;

(ii) information on stand-by and overdraft facilities, advising any change from the details shown in the last Directors Quarterly Report and whether or not the Society has any reason to consider that there may be any further change within two months of the date of furnishing such information;

(iii) the total amount of the principal moneys of loans approved as at the date of the above financial statements but not then disbursed;

(iv) (if available) revenue and appropriation figures or information on profitability; and

(v) details of the calculation of the liquidity ratio and liquidity mismatch ratio referred to in clause 2.1(g)

(g) **Furnish notice of reduction or withdrawal of undrawn stand-by facilities and overdrafts**: Furnish to the Supervisor notice and full explanatory details forthwith after they become known to the Society of any reduction, withdrawal or cancellation of any amount of undrawn stand-by or overdraft or the possibility thereof or of any demand for repayment of any moneys outstanding thereunder or the possibility thereof (written notice whereof has not already been given to the Supervisor).

(h) **Furnish further accounts at Supervisor's request**: At the request of the Supervisor (which request shall only be made when the Supervisor considers that special circumstances warrant such request and so certifies in writing to the Society) with all due expedition furnish (or cause to be furnished directly by the Auditors) to the Supervisor:

(i) a copy of the balance sheet and revenue and appropriation account of the Society;

(ii) a copy of the balance sheet and revenue and appropriation account of any Guaranteeing Subsidiary;

(iii) a copy of the Guaranteeing Group Balance Sheet and revenue and appropriation account of the Guaranteeing Group;

(iv) a copy of the consolidated balance sheet and revenue and appropriation account of the Society and its Subsidiaries;

each duly audited and made up in the case of the aforesaid balance sheets as at such date as may be required by the Supervisor but being a date not less than twenty-one (21) nor more than forty-two (42) days subsequent to the date of the request and in the case of the aforesaid revenue and appropriation accounts covering the period from the end of the immediately preceding financial year up to the date as at which the aforesaid balance sheets are made up together with all documents and reports required by the Building Societies Act to be annexed to or to accompany such balance sheets and revenue and appropriation accounts and duly signed by the persons required to sign the same by the Building Societies Act with such adaptations as may be necessary; and

(v) a report by the Auditors setting out the information referred to in paragraph (b) hereof with such adaptations as may be necessary or such of that information as may be required by the Supervisor.

(i) **Balance date and financial year of society and its subsidiaries**: Ensure that each of its Subsidiaries will unless the Supervisor otherwise approves in any particular case and subject to the provisions of the Building Societies Act have and continue to have the same balance date and financial year as the Society for the purposes of their respective audited financial accounts.

(j) **Furnish copy of documents sent to shareholders and of the annual return**: Furnish or cause to be furnished to the Supervisor copies of all balance sheets and revenue and appropriation accounts (including consolidated balance sheets and accounts) reports, prospectuses, product disclosure statements, notices or circulars (excluding interest notices and marketing material) issued generally to its shareholders or any class of its shareholders or to any stock exchange or to the Redeemable Shareholders or Depositors by the Society at the time of such issue, and a copy of the Annual Return required to be filed annually with the Registrar of Building Societies.

(k) **Furnish copy register**: Furnish to the Supervisor if so required by the Supervisor at the same time as the accounts referred to in Clause 3.1(a) are furnished a copy of the Register/s.

(l) **Give notice if financial limits exceeded**: Forthwith give notice in writing to the Supervisor of the exceeding of any of the limits imposed by Clause 2.1 hereof or if the Directors on the basis of any unaudited accounts or other evidence are of the opinion that any such limits may have been exceeded or are about to be exceeded forthwith give notice in writing to the Supervisor accordingly.

(m) **Notice to Supervisor of investments in associated persons**: Give notice in writing to the Supervisor of any proposed material investment in the share capital of or (except in the case of amounts to be included in Guaranteed Investment Principal and Approved Mortgage Principal) loan to an Associated Person or any material increase of any such existing material investment or (except as aforesaid) loan not later than seven days prior thereto;

(n) **Notice of proceedings**: Forthwith give notice in writing to the Supervisor of any default and particulars of such default by the Society or any Guaranteeing Subsidiary under any mortgage, charge or encumbrance over all or any part of the assets of the Guaranteeing Group and of the service of any notice materially adversely affecting the right to possession of the charged assets or any part thereof (not being in connection with the normal conduct of its business) or of the commencement of any proceedings affecting the same.

(o) **Notice of charges to Supervisor**: Furnish the Supervisor in writing with particulars of any Charge in the principal amount of or which at any time might secure more than $250,000 created by it within twenty-one days after the creation of the Charge.

(p) **Additional reporting**: The Society will furnish to the Supervisor such additional reports as the Supervisor may request in writing from time to time, including, but not limited to, any reports requested by the Supervisor for the purpose of confirming compliance with the Deposit Takers Regulations. Any such report shall be provided at such time or within such period as the Supervisor may request (including any standing request) and contain such information and be in such form as the Supervisor reasonably requires.

(q) **Relevant Requirements**: Without limiting clause (p) above, or sections 114 to 118 of the FMC Act, the Society must as soon as reasonably practicable supply the Supervisor with such information and reports in relation to the Guaranteeing Group as reasonably required by the Supervisor to comply with the Society's obligations under the Relevant Requirements including, without limitation, the annual and half yearly accounts, any auditor's report and any quarterly Director's certificate.

**3.2 Supervisor's remuneration:**

(a) In respect of and in connection with the Trust Deed, any matter in relation to the Trust Deed and its services as Supervisor pursuant to the Trust Deed, the Supervisor shall be entitled to and the Society shall pay to the Supervisor remuneration and also all costs, charges and expenses (including travelling expenses) reasonably incurred by or on behalf of the Supervisor. Without limiting the generality of the foregoing, such matters and services include:

(i) the preparation and perusal (except in relation to the basic form of the Trust Deed) and the execution and registration of the Trust Deed and of any deed collateral or supplemental hereto;

(ii) any action taken by or required of the Supervisor pursuant to the provisions of the Trust Deed or of any deed collateral or supplemental hereto;

(iii) the carrying out by the Supervisor of any right, power, duty or privilege by this Deed or any security collateral or supplemental hereto conferred on the Supervisor or upon any Securityholder;

(iv) any action taken by the Supervisor in connection with any breach or default in the observance or performance by the Society or any Guaranteeing Subsidiary of the covenants, obligations and conditions of this Deed or any security collateral or supplemental hereto;

(v) the convening and holding and carrying out of any directions or resolutions of any meeting of Redeemable Shareholders or Depositors;

(vi) any application for the Supervisor's consent to or approval of any act or matter or any perusal by the Supervisor of any documents;

(vii) the employing of any chartered accountant, solicitor, barrister or other expert from whom the Supervisor seeks any advice, reports, comments or other information;

(viii) any other matter as shall from time to time be agreed between the Supervisor and the Society.

(b) AND it is hereby agreed and declared that:

(i) all fees or other remuneration arising assessed on an annual basis or otherwise shall accrue from day to day and shall be payable quarterly at the end of each financial quarter-year, or if otherwise shall be payable by the Society to the Supervisor on demand;

(ii) the fees or other remuneration that the Supervisor can charge may (without limiting the generality of the other provisions herein) include in respect of its services, an

annual fee to be negotiated between the parties reflecting the maximum amount of the Debt Securities outstanding at any time of such annual period, and in respect of any moneys received by the Supervisor pursuant to the provisions of the Deed, commission at the rate from time to time normally or usually charged by the Supervisor;

(iii) the Supervisor shall be at liberty at any time and from time to time to review any fee or remuneration payable hereunder whenever in the view of the Supervisor a change in circumstances shall warrant such review;

(iv) the Supervisor shall be at liberty at any time to elect payment of remuneration which shall be determined by and be commensurate with the work actually required to be carried out by the Supervisor in the discharge of its duties or particular duties hereunder;

(v) all costs, charges and expenses other than fees or other remuneration shall be payable by the Society to the Supervisor upon demand;

(vi) such remuneration and other payments shall continue to be payable until the trusts hereof shall be finally wound up and whether or not a receiver shall have been appointed or the trusts hereof be in course of administration by or under the direction of the Court;

(vii) all costs, charges and expenses incurred and payments made by the Supervisor in his capacity as Supervisor for Securityholders in the lawful exercise of the powers hereby conferred upon it or him, including all remuneration payable to the Supervisor in such capacity, shall form part of the Deposit Moneys, and until payment shall carry interest at the Appropriate Rate per annum from the date on which they shall have become payable;

(viii) if in any case where the Society and the Supervisor shall fail to reach agreement on any amount or account payable to the Supervisor such difference or dispute shall be referred to a single arbitrator if the parties shall agree on one and otherwise to two arbitrators one to be appointed by the Society and one by the Supervisor in accordance with and subject to the provisions of the Arbitration Act 1996.

## 4. ISSUE OF DEBT SECURITIES AND REGISTERS

4.1 **Acknowledgement of indebtedness**: The Society hereby acknowledges its indebtedness to the Supervisor in respect of the Principal interest and other moneys from time to time payable in respect of the Debt Securities and any other moneys from time to time payable to any Securityholders under or pursuant to this Deed or the terms of issue of any of the Debt Securities and covenants with the Supervisor that:

(a) As and when any of the Debt Securities shall become payable in accordance with the terms of issue or on such earlier date as the Debt Securities become payable in accordance with the provisions of Clause 5.1 hereof the Society shall pay to the Supervisor the Principal and interest payable in respect of the Debt Securities and such payment shall operate in satisfaction of the Society's obligations to the holders thereof in respect of such Debt Securities.

(b) Until the Debt Securities have been paid as aforesaid or until interest ceases to accrue in accordance with the conditions on which any Debt Securities are issued the Society shall pay to the Supervisor interest on the Principal Moneys of the Debt Securities at the rates specified in the terms of issue thereof from the date of issue or such other date as may have been specified in the said terms of issue.

(c) Notwithstanding the foregoing and unless and until otherwise required by the Supervisor the Society shall pay or cause to be paid to the holders of the Debt Securities all Principal and interest payable (other than moneys to be accumulated or credited) in respect thereof by

cash, not negotiable cheque, direct bank transfer or warrant drawn in favour of the Securityholder and may be sent by post to the Securityholder, at his Registered Address or in the case of joint Securityholders or otherwise in accordance with the terms and conditions of issue thereof and payment of such cheque, transfer or warrant shall operate as payment to the Supervisor in satisfaction pro tanto of the indebtedness in this Clause acknowledged or undertaken.

(d) Any such payment made to any Securityholder pursuant to subclause (c) at his last Registered Address which is returned unclaimed or any amount due and payable to a Securityholder whose address is unknown shall be retained by the Society for the Securityholder until claimed without liability to invest the same or pay interest thereon. Subject to any applicable provisions of the Unclaimed Moneys Act and the Rules, any Principal or interest unclaimed for five years or longer may be forfeited by the Directors for the benefit of the Society. After forfeiture of any Principal or interest the person or persons who would have been entitled to payment thereof had the same not been forfeited shall be entitled to payment of such Principal or interest upon adducing to the satisfaction of the Directors sufficient evidence that he or they would have been entitled thereto had the same not been forfeited. The Society shall at annual intervals provide the Supervisor with details of all amounts retained pursuant to the foregoing provisions.

4.2 **Exclusion of equities**: The Securityholders are and are to be regarded as the beneficial owners of the Debt Securities registered in their names respectively and are to be regarded as exclusively entitled thereto and all persons and the Society may act accordingly and the Society shall not be bound to enter on the Register notice of any trust or save as in the Certificates provided and except as ordered by a Court of competent jurisdiction to recognise any trust or equity affecting the ownership of any Debt Securities or the moneys thereby represented and the receipt of the Securityholder his executors or administrators or in the case of joint Securityholders (except in the case of the death of a joint Securityholder where the joint Securityholders are noted as holding as tenants in common) the receipt of any one of them for the Principal Moneys and interest from time to time accruing due in respect thereof or for any moneys payable in respect thereof shall be a good discharge to the Society notwithstanding any notice it may have whether express or otherwise of the right title interest or claim of any person to or in such Debt Securities interest or moneys.

**4.3 Constitution and issue of debt securities and exclusion of certain securities issued before 1 January 1991:**

(a) Subject to the provisions of this Deed and of the Building Societies Act and the FMC Act, Debt Securities may be constituted and issued by the Society at any time and from time to time in such amounts and on such terms and upon such conditions (not inconsistent with this Deed) and bearing such respective rates of interest and repayable at such respective periods as the Society may from time to time determine or may be repayable or redeemable on demand or after notice; and the Society shall be at liberty to pay a commission procuration fee or brokerage to any person firm or corporation for obtaining or underwriting the same.

(b) Subject to the provisions of this Deed and of the Building Societies Act, the Society shall be at liberty at any time and from time to time to convert by issuing a Certificate any unsecured debt for the time being owing by the Society into a Debt Security upon such terms and conditions as may be agreed between the Society and the creditor.

(c) The Supervisor and the Society may assume for all purposes that the holder of a security issued or constituted by the Society at any time before 1 January 1991 has not exercised the holder's right not to be a beneficiary under this Trust Deed and be bound by its terms in respect of such security until such time as the Supervisor or the Society has received written notice to the effect that the holder wishes to exercise such right.

**4.4 Classes of Debt Securities to rank pari passu:**

(a) Inter se the Deposits or, if there is more than one Class, the Deposits within each Class of Deposits, shall rank pari passu as an unsecured obligation of the Society notwithstanding that

they are or have been accepted at different times and carry interest at different rates or are perpetual or mature or are repayable at different times or on demand or after notice.

(b) Inter se the Redeemable Shares or, if there is more than one Class, the Redeemable Shares within each class of Redeemable Shares, shall rank pari passu as an unsecured obligation of the Society notwithstanding that they are or have been issued at different times and carry interest at different rates or are repayable at different times or on demand or after notice.

**4.5 Debt security certificates:**

(a) The Society (if it has not already done so) shall issue to every person who subscribes for Debt Securities a Certificate in a form a copy of which has prior to the time of issue of the Debt Security been forwarded to the Supervisor stating the amount of the loan or investment made (the "Principal"), the Class of Debt Security issued, the rate of interest payable thereon, the date of making of the loan or investment and the date for repayment or term or where applicable that it is repayable on demand or after notice PROVIDED HOWEVER that the Society need not to the extent permitted by the FMC Act comply with all or any of the provisions of this clause;

(b) If any Certificate shall be worn out or defaced then upon production thereof to the Society it may cancel the same and may issue a new Certificate in lieu thereof and if any such Certificate shall be lost or destroyed then, upon proof thereof to the satisfaction of the Directors of the Society and on such terms as to evidence and indemnity and the payment to the Society of out-of-pocket expenses in investigating evidence as the Directors of the Society may deem adequate, a new Certificate in lieu thereof may be given to the persons entitled to such lost or destroyed Certificate. An entry as to the issue of the new Certificate and indemnity (if any) shall be made in the Register. There shall be paid to the Society for each new Certificate issued under this provision, in addition to the expenses mentioned above, such sum (if any) as the Society's Directors shall determine and all stamp duty (if any) payable on the new Certificate and the other documents required under this provision.

4.6 Registers of Debt Securities:

(a) A Register of each Class of Debt Securities shall be kept in New Zealand by the Society or by a registrar appointed for that purpose by the Society at its registered office or at such other place as may be approved by the Supervisor. In the discharge of its duties and the exercise of its powers the Supervisor shall be entitled to treat the names, matters and details recorded in the Register as conclusive as to their correctness and completeness in relation to each Class of Debt Security and of each Class of Securityholder including as to the number, entitlements and identity of the Securityholders notwithstanding any error or omission, or any delay or failure on the part of the Society in recording or amending details in the relevant Register. There shall be entered forthwith in such Register upon execution of this Deed and thereafter upon issue or redemption of each Debt Security or notice to the Society of change of the relevant particulars in relation to the respective Class of Debt Securities on issue:

(i) The names and address of the Securityholders for the time being;

(ii) The date of issue of each Debt Security to each such Securityholder;

(iii) The Principal amount or amounts owing, term and interest rate (and dates when payable) in respect of each Securityholder;

(iv) The number (if any) and date of each Certificate issued and all subsequent transfers and changes of ownership thereof;

(v) The date at which the name of each Securityholder is entered in respect of the amount or amounts standing in his name;

(vi) Particulars of the redemption, purchase or forfeiture of the Debt Securities;

(vii) Particulars of any change of name or address;

(viii) Such other particulars as the Supervisor may reasonably require or the Society thinks fit;

(b) The Supervisor shall not be bound by or in any way affected by notice of any trust express implied or constructive which may be entered in the Register;

(c) The Supervisor shall be entitled at all reasonable times during office hours to inspect the Register and to take copies of or extracts from the same;

(d) The Society may from time to time close the Register for any period or periods not exceeding 30 days in any one year;

(e) The Society may delegate to attorneys such powers authorities and discretions as to the keeping of the Register as the Society thinks fit;

(f) The Register shall be kept in accordance with the requirements of this Deed and any relevant legislation to the satisfaction of the Auditors and shall be audited by or to the satisfaction of the Auditors at regular intervals of not more than 12 months or on request in writing by the Supervisor.

4.7 **Body corporate as a Securityholder**: A body corporate may be registered as a Securityholder or as one of any number of joint Securityholders.

4.8 **Change of Securityholder's name or address**: Every Securityholder who changes his name or address shall notify the Society, and the Register shall be altered accordingly.

**4.9 Transfer of Debt Securities:**

(a) Subject to the terms and conditions of issue of each Debt Security, every Securityholder may transfer his Debt Securities or any part thereof by an instrument of transfer in a form approved by the Society or in the usual common form.

(b) Subject to the terms and conditions of issue of each Debt Security and except where not required by the FMC Act every instrument of transfer must be signed by both the transferor and the transferee each in the presence of a witness who must write his address and occupation after his signature. The transferor shall be deemed to remain the Securityholder until the name of the transferee has been entered in the relevant Register in respect thereof. Instruments of transfer must be left at the registered office of the Society with the Certificate, and such other evidence as the Directors may from time to time require to prove the title of the transferor or his right to transfer. All instruments of transfer which shall be registered will be retained by the Society until destroyed but any instrument of transfer which the Directors may decline to register shall be returned to the person leaving the same. No transfer will be registered while the Register is closed. Upon registration of a transfer a new Certificate or Certificates shall be issued.

**4.10 Death, insanity or bankruptcy of Securityholder:**

(a) Any person becoming entitled to Debt Securities in consequence of the death insanity or bankruptcy of any Securityholder may, upon producing such evidence of his title or that he sustains the character in respect of which he proposes to act as the Directors of the Society shall think sufficient, be registered himself as a Securityholder or (subject to the provisions hereof regarding transfer) may transfer such Debt Securities.

(b) The executors or administrators of a deceased Securityholder (not being one of several joint holders) shall be the only person recognised by the Society as having any title to or interest in his Debt Securities.

(c) Except where joint Securityholders are noted as holding as tenants in common, in the case of the death of any joint Securityholder notified in writing to the Society the surviving joint Securityholder or Securityholders shall be the only person or persons recognised by the Society as having any title to or interest in such Debt Securities.

(d) The Society shall be at liberty to retain the Principal and interest payable upon any Debt Securities to which this Clause 4.10 applies until a transmission or transfer of the Debt Securities shall have been registered.

4.11 **Ownership of Debt Securities**: Except as required by law the Society shall recognise the Securityholder his executors or administrators as the absolute owner of the Debt Securities registered in his name and shall not be bound to take notice or see to the execution of any trust whether express implied or constructive or of any equity to which any Debt Securities may be subject and the receipt of the Securityholder his executors or administrators or in the case of joint Securityholders (except in the case of the death of a joint Securityholder notified in writing to the Society where the joint Securityholders are noted as holding as tenants in common) the receipt of any one of them for the Principal Moneys and interest from time to time accruing due in respect thereof or for any moneys payable in respect thereof shall be a good discharge to the Society notwithstanding any notice it may have whether express or otherwise of the right title interest or claim of any person to or in such Debt Securities interest or moneys.

**4.12 Interest:**

(a) The Society shall pay to every Securityholder interest in respect of his Debt Securities in accordance with the conditions upon which such Debt Securities were issued PROVIDED THAT by arrangement with any Securityholder such interest may be credited to the Securityholder in account with the Society;

(b) Interest shall cease to accrue from the date for repayment of the Debt Securities unless (upon the presentation of the Certificate (if any) for such Debt Securities and a receipt for the moneys payable duly signed and authenticated in such manner as the Society may reasonably require) payment of such moneys shall be refused.

4.13 **Principal**: As and when the Principal Moneys of the Debt Securities or any part thereof ought to be repaid in accordance with the respective conditions of issue thereof the Society shall (subject to Clause 4.16 hereof) pay to the Securityholders whose Debt Securities ought to be repaid such amount of the Principal Moneys as are properly payable.

**4.14 Method of Payment:**

(a) Unless otherwise provided in the terms and conditions of offer or issue, all moneys payable upon or in respect of any Debt Security may be paid by direct bank transfer, cash or cheque or warrant sent through the post to the Registered Address of the Securityholder or in the case of joint Securityholders to the Registered Address of that one of the joint Securityholders who is first named on the Register in respect of such Debt Security.

(b) Unless otherwise provided in the terms and conditions of offer or issue, if several persons are entered in the Register as joint Securityholders of any Debt Security then notwithstanding the provisions of paragraph (a) hereof the receipt of any one of such persons for any Principal and interest from time to time payable on or in respect of such Debt Security shall be as effective a discharge to the Society as if the person signing such receipt were the sole Securityholder in respect of such Debt Security.

**4.15 Presentation of certificate on payment:**

(a) Unless the Society shall waive this requirement (or unless otherwise provided in the terms and conditions of offer or issue), every Securityholder any of whose Debt Securities are due to be repaid shall not later than the due date for repayment deliver up his Certificate to the Society and if any Certificate so delivered up includes any Debt Security not then due to be repaid the Society may enface such Certificate with a memorandum of the date and Principal

amount repaid and return the same or may cancel such Certificate and issue to such Securityholder a new Certificate for the balance of the Principal of the Debt Security held by him not so due to be repaid.

(b) If any Securityholder any of whose Debt Securities are due to be repaid shall fail or refuse to deliver up the Certificate held by him at the time and place fixed for repayment of the Principal of the Debt Security to which such Certificate relates then unless the Society has waived the requirements of paragraph (a) such moneys may be treated as at call and bear interest accordingly.

4.16 **Right to sue**: Each of the Securityholders shall be entitled to sue for the performance and observance of the provisions of this Deed so far as his Debt Security is concerned save where the Supervisor has a discretion under the said provisions or where the Supervisor has commenced proceedings or action for the purpose of obtaining performance or observance of the provisions of this Deed.

4.17 **Indemnity by Securityholder for tax**: Whenever in respect of any Debt Securities held by any Securityholder in consequence of:

(a) the death of such Securityholder;

(b) the non-payment of any income tax or other tax payable by such Securityholder;

(c) the non-payment of any death, stamp or other duty by the legal personal representative of such Securityholder by or out of his estate; or

(d) any other act or thing,

there shall by law be imposed any immediate or possible liability on the Society to make any payment to the Government or any taxation authority the Society shall subject to any agreement to the contrary of the Society with the Securityholder concerned in respect of such liability be indemnified by such Securityholder, his executors and administrators and any moneys paid by the Society in respect of any such liability may be recovered by action from such Securityholder, his executors or administrators as a debt due to the Society. Nothing herein contained shall prejudice or affect any right or remedy which any such law may confer or purport to confer on the Society and as between the Society and every Securityholder his executors, administrators and estate wheresoever constituted or situated, any right or remedy which such law shall confer on the Society shall be enforceable by it.

## 5. DEFAULT AND ACCELERATION

5.1 **Events of default and acceleration**: The Supervisor:

(a) may in its discretion without any such request or direction as mentioned in paragraphs (b) or (c); and

(b) shall upon the request in writing of the holder or holders of at least one-fifth in Principal amount of Deposits or upon the direction of an Extraordinary Resolution of the Depositors by notice in writing to the Society declare the Deposit Moneys, and

(c) shall upon the request in writing of the holder or holders of at least one-fifth in Principal amount of the Redeemable Shares or upon the direction of a Special Resolution by notice in writing to the Society declare the Redeemable Share Moneysto be immediately due and payable whereupon the Deposit Moneys and/or the Redeemable Share Moneys (as the case may be) shall forthwith become due and payable, upon the happening of any one or more of the following events:

(d) if:

(i) default shall be made by the Society in the payment on the due date of any Principal Moneys of the Deposits (where (a) or (b) applies) or of the Redeemable Shares (where (a) or (c) applies); or

(ii) default shall be made by the Society for a period of fourteen (14) days after the due date in the payment of any interest on the Deposits (where (a) or (b) applies) or on the Redeemable shares (where (a) or (c) applies); or

(e) if:

(i) an order is made for the winding up, dissolution or cancellation of registration under the Building Societies Act of the Society or any Guaranteeing Subsidiary, or if the Registrar cancels the registration of the Society under the said Act other than pursuant to Part VIIA of the Act; or

(ii) an effective resolution is passed for the winding up of the Society or any Guaranteeing Subsidiary;

**PROVIDED HOWEVER** that the Deposit Moneys or the Redeemable Share Moneys (as the case may be) shall not become immediately due and payable:

(1) where the winding up, dissolution or cancellation of registration of the Society is for the purposes of reconstruction or amalgamation and the proposed scheme for reconstruction or amalgamation with or without modification is approved by an Extraordinary Resolution and a Special Resolution; or

(2) where the winding up is of a Guaranteeing Subsidiary for the purposes of reconstruction or amalgamation with the Society or another Guaranteeing Subsidiary; or

(3) where a resolution is passed for a members' voluntary winding up of a Guaranteeing Subsidiary and in the course of such winding up the whole of the Guaranteeing Subsidiary's assets available for distribution (after satisfying all liabilities to creditors and making provision for the interests of any other shareholders) are distributed and transferred to the Society or to another Guaranteeing Subsidiary;

(f) If a receiver is appointed of or an encumbrancer takes possession of or exercises its powers of sale in respect of the assets of the Guaranteeing Group or any material part thereof;

(g) If following on a final judgment by a court of competent jurisdiction a distress or execution or other like legal process shall be levied or enforced upon or sued out against any part of the assets of the Guaranteeing Group for a sum exceeding $100,000 and is not stayed or satisfied within seven (7) days;

(h) Subject to the proviso to paragraph (b) of this Clause if the Society or any Guaranteeing Subsidiary stops or suspends payment to its creditors or in the opinion of the Supervisor and without its consent in writing ceases or threatens to cease to carry on its business **PROVIDED HOWEVER** that the Supervisor shall not call up the Deposit Moneys or Redeemable Share Moneys under the powers conferred by Clause 5.1 by reason only of a Guaranteeing Subsidiary having ceased to carry on its business:

(i) if such business is continued by the Society or another Guaranteeing Subsidiary, or

(ii) if the Guaranteeing Subsidiary has prior to ceasing to carry on its business sold disposed of or transferred all or substantially all of its assets to another Guaranteeing Subsidiary or to the Society;

(iii) if such business is not a material part of the business of the Guaranteeing Group taken as a whole.

(i) If the Society or any Guaranteeing Subsidiary is unable to pay its debts within the meaning of Section 287 of the Companies Act, assuming for this purpose that the Society is a company;

(j) If the Guaranteeing Group without the consent of the Depositors and of the Redeemable Shareholders by Extraordinary Resolutions sells or transfers the whole or a major part of the business, undertaking or assets of the Guaranteeing Group or if any Guaranteeing Subsidiary without either such consent or the written consent of the Supervisor sells its whole undertaking or a substantial part thereof to any person other than the Society or another Guaranteeing Subsidiary;

(k) If the Society without the prior consent in writing of the Supervisor shall reduce or redeem or attempt to reduce or redeem its paid up fixed capital or fixed capital shares;

(l) If the Society or any Guaranteeing Subsidiary without the prior consent in writing of the Supervisor enters into any arrangement or composition with its creditors generally;

(m) If the Society or any Guaranteeing Subsidiary requests a debentureholder to appoint a receiver of the whole or a substantial part of its undertaking and assets;

(n) If any default is made by the Society or any Guaranteeing Subsidiary under any Charge (other than a Charge over office equipment, plant, machinery and motor vehicles) and as a result thereof the chargeholder thereunder takes any step to enforce such Charge;

(o) If at any time the limitations imposed by Clause 2.1 hereof have been exceeded or the Supervisor receives a report from the Auditors or the Directors to that effect;

(p) If default is made by the Society or any Guaranteeing Subsidiary in the performance or observance of any covenant condition or other provision binding upon the Society or any Guaranteeing Subsidiary under this Deed other than a default specifically referred to in any other paragraph of this Clause (whether or not the Supervisor shall have waived any prior default) and such default shall continue for more than fourteen (14) days after receipt by the Society of a notice from the Supervisor specifying the default and requiring the same to be remedied;

(q) If the Society without the prior consent in writing of the Supervisor pays any dividend while any Principal Moneys or interest which have become payable in respect of the Deposits or Redeemable Shares remain unpaid;

5.2 **Event of default by reason of a revaluation or devaluation of any currency**: If the Supervisor should become entitled under Clause 5.1 to give a notice declaring that any Debt Security moneys are payable as a result of the limitations imposed by Clause 2.1 being exceeded by reason only of a revaluation or devaluation of New Zealand currency or any other currency the Supervisor shall not exercise the discretions vested in it by Clause 5.1 unless in the opinion of the Supervisor the interests of the Depositors or the Redeemable Shareholders would be materially prejudiced or unless the Supervisor shall be requested in writing to do so by the holders of at least one-fifth in Principal amount of the Depositors or of the Redeemable Shareholders (as the case may be) or upon being directed to do so by the Depositors and the Redeemable Shareholders passing Extraordinary Resolutions **AND IT IS HEREBY EXPRESSLY DECLARED THAT** on the happening of any such event as aforesaid the Supervisor shall not be under any obligation to inform any Depositor or Redeemable Shareholder of such happening or to convene a meeting of Depositors or Redeemable Shareholders unless in the opinion of the Supervisor the interests of the Depositors or Redeemable Shareholders (as the case may be) would be materially prejudiced by the happening of any such event.

5.3 **Notice of exercise of Supervisor's powers**: Before calling up the Deposit Moneys or Redeemable Share Moneys under the powers conferred by Clause 5.1 the Supervisor shall except when it shall certify in writing that in its opinion delay would imperil the interests of the Depositors or the

Redeemable Shareholders (as the case may be) or except upon the happening of any one or more of events referred to in paragraphs (a)(ii), (b), (c), (d), (e), (f), (g), (h), (i), (j), (k), (m) or (n) of Clause 5.1 hereof give written notice of its intention to the Society (which may be in general terms and which shall be deemed to be notice also to the Guaranteeing Subsidiaries) and shall not call up the Deposit Moneys or the Redeemable Shares until the expiration of fourteen (14) days after the giving of such notice or call up the aforesaid moneys if within the last-mentioned period the breach or event so specified is remedied to the satisfaction of the Supervisor.

5.4 **Supervisor's power to apply to court**: The Supervisor may at any time apply to the High Court for an order that the powers and trusts contained in this Deed be exercised and carried into execution under the direction of the Court and for the appointment of a receiver and/or manager of the assets and/or undertaking of the Guaranteeing Group or any part thereof and for any other order of direction in relation to the execution and administration of the powers and trusts hereof as the Supervisor shall deem expedient and it may assent to or approve of or oppose any application to the court made by or at the instance of any of the Depositors or the Redeemable Shareholders and shall be indemnified by the Society and each Guaranteeing Subsidiary against all the costs, charges and expenses incurred by and in relation to any such application or proceedings.

5.5 **Trusts and order of disposition or proceeds**: All moneys received under the covenant in this Deed for payment to the Supervisor of the Principal Moneys and interest on the Deposits or interest on the Redeemable Shares or under any powers hereby conferred upon a receiver appointed by a court shall (subject to payment or provision thereout of or for any debts or liabilities having priority to the Deposit Moneys and Redeemable Share Moneys) be held and applied:

(a) First (subject to any direction made by any Court in respect thereof) in payment or retention of all costs, charges, expenses and liabilities incurred and payments made by or on behalf of the Supervisor or any receiver under the provisions contained in this Deed or pursuant to carrying out the directions or discussions given under any order of the Court and of all remuneration payable to the Supervisor or any receiver hereunder with interest thereon as herein provided.

(b) Secondly in or towards payment to the Depositors (subject to the priorities or rights attaching to any Class) pari passu in proportion to the Deposit Moneys owing to them respectively in respect of the Deposits held by them or to the liquidator (if any) of the Society or the Guaranteeing Group and/or to such other lawful claimants or such other person or persons as the Courts of New Zealand whether on the application of the Supervisor or otherwise, shall direct.

(c) Thirdly subject to the rights of any preference shareholders in or towards payment to the Redeemable Shareholders (subject to the priorities or rights attaching to any Class pari passu in proportion to the Redeemable Share Moneys standing to their credit respectively in respect of the Redeemable Shares held by them.

(d) Fourthly to the Society and/or the Guaranteeing Subsidiaries in accordance with their respective entitlements or as the Society shall direct of the surplus (if any) of such moneys.

5.6 **Payment of principal before interest**: If the Supervisor shall be of opinion that in the interests of Depositors or Redeemable Shareholders it is expedient to do so payment may be made on account of Principal before interest or the whole of the interest has been paid but such alteration in the order of payment shall not prejudice the right of such Depositors or Redeemable Shareholders to receive the whole amount to which they would have been entitled if the ordinary order of payment had been observed or any less amount which the sum ultimately realised from the exercise of the Supervisor's powers or discharge of any court order would be sufficient to pay.

5.7 **Notice of distribution**: The Supervisor may give not less than fourteen (14) days' notice to the Depositors or Redeemable Shareholders of the day, place and time fixed for any payment to them under the provisions of Clause 5.5 and after the day so fixed the Depositors or Redeemable Shareholders shall be entitled to interest on the balance only (if any) of the Principal Moneys owing on the Debt Securities held by them after deducting the amount (if any) payable in respect thereof on the day so fixed.

5.8 **Production of certificates on distribution being made**: Upon any payment under any of the provisions of Clause 5.5 hereof on account of the Debt Securities the Certificates in respect of which such payment shall be made shall be produced to the Supervisor who may cause a memorandum of the amount and date of payment to be endorsed thereon but the Supervisor may in any particular case dispense with the production and endorsement of a Certificate upon such indemnity being given as it shall think sufficient or ill without any indemnity.

## 6. GUARANTEE BY EACH GUARANTEEING SUBSIDIARY

6.1 Each Guaranteeing Subsidiary hereby jointly and severally with all other Guaranteeing Subsidiaries unconditionally guarantees the due and punctual payment by the Society in accordance with the provisions of the Trust Deed of the Redeemable Share Money and the Deposit Moneys as and when the same shall become due and payable hereunder and the due observance and performance by the Society of all of its obligations under the Trust Deed and the Guaranteeing Subsidiary hereby agrees that the following provisions shall have effect and in this Clause the expression "guarantee" shall include any guarantee given under or pursuant to this Deed:

(a) Whenever any default has been made by the Society in the payment of all or any of the Redeemable Share Moneys or the Deposit Moneys the Guaranteeing Subsidiary will forthwith whether or not demand therefor shall be made pay such moneys to the Supervisor to the intent that the same may be applied by the Supervisor pursuant to this Deed.

(b) The liability of the Guaranteeing Subsidiary under this guarantee shall not be abrogated, prejudiced or affected by any of the following:

(i) the granting of time, credit or any indulgence or other concession to the Society or to any other guarantor (including any Guaranteeing Subsidiary) by the Redeemable Shareholders or the Depositors or any of them or by the Supervisor or by any compounding, compromise, release, abandonment, waiver, variation, relinquishment or renewal of any securities, documents of title, assets or of any of the rights of the Redeemable Shareholders or the Depositors or any of them or of the Supervisor against the Society or that guarantor or by anything done or omitted or neglected to be done by the Supervisor or the Redeemable Shareholders or the Depositors or any of them in exercise of the authorities, powers and discretions vested in them by this Deed or by any other dealing matter or thing which but for this provision might operate to abrogate, prejudice or affect this guarantee;

(ii) the liability of any other guarantor (including any Guaranteeing Subsidiary) ceasing from any cause whatsoever (including the release or discharge by the Redeemable Shareholders or the Depositors or any of them or by the Supervisor);

(iii) any other person joining in this or giving any similar guarantee;

(iv) the liquidation of the Society or any guarantor (including any Guaranteeing Subsidiary) of the Society;

(v) any other guarantor (including any Guaranteeing Subsidiary) being incompetent to give this guarantee or any other guarantee or any security or any collateral security or failing to become legally bound in whole or in part under any of them respectively;

(vi) any security (including any security given pursuant to this Deed) held or taken being void defective or informal;

(vii) failure by the Society or any other guarantor (including any Guaranteeing Subsidiary) to provide any security which ought to be provided under or pursuant to this Deed;

(viii) any Wholly Owned Subsidiary failing or being incompetent to become or remain a Guaranteeing Subsidiary;

(ix) any alteration, modification, variation or addition to the Trust Deed made pursuant to the provisions in that behalf in the Trust Deed contained.

(c) This guarantee shall be a principal obligation and shall be treated as in addition to and not in substitution for or collateral to any other security or right which the Supervisor may have under or by virtue of the Trust Deed and in particular shall be independent of any other security to the intent that this guarantee may be enforced against the Guaranteeing Subsidiary without first having recourse to any such securities or rights and without taking steps or proceedings against the Society or any other guarantor (including any Guaranteeing Subsidiary) and notwithstanding that any other security may be in whole or in part unenforceable by reason of any rule of law or equity and notwithstanding the loss by the Supervisor of any other security and notwithstanding any laches, acts or omissions on the part of the Supervisor.

(d) Subject to subclause (e) of this Clause and to the provisions of the Trust Deed this guarantee is to be a continuing guarantee and accordingly shall be irrevocable and shall remain in full force and effect until the whole of the Redeemable Share Moneys and the Deposit Moneys have been paid or satisfied.

(e) The Supervisor may as regards all or any of the Guaranteeing Subsidiaries (unless otherwise directed by a resolution of the Depositors or the Redeemable Shareholders in general meeting) determine from time to time whether it shall enforce or refrain from enforcing this guarantee or any guarantee and unless otherwise directed as aforesaid may from time to time make any arrangement or compromise with any one or more of the Guaranteeing Subsidiaries or the Society which the Supervisor may think expedient in the interests of the Redeemable Shareholders and the Depositors.

(f) All moneys from time to time received by the Supervisor in reduction of the Society's indebtedness from or on account of the Society including any dividends upon the liquidation of the Society or the Guaranteeing Subsidiary or any other guarantor (including any Guaranteeing Subsidiary) or from any other person or from the realisation of any security and capable of being applied by the Supervisor in reduction of the Society's indebtedness in relation to the Redeemable Share Moneys and the Deposit Moneys shall be regarded as payments in gross without any right on the part of the Guaranteeing Subsidiary or any one or more of them the Guaranteeing Subsidiaries to stand in the place of the Supervisor in respect of or to claim the benefit of any moneys so received as against the Society or any Guaranteeing Subsidiary until the whole of the Redeemable Share Moneys and Deposit Moneys have been paid or satisfied so that in the event of the Guaranteeing Subsidiary or any Guaranteeing Subsidiary or other guarantor going into liquidation the Supervisor shall be entitled to prove against it for the total indebtedness of the Society in relation to the Redeemable Share Moneys and the Deposit Moneys;

(g) In the event of the liquidation of the Society or any guarantor (including any Guaranteeing Subsidiary) the Guaranteeing Subsidiary will not prove in such liquidation in competition with the Supervisor and the Guaranteeing Subsidiary hereby authorises the Supervisor to prove for all moneys which the Guaranteeing Subsidiary has paid hereunder or are otherwise owing to it and have not been repaid to it by the Society or any other Guaranteeing Subsidiary and to retain and to carry to a suspense account and appropriate at the discretion of the Supervisor any amount received until the Supervisor shall have received one hundred cents in the dollar in respect of the indebtedness of the Society in relation to the Redeemable Share Moneys and the Deposit Moneys. The Guaranteeing Subsidiary hereby waives in favour of the Supervisor all rights whatever against the Supervisor and the Society and any other guarantor (including any Guaranteeing Subsidiary) or other person or their or its estate and assets so far as necessary to give effect to anything in this guarantee contained.

(h) This guarantee shall not prejudicially affect or be prejudicially affected by any other security or guarantee now or hereafter held by the Supervisor for the Redeemable Share Moneys and the Deposit Moneys but such other security or guarantee shall be deemed to be collateral herewith and the Guaranteeing Subsidiary will not as against the Supervisor in any way claim

the benefit or seek the transfer of any such security or any part thereof or any right of recourse.

(i) If any payment made to the Supervisor or to any Redeemable Shareholder or Depositor by or on behalf of the Society or the Guaranteeing Subsidiary be avoided by law such payment shall be deemed not to have discharged or affected the liability of the Guaranteeing Subsidiary therefor or any charge by the Guaranteeing Subsidiary in favour of the Supervisor in respect thereof and in that event the Supervisor and the Guaranteeing Subsidiary shall be restored to the position in which each would have been and be entitled to exercise all the rights which each would have had if such payment had not been made.

(j) The Guaranteeing Subsidiary shall in respect of any sums paid by it hereunder and in respect of any other rights which may accrue howsoever to it in respect of any sum so paid rank and be entitled to enforce the same only after the Redeemable Share Moneys and the Deposit Moneys shall have been duly paid and satisfied.

(k) Although as between the Society and the Guaranteeing Subsidiary the liability of the Guaranteeing Subsidiary to the Supervisor may be that of surety only nevertheless as between the Guaranteeing Subsidiary and the Supervisor the liability of the Guaranteeing Subsidiary shall be deemed to be the liability of a principal debtor and the guarantees given by the Guaranteeing Subsidiary to the Supervisor by or pursuant to this Deed shall constitute security for the Redeemable Share Moneys and the Deposit Moneys respectively and such liability shall not be affected or diminished nor shall such guarantees be released by any of the matters hereinbefore mentioned or by any other act indulgence or omission which but for this present provision would have operated to release the Guaranteeing Subsidiary wholly or partly from its liability hereunder to the Supervisor.

## 7. INCIDENTAL PROVISIONS RELATING TO SUPERVISOR

### 7.1 Functions of Supervisor:

(a) The Supervisor is responsible for the functions of a supervisor as set out in section 111 of the FMC Act.

(b) In performing the functions referred to in Clause 7.1(a) and its other functions under the Trust Deed, the Supervisor must comply with section 112 of the FMC Act.

(c) Clauses 7.1(a) and 7.1(b) do not limit any other functions that the Supervisor has under the Trust Deed.

(d) The Supervisor must not delegate any of the functions referred to in clause 7.1(a) except as expressly permitted by the FMC Act or as permitted by, and subject to any conditions imposed under, the Financial Markets Supervisors Act 2011.

### 7.2 Rights held in trust for Securityholders:

(a) The Supervisor holds the following in trust for Securityholders on the terms set out in the Trust Deed:

(i) any rights given to it by this Deed to enforce the Society's obligations to repay, or to pay interest on, any Security under the terms of that Security;

(ii) any charge or security interest for those obligations to which the Supervisor may be entitled pursuant to the Trust Deed from time to time; and

(iii) any rights given to it by the Trust Deed to enforce any other duties that the Society, the Guaranteeing Subsidiaries or any other person may have under:

(1) the terms of any Security; or

(2) the provisions of this Deed or the FMC Act in relation to any Security.

(b) Clause 7.1B(a) does not prevent Securityholders from enforcing the Society's obligations to repay, or to pay interest, or any other duties that the Society or the Guaranteeing Subsidiaries may owe to Securityholders, to the extent that Securityholders may be entitled to do so independently of that clause.

7.3 **Breach of Issuer Obligation**: Notwithstanding any other provision of the Trust Deed if the Society breaches any Issuer Obligation, the Supervisor shall, unless it is satisfied that such breach will not have a material adverse effect on the Securityholders, do all the things it has the power to do to cause the breach to be remedied.

**7.4 Supervisor's powers of investment:**

(a) Any moneys subject to the trusts of this Deed which should or may be invested by the Supervisor may at the discretion of the Supervisor be invested in the name of the Supervisor or of its nominees in any of the investments for the time being authorised by law for the investment of trust funds and the Supervisor may at any time at its discretion vary such investments for others of a like nature and from time to time deal with or dispose of all such investments or any part thereof.

(b) The income arising from the investments made by the Supervisor as aforesaid shall unless otherwise agreed before the time the Supervisor gives notice calling for the repayment of Redeemable Shares or the Deposits (as the case may be) belong to the Society or the Guaranteeing Subsidiaries as the case may be.

7.5 **Supervisor's right to waive breaches**: Subject to any direction or request given by the Redeemable Shareholders or the Depositors or pursuant to Clauses 5.1 and 5.2 the Supervisor may at any time and from time to time by notice in writing to the Society waive either altogether or in part for a specified period or completely on such terms and conditions (if any) as it deems expedient any breach or proposed breach by the Society or any Guaranteeing Subsidiary as the case may be of any of the covenants obligations conditions or agreements under this Deed or under any collateral security provided the Supervisor is satisfied that the interests of the Redeemable Shareholders and the Depositors will not be materially prejudiced thereby but such waiver shall in no way prejudice the rights of the Supervisor, the Redeemable Shareholders or the Depositors in respect of any other breach.

7.6 **Additional powers of Supervisor**: By way of relief to the Supervisor additional to the provisions of the law relating to supervisors and to facilitate the discharge of its duties hereunder but subject always to the provisions of the FMC Act it is expressly declared that:

(a) **Acting on advice**: The Supervisor in relation to this Deed may without liability for loss obtain, accept and act on or decline and elect not to act on:

(i) the opinion or advice of or any information obtained from any barrister, solicitor, valuer, stockbroker, surveyor, auctioneer, chartered accountant or other expert whether obtained by the Society or any Guaranteeing Subsidiary or by the Supervisor or otherwise and whether purporting to be conveyed by writing, telegram, facsimile transmission, teleprinter message, radiogram, cablegram or other similar mode of communication although the same shall subsequently be found to contain some error or not be authentic;

(ii) a Directors' Certificate as to any fact or matter in respect of which a certificate by the Directors may under this Deed be given or any fact or matter prima facie within the knowledge of such society or company upon which the Supervisor may in the exercise of any of the trusts, powers, authorities and discretions and provisions hereof require to be satisfied or that any particular dealing transaction step or thing is expedient or commercially desirable and not detrimental to the interests of the Redeemable Shareholders or the Depositors as sufficient evidence of such fact or matter or the expediency or desirability of such dealing, transaction, step or thing as

the case may be PROVIDED the Supervisor may require that such Certificate should specify or indicate that such Certificate is given by such Directors:

(1) after all reasonable inquiries and diligent investigations and deliberations have been made at a date not more than sixty-three (63) days prior to the giving of such Certificate;

(2) after such Directors have received all answers from the Society or Company to their satisfaction on any matters raised or inquired into by such Directors;

(3) where relevant to such Certificate in respect of any particular matter or transaction, the Directors are satisfied that full valuable consideration is being given or received for or by the Society or Company; and

(4) that the Certificate is given on behalf of all the Directors; or

(iii) the statements contained in any certificate or certificates or in any report or reports given pursuant to the provisions of this Deed as conclusive evidence of the facts stated therein.

(b) **Acting on resolution of Securityholders**: The Supervisor shall not be responsible for acting or relying upon any resolution purporting to have been passed at any meeting of the Redeemable Shareholders or Depositors in respect whereof a proper record has been made and which the Supervisor believes to have been properly and regularly passed even though it afterwards appears that such resolution is not binding or valid by reason of a defect in the convening of the meeting or the proceedings thereat or otherwise howsoever.

(c) **Not responsible for subscription moneys**: The Supervisor shall not be responsible for the money subscribed by the applicants for or subscribers of the Redeemable Shares or Deposits or be bound to see to the application thereof.

(d) **Supervisor to exercise reasonable diligence**: Notwithstanding any other provisions of this Deed the Supervisor shall exercise reasonable diligence to ascertain whether or not the Society or any of the Guaranteeing Subsidiaries has committed any breach of the covenants terms and provisions of this Deed or any breach of any of the terms or conditions of issue of any Redeemable Shares or Deposits issued pursuant to an offer to the public for subscription (within the meaning of the Securities Act) or a regulated offer under the FMC Act on or after 1 January 1991. The Supervisor shall have no obligation as aforesaid to ascertain whether or not the Society or any of the Guaranteeing Subsidiaries has committed any breach of any term or condition of issue of any Redeemable Share or Deposit which:

(i) was issued prior to 1 January 1991, whether or not it was issued pursuant to an offer to the public for subscription under the Securities Act; or

(ii) was issued to any person or in any manner other than pursuant to an offer to the public for subscription under the Securities Act or a regulated offer under the FMC Act, whether or not it was issued before on or after 1 January 1991.

(e) **Discretion as to powers**: Save as herein otherwise expressly provided the Supervisor shall as regards all trusts powers authorities and discretions vested in it by this Deed have absolute and uncontrolled discretion as to the exercise or non-exercise thereof and as to the commencement, prosecution, variation, discontinuance or compromise of any action proceeding or claim and provided it shall have acted with reasonable care and diligence it shall not be responsible for any loss, costs, damages, expenses or inconveniences that may result from the exercise or non-exercise thereof.

(f) **Delegation by Supervisor**: The Supervisor whenever it thinks it expedient in the interests of Redeemable Shareholders or Depositors may:

(i) delegate at any time or times and to any person or persons any of the trusts, powers or discretions vested in the Supervisor by this Deed which cannot conveniently be exercised by it or through its employees upon such terms and conditions and under

such regulations (including the giving of power to sub-delegate) as the Supervisor may in the interests of the Redeemable Shareholders or Depositors think fit and (subject to the provisions of Section 136 of the FMC Act) the Supervisor shall not be responsible for any loss incurred by any misconduct or default on the part of any such delegate or sub-delegate;

(ii) instead of acting through its permanent employees in the carrying out of any of the trusts, powers or discretions hereby vested in it or in the conduct of the business of the Society or the Guaranteeing Subsidiaries employ and pay at the expense of the Society or the Guaranteeing Subsidiaries an agent to transact all business and do all acts required to be done under this Deed including the receipt and payment of money;

(iii) delegate from time to time and at any time to any one of its officers any of the trusts, powers, authorities and discretions vested in the Supervisor by this Deed which owing to the place in which they are to be or may require to be exercised cannot conveniently be exercised by the Supervisor; and

(iv) (additional to the exercise of the powers contained in Clause 5.4) apply to the Court at any time for directions in relation to any question arising.

7.7 **Indemnity of Supervisor out of assets**: Without prejudice to the right of indemnity by law given to Supervisors the Supervisor and every attorney, manager, agent or other person appointed by the Supervisor pursuant to the Trust Deed shall be entitled to be indemnified by each of the Society and the Guaranteeing Subsidiaries in respect of all liabilities and expenses incurred by it or him in the execution or purported execution of the trusts of the Trust Deed or of any powers, authorities or discretions vested in it or him pursuant to the Trust Deed and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted or in any way relating to the provisions of the Trust Deed other than a claim not indemnified pursuant to Clause 7.8 below or (regardless of doubling up) a claim arising out of a wilful default or wilful breach of trust and the Supervisor may retain and pay out of any moneys in its hands arising from the trusts of the Trust Deed all sums necessary to effect such indemnity and also the remuneration and disbursements of the Supervisor as herein provided.

7.8 **Supervisor not indemnified**: No provision of the Trust Deed shall have the effect of indemnifying the Supervisor against liability where the Supervisor fails to:

(a) act honestly in acting as a supervisor;

(b) in exercising its powers and performing its duties as a supervisor, act in the best interests of the Securityholders;

(c) exercise reasonable diligence in carrying out its functions as a supervisor; or

(d) in exerc1sIng its powers and performing its duties as a supervisor, exercise the care, diligence, and skill that a prudent person engaged in the business of acting as a licensed supervisor would exercise in the same circumstances.

7.9 **Supervisor and fiduciary relationship**: Nothing in this Deed shall be deemed to prohibit any Supervisor or its holding company or any of its subsidiaries or any of the subsidiaries of its holding company (all hereinafter in this Clause where the context permits being included in the expression ("the Supervisor") or its directors or officers from being a Redeemable Shareholder or Depositor or shareholder in the capital of the Society or of any Guaranteeing Subsidiary or noteholder or the holder of any other security of the Society or any of its subsidiaries or from acting in any representative capacity for a Redeemable Shareholder, Depositor, shareholder, noteholder or other such holder and in particular and without prejudice to the generality of the foregoing it is expressly declared that the Supervisor may so act on its own account or as executor, administrator, Supervisor, receiver, committee, guardian, attorney or agent or in any other fiduciary vicarious or professional capacity nor shall the acting in such capacity as aforesaid be deemed a breach of any of the obligations hereby established or otherwise imposed or implied by law arising out of the fiduciary

relationship between the Supervisor on the one hand and the Society or any of its Subsidiaries on the other hand or the Supervisor and the Redeemable Shareholders or Depositors. The Supervisor shall, not by reason of its fiduciary capacity be in any way precluded from making any contracts or entering into any transactions with the Society and/or its Subsidiaries or with itself as Supervisor in the ordinary course of the business of the Supervisor or from undertaking any insurance financial or agency service for the Society and/or its Subsidiaries or for itself as Supervisor and without prejudice to the generality of these provisions it is expressly declared that such contracts and transactions include any contract or transaction relating to assurance or insurance and any contract or transaction in relation to the subscription for or placing or any other dealing with any stock, shares, debenture stock, debentures or other security of the Society and/or its Subsidiaries or any other company in which the Society and/or its Subsidiaries is or are interested and the acceptance of any office of profit from the Society and/or its Subsidiaries or any contract of loan or deposit or other contract or transaction which any insurance company not being a Supervisor of this Deed could or might have entered into with the Society and/or its Subsidiaries (or with itself as Supervisor) including the customary share of brokerage and usual insurer's or supervisor's profit and the acceptance of holding of office of Supervisor for the holders of any securities (whether secured or unsecured) issued by the Society or by any Subsidiary or by any other company and the Supervisor shall not be accountable either to the Society and/or its Subsidiaries or the Securityholders for any profits arising from any such contracts, transactions or offices.

7.10 **Supervisor may represent redeemable shareholders or depositors**: The Supervisor may at any time or times either of the Supervisor's own volition or pursuant to any directions or in accordance with any policy given or indicated by any meeting of Redeemable Shareholders or Depositors represent the Redeemable Shareholders or Depositors generally in any investigation, negotiation, action, transaction or proceedings touching the interests of the Redeemable Shareholders or Depositors generally in the affairs of the Society or any of its Subsidiaries or in the enforcement of the rights of the Redeemable Shareholders or Depositors or any of them and in particular in obtaining legal, accountancy or other professional advice as to the rights of the Redeemable Shareholders or Depositors or the Supervisor, the duties of the Supervisor and the liabilities of the Society or any of its Subsidiaries and in enforcing the rights of the Redeemable Shareholders or Depositors or the Supervisor by any demand, action or proceeding.

7.11 **Change of supervisor**: Subject to the FMC Act, the Supervisor will cease to be supervisor of the Trust Deed if:

(a) it is removed by the Financial Markets Authority or the Society under Part 2 of the Financial Markets Supervisors Act 2011 (except that any ability the Society may have to do so under that Part of that Act can only be exercised with the consent of the Financial Markets Authority); or

(b) it is removed by an Extraordinary Resolution of the Securityholders; or

(c) the Supervisor retires, which it may do at any time on giving thirty (30) days' notice in writing to the Society of its intention so to do, but subject to clause 7.8A and to the transfer to such new supervisor of all property held by the Supervisor hereunder.

7.11A **Limits on change of supervisor**: However the Supervisor may not be removed or resign under Clause 7.11 unless:

(a) all of the functions and duties of a supervisor under the Trust Deed have been fully performed; or

(b) a new supervisor that is a licensee for the purposes of the Financial Markets Supervisors Act 2011 has been appointed in its place as the new supervisor of this Deed; or

(c) the High Court consents.

**7.12 Appointment of new supervisor:**

(a) The power of appointing a new supervisor or new supervisors hereof (in place of a supervisor which has retired or ceased to exist or to be qualified pursuant to the Financial Markets Supervisors Act 2011 for appointment as supervisor for Redeemable Shareholders or Depositors or which has failed or refused to act as supervisor or is disqualified as aforesaid or is removed from office) shall be vested in the Society but no supervisor shall be appointed unless such appointment is first approved by an Extraordinary Resolution of Depositors. Upon any vacancy in the office of Supervisor hereof arising the Society shall thereupon promptly call a meeting of the Depositors for the purpose of approving an appointment of a new supervisor and forthwith if approval is given the Society shall exercise its powers of appointment. Only a body corporate which is a licensee for the purposes of the Financial Markets Supervisors Act 2011 shall be appointed as a supervisor of this Deed.

(b) In the event that the Society within thirty (30) days of receiving notice of the Supervisor's intention to retire fails to a call meeting of the Depositors as aforesaid or to exercise the power hereby vested in it of appointing a new supervisor or new supervisors then in either case the Depositors may by Extraordinary Resolution exercise such power to the exclusion of the Society.

7.13 **Supervisor's indemnity by Securityholders**: If the Supervisor shall receive a request or direction pursuant to the provisions of Clause 5.1 and 5.2 hereof the Supervisor shall not be bound to comply therewith unless the Supervisor shall first have been indemnified to its satisfaction against all actions, proceedings, claims and demands to which the Supervisor may be rendered liable and all costs, charges, damages and expenses which it may incur by so doing.

7.14 **No limitation on Supervisor's powers**: The powers authorities and discretions hereby conferred upon the Supervisor shall be in addition to any powers authorities and discretions which may from time to time be vested in supervisors by law and to any powers authorities and discretions which may from time to time be vested in the Supervisor as the supervisor for a holder of any of the Redeemable Shares or Deposits.

7.15 **Interests of depositors paramount**: In the execution or purported execution of the trusts hereof or of any powers authorities or discretions vested in it by or pursuant to this Deed the Supervisor shall at all times regard the interests of the Depositors as paramount to the interests of the Redeemable Shareholders insofar as the giving of notice calling up payment of the Deposit Moneys or the Redeemable Share Moneys, making application to Court, the realisation of the assets of the Guaranteeing Group or priorities to be in connection with the distribution of moneys in the hands of the Supervisor are concerned or otherwise howsoever and the Supervisor shall at all times act accordingly.

7.16 **Limit on indemnities**: The indemnities in clauses 7.7 and 7.13 apply in respect of the Supervisor's licensee obligations (as defined in section 4 of the Financial Markets Supervisors Act 2011) only to the extent that those licensee obligations are properly performed for the purposes of sections 112(1) and 113 of the FMC Act.

## 8. ALTERATIONS TO TRUST DEED

8.1 **Supervisor may concur in certain alterations**: Subject to clauses 8.1A and 8.1B, the Supervisor may at any time concur with the Society in making any alteration, modification, variation or addition to the Trust Deed (which shall be binding also upon all Guaranteeing Subsidiaries without their executing the Deed of Modification) in the following cases namely:

(a) If in the opinion of the Supervisor the same is made to correct a manifest error or is of a formal or technical nature or is convenient for the purposes of obtaining or maintaining a quotation of any of the Debt Securities on any stock exchange and does not have a material adverse effect on any Securityholders; or

(b) If the same is authorised by an Extraordinary Resolution passed at separate meetings of the Depositors and of the Redeemable Shareholders (or, if the case requires, of one or more Classes thereof); or

(c) If the Supervisor is satisfied that the change does not have a material adverse effect on any Securityholders.

8.1A **Limits on modification of Deed**: To avoid doubt, the Supervisor must not concur with the Society in making any changes to the Trust Deed (including any temporary variation under clause 8.4) unless:

(a) The change is approved by, or is contingent on approval by, an Extraordinary Resolution of the Securityholders affected by it; or

(b) The Supervisor is satisfied that the change does not have a material adverse effect on any Securityholders.

8.1B **Further limits on modification of Deed**: No change to the Trust Deed (including any temporary variation under clause 8.4) has any effect unless:

(a) The Supervisor has concurred with the making of the change, in accordance with clause 8.1A; or

(b) The change is made with the consent of the Financial Markets Authority pursuant to section 109 of the FMC Act; or

(c) The change is made under section 22(7) or 37(6) of the Financial Markets Supervisors Act 2011 or under any other power to amend or replace the Trust Deed under an enactment.

8.2 **Change in legal requirements for reserves or financial restrictions**: In the event of the requirements of the law or of any regulatory agency applicable to building societies being introduced so as to require the observance of prudential financial restrictions expressed differently from those set forth in the Trust Deed, the Supervisor may by notice given to the Society require it to negotiate and (together with the Guaranteeing Subsidiaries) execute within three months thereof a Deed of Modification providing for appropriately increased or reduced reserves or amended or substituted prudential financial restrictions appropriately reflecting the requirements so introduced.

8.3 **Other alterations with the approval of a majority of depositors**: In addition to the powers conferred on the Supervisor by Clause 8.1 or 8.2 hereof if at any time after the date of the Trust Deed there occurs any material change in accounting principles or practices in New Zealand whether as a result of any statements of standard accounting practice from time to time approved by the Chartered Accountants Australia and New Zealand or its successor by whatever name called or otherwise or the law in relation to the preparation of balance sheets and profit and loss accounts or of taxation is altered or any other matter or thing whatsoever occurs so that in the view of the Supervisor or the Society any such alteration or occurrence substantially affects the calculations of the figures relevant to the application of Clause 2.1 or the interpretation or application thereof when compared with the calculation, interpretation or application of Clause 2.1 or the defined terms relevant thereto at the date of this Deed or at a date previous to the application of this Clause then either the Supervisor or the Society may after consultation with the other seek the approval either in writing or in such other manner as the Supervisor shall reasonably require of a Majority of Depositors to any alterations in the Trust Deed to give effect thereto. Any such alterations which shall be approved as aforesaid shall subject as hereinafter provided be binding on the Society, the Guaranteeing Subsidiaries the Supervisor and the Securityholders and the Society and the Supervisor shall as soon as practicable thereafter enter into a deed of modification of the Trust Deed to give effect to any such alterations PROVIDED ALWAYS that the Society or the Supervisor may give written notice to the other within two weeks after being supplied with evidence of such approval as aforesaid that it desires to convene a meeting of the Depositors to consider such alterations and such meeting shall be convened at the expense of the Society not later than six weeks after the giving of such notice and both the Society and the Supervisor shall be entitled to make separate representations to the Depositors in relation to such alterations and on the giving of such notice as aforesaid such alterations shall not become binding upon either party unless the Depositors by Extraordinary Resolution approve such alterations. The Society shall forthwith after any such

alterations to the Trust Deed become binding as aforesaid give notice thereof to the Redeemable Shareholders and Depositors.

8.4 **Majority of depositors may temporarily vary provisions of trust deed**: A Majority of Depositors may (providing such agreement would not be or not likely to become prejudicial to the general interests of the Depositors or the Redeemable Shareholders or any Class thereof) agree in writing with the Society temporarily to vary or suspend compliance with any of the provisions of the Trust Deed on such terms and conditions and for such period as shall be agreed and any such agreement when embodied in writing to the satisfaction of the Supervisor shall be binding on the Supervisor, the Redeemable Shareholders and the Depositors.

## 9. MISCELLANEOUS PROVISIONS

9.1 **Notices**: Any notice, requisition, demand or request under this Deed may be signed by or on behalf of the Society or any Guaranteeing Subsidiary or the Supervisor or any Securityholder by an officer, employee, agent or attorney by its or his respective solicitors and may be given:

(a) to a Securityholder by sending it through the post in a prepaid letter addressed to the Securityholder at his Registered Address; and

(b) in the case of a notice to a Society or any Guaranteeing Subsidiary to the registered office of the Society, and

(c) in the case of a supervisor hereof being a company or corporation which has branch offices or a principal place of business in New Zealand to the office of the branch which normally undertakes and performs the administration of the trusts hereof.

In proving the giving of such notice it shall be sufficient to prove that the person signing has signed for or on behalf of the person giving the notice and that the envelope containing the notice was properly addressed, stamped and despatched in the ordinary course of post and the notice shall be deemed to be served on the day following the day of posting. In the case of joint holders of Debt Securities a notice given to the Securityholder whose name stands first in the Register in respect of such holding shall be sufficient notice to all the joint holders.

9.2 **Registration of Trust Deed**: The Society shall forthwith at its own cost register or procure the registration and recording of the Trust Deed, must also comply with section 11O of the FMC Act in respect of any amendment or replacement of this Deed, and in doing so must pay all registration fees and other expenditure incidental thereto.

9.3 **Release of Trust Deed**: The Supervisor shall at the request and cost of the Society surrender and release the Society and the Guaranteeing Subsidiaries from the covenants, guarantees, warranties and other provisions of this Deed:

(a) upon proof being given to the reasonable satisfaction of the Supervisor that the holders of all Redeemable Shares and Deposits have been paid off or satisfied in respect of both Principal and interest or that provision for such payment off or satisfaction has been made and upon payment or retention of all costs, charges and expenses incurred by or payable to the Supervisor hereunder in relation to this Deed and the remuneration of the Supervisor and all other moneys intended to be hereby covered;

(b) upon transfer of engagements of the Society to a Bank which is exempted from the requirement of a trust deed under the FMC Act or to another building society or entity which has in place a trust deed satisfying the requirements of the FMC Act of which the Debt Securities will be beneficiaries in accordance with the FMC Act; or

(c) upon conversion of the Society to a registered bank under the Reserve Bank of New Zealand Act 1989.

9.4 **General covenant to comply with Trust Deed**: The Society and each of the Guaranteeing Subsidiaries hereby jointly and severally covenant with the Supervisor duly and punctually to

observe, fulfil and perform all the covenants, conditions and obligations binding upon them respectively under or pursuant to the Trust Deed or by the terms of issue of any Redeemable Shares or of any Deposits.

9.5 **Conversion to a company**: It is hereby declared and confirmed that nothing effected or authorised by a scheme for conversion under Part VIIA of the Building Societies Act:

(a) shall be regarded as placing the Society, or the Company or any other person in breach of this Deed; or

(b) shall be regarded as giving rise to a right for any person to terminate or cancel this Deed or to refuse to do so, or as a Default Event; or

(c) shall be regarded as placing the Society, or the Company, or any other person in breach of any contractual provision prohibiting, restricting, or regulating the assignment or transfers of any property or the disclosure of any information; or

(d) shall release any surety wholly or in part from any obligation; or

(e) shall invalidate or discharge the Trust Deed; or

(f) shall require any consent from Securityholders which would not have been required in the absence of the Trust Deed.

Reference in this clause to "the Company" means the Company to which the Society has been converted under Part 7A of the Building Societies Act.

9.6 **Meetings**: Meetings of Depositors of Redeemable Shareholders or of any Class thereof in relation to any matter touching upon this Trust Deed including without limitation any party, beneficiary or Debt Security thereunder shall be convened and held in accordance with this provisions of Schedule I to this Deed.

**IN WITNESS** whereof these presents have been executed at the end of this Deed the day and year first hereinbefore written.

## SCHEDULE I

## MEETINGS OF SECURITYHOLDERS

### 1. CONVENING

1.1 The Supervisor or the Society may at any time of its own volition convene a meeting of the Redeemable Shareholders or the Depositors (or separate meetings of both or of one or more Classes thereof) in accordance with the following provisions. In the following provisions:

"**Appointed Time**" means the day and time at which any meeting of Securityholders or the taking of a poll of Securityholders (not at a meeting of Securityholders) is due to be held.

"**Proxy Closing Time**" means 48 hours before the Appointed Time of the relevant meeting of Securityholders or taking (not at a meeting of Securityholders) of a poll of Securityholders.

"**representative**" means:

(a) in the case of a Securityholder being an individual a person appointed by an instrument by way of proxy or by Power of Attorney;

(b) in the case of a Securityholder being a Corporation or corporation sole either:

(i) a person appointed by an instrument by way of proxy or by Power of Attorney; or

(ii) a person authorised pursuant to the Companies Act, or in the case of a corporation sole a person authorised pursuant to its constitution.

"**Securityholders**" means the Redeemable Shareholders or the Depositors or any Class thereof (as may be applicable to the case of the particular meeting in question).

1.2 The Society shall whenever required to do so pursuant to the FMC Act convene a meeting of the Securityholders or of one or more Classes thereof.

1.3 The Supervisor shall at the request in writing of a Class of Securityholders holding not less than 5% in Principal amount of the Debt Securities of that Class convene a meeting of that Class of Securityholders. The request shall state the nature of the business proposed to be dealt with at the meeting concerned.

1.4 Notwithstanding the provisions of subclause (c) above, the Supervisor shall not be obliged to convene a meeting of the Securityholders concerned pursuant to such provisions:

(a) until it has been indemnified to its satisfaction against all costs and expenses to be thereby incurred; and

(b) if the Supervisor believes that the purpose of the request is vexatious or if the same, or substantially the same, business has been dealt with at a meeting of Securityholders within the 12 months preceding the date of the request.

1.5 For the purpose of enabling the Supervisor to satisfy itself as to the validity of a request by the Securityholders concerned pursuant to paragraph (c) above the Society will allow the Supervisor full access to the relevant Register whether such Register shall for the time being be closed or not.

1.6 At least ten (10) days before the Society convenes a meeting hereunder it shall advise the Supervisor in writing of the place and Appointed Time thereof and the nature of business to be transacted and shall obtain the prior approval in writing of the Supervisor to the draft of the documents to be sent to Securityholders and if the Supervisor shall so require shall include with the

documents sent to Securityholders concerned any statement which the Supervisor requires to make in relation to the meeting and the matters to be dealt with thereat.

**2. PLACE**

2.1 A meeting shall be held in the city or town at which the registered office of the Society is situated or at such other place as the Supervisor determines or approves.

**3. NOTICE**

3.1 Notice of every meeting of Securityholders shall be given in the manner provided in the Trust Deed to every Securityholder named in the relevant Register; AND every person upon whom the ownership of any Debt Securities in question devolves by reason of his being a legal personal representative or an assignee in bankruptcy of a Securityholder where the Securityholder but for his death or bankruptcy would in accordance with the foregoing subclause be entitled to receive notice of the meeting.

3.2 Notice shall be given to every holder entered in the Register as at the close of business five business days prior to the date of dispatch of the notice. Notice of every meeting shall be given to every person who is entitled to receive notice by sending it in the case of each holder of Debt Securities who has supplied to the Society a Registered Address within New Zealand by ordinary post to him at his Registered Address and in the case of each such holder who has supplied to the Society a Registered Address outside New Zealand by first class airmail post at his Registered Address.

3.3 Fourteen (14) days' notice at least of every meeting shall be given, except that if an Extraordinary Resolution is to be considered at the meeting, then at least fifteen (15) Working Days' notice of the meeting shall be given. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given. The notice shall specify the place and Appointed Time of the meeting and the general nature of the business to be transacted but it shall not be necessary to specify in the notice the terms of the resolutions to be proposed, except in the case of a resolution proposed to be passed as an Extraordinary Resolution in which case the text of the proposed resolution shall be set out.

3.4 If the meeting is convened by the Society a copy of the notice shall be sent to the Supervisor. If the meeting is convened by the Supervisor a copy of the notice shall be sent to the Society.

**4. QUORUM**

4.1 No business shall be transacted at any meeting unless the requisite quorum is present at the commencement of business. In the case of all meetings at least two individuals who are or represent Securityholders must be present.

4.2 The quorum for passing an Extraordinary Resolution shall be Securityholders present in person or by representative holding or representing 25% in Principal amount of the relevant Debt Securities.

4.3 The quorum for the transaction of any business at a meeting of all Securityholders, other than a meeting for the passing of an Extraordinary Resolution shall be two Securityholders present in person or by proxy or by representative.

4.4 If within 15 minutes or such longer time not exceeding 45 minutes as the chairman of the meeting shall decide after the Appointed Time a quorum is not present the meeting if convened upon the request of Securityholders shall be dissolved. In any other case it shall stand adjourned to such day and time not being less than fourteen (14) days thereafter and to such place as may be appointed by the chairman and at such adjourned meeting all the Securityholders present in person or by representative shall be a quorum for the transaction of business.

4.5 Notice of any such adjourned meeting of Securityholders at which an Extraordinary Resolution is to be submitted shall be given in the same manner as for an original meeting (except that only seven (7) clear days' notice shall be required) and such notice shall state that two Depositors present in

person or by representative at the adjourned meeting and whatever the amount of relevant Debt Securities held by them (but comprising at least two individuals) shall form a quorum.

**5. CHAIRMAN**

5.1 A person nominated in writing by the Supervisor shall preside at every meeting and if no such person is nominated or if at any meeting the person nominated is not present within fifteen (15) minutes after the Appointed Time the Securityholders present shall choose one (1) of their number to be chairman.

**6. RIGHT TO ATTEND AND SPEAK**

6.1 Any director, officer or solicitor of the Supervisor or any other person authorised in that behalf by the Supervisor and any Director or the secretary or solicitor of the Society or any other person authorised in that behalf by the Society may attend any meeting and all such persons shall have the right to speak at the meeting.

**7. ADJOURNMENT**

7.1 The chairman may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the meeting from time to time and from place to place;

7.2 No business shall be transacted at any adjourned meeting except business which might have been lawfully transacted at the meeting from which the adjournment took place.

**8. ONLY PERSONS ON REGISTER RECOGNISED BY SOCIETY OR SUPERVISOR**

8.1 The persons registered as the holders of Debt Securities in the Register and no other person or persons shall be recognised and treated as the legal holders of the Debt Securities therein mentioned whether such persons are or are not in fact the owners thereof.

**9. AUTHORITY TO VOTE**

9.1 A Securityholder (being an individual) may vote personally or by his representative and a Securityholder (being a corporation) may vote by its representative.

9.2 The following persons shall be exclusively entitled to vote in person or by representative in respect of the Debt Securities mentioned:

(a) The persons registered as at the Proxy Closing Time as Securityholders in the Register in respect of the Debt Securities recorded as owned by them respectively;

(b) The persons who are entitled to receive notice of the meeting pursuant to Clause 3.2 of this Schedule in respect of the Debt Securities devolving upon them respectively;

(c) For the purpose of establishing voting entitlements and the number of votes which may be case on a poll at a meeting, reference shall be made to the Register as it stood as of the close of business on the business day immediately preceding the day on which the Proxy Closing Time falls. In the case of joint Securityholders and more than one of them are present at the meeting, only that person whose name appears first in the Register shall be recognised as entitled to vote.

**10. PROXIES**

10.1 The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a Corporation either under seal or under the hand of an officer or attorney so authorised or of any director, general manager, investment manager or other person who appears to have authority to appoint a party on behalf of such Corporation;

10.2 A person appointed to act as a proxy need not be a Securityholder and a holder of a proxy shall have the right to speak at the meeting;

10.3 The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a copy of such power or authority certified by a Notary Public or in such other manner as the Supervisor shall approve shall be deposited at such place as the Supervisor or the Society with the approval of the Supervisor may in the notice convening the meeting direct or (if no such place is appointed) then at the registered office of the Society not later than the Proxy Closing Time and subject as hereinafter provided in default the instrument of proxy shall not be treated as valid **PROVIDED ALWAYS THAT** the Auditors or other appointed scrutineers may in their absolute discretion accept as valid any instrument of proxy notwithstanding that such instrument or any power of attorney or other authority is received or produced at a place other than that specified above or out of time;

10.4 An instrument of proxy may be in any usual common form or in such other form as the Supervisor shall approve and may make provision for directions to be given by the grantor to vote in favour of or against any proposed resolution;

10.5 A proxy whether in a usual or common form or not shall unless the contrary is stated thereon be valid as well for any adjournment of the meeting as for the meeting to which it relates and need not be witnessed. Notwithstanding any provision contained in an instrument of proxy no instrument of proxy shall be valid after the expiration of twelve (12) months from the date of its execution but this provision shall not be construed to apply to the appointment of an attorney or representative otherwise than by an instrument of proxy;

10.6 An instrument of proxy in favour of:

(a) the chairman of the Society; or

(b) the chairman of the meeting or the chairman,

(howsoever expressed) shall be valid and effectual as though it were in favour of a named person and shall in the case of subparagraph (i) above constitute the person holding the office of the chairman of the Society and in the case of subparagraph (ii) above the person who chairs the meeting as the case may be for which the proxy is used (whether on adjournment or not) the lawful proxy of the appointor.

## 11. SECURITYHOLDER MAY APPOINT ATTORNEY

11.1 Any Securityholder may by Power of Attorney appoint an attorney (who need not be a Securityholder) to vote and act on his behalf at any meeting. An attorney shall be entitled to produce evidence of his appointment at any time before the Appointed Time. An attorney if so empowered may appoint a proxy for the Securityholder granting the Power of Attorney.

## 12. CORPORATE REPRESENTATIVES

12.1 A person authorised pursuant to Section 143 of the Companies Act by a Securityholder being a Corporation or authorised by a Securityholder being a corporation sole to act for it at any meeting shall in accordance with his authority until his authority is revoked by the Corporation concerned be entitled to exercise the same powers on behalf of the Corporation as that Corporation could exercise if it were an individual Securityholder and shall be entitled to produce evidence of his authority to act at any time before the Appointed Time of or at the meeting or adjourned meeting or for the taking of a poll at which he proposes to vote;

## 13. RIGHTS OF REPRESENTATIVES

13.1 A representative shall have the right to demand or join in demanding a poll and shall (except and to the extent to which the representative is specially directed to vote for or against any proposal) have power generally to act at the meeting for the Securityholder concerned.

## 14. VOTING PROCEDURE AND POLLS

14.1 A resolution put to the vote of a meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman or the Supervisor or any representative of the Supervisor or by one or more Securityholders holding or representing not less than 5% in Principal amount of the relevant Debt Securities. Unless a poll is so demanded a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

14.2 On a show of hands each person present at the meeting and entitled to vote (whether personally or as a representative) shall have one vote only. On a poll every Securityholder who is present in person or by a representative shall have one vote for every $1 Principal amount of Debt Securities of which he is the holder and which is of the Class of Securityholders entitling such holder to attend and vote at the meeting PROVIDED ALWAYS that any Debt Securities for the time being held by the Society or any Related Body Corporate shall not whilst so held confer any right to vote.

14.3 If a poll is duly demanded it shall be taken in such manner as the chairman may direct and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

14.4 In the case of an equality of votes whether on a show of hands or on a poll the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote in addition to the votes (if any) to which he may be entitled as a Securityholder or on behalf of Securityholders.

14.5 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or at such time (not being more than thirty (30) days from the date of the meeting) and place as the chairman may direct. The result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded. No notice need be given of a poll not taken immediately.

14.6 The demand for a poll shall not prevent the continuance of a meeting for the transaction of business other than the question on which the poll has been demanded.

14.7 On a poll votes may be given either personally or by representative. On a poll a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

14.8 In the case of joint Securityholders the vote of the senior who tenders a vote whether in person or by representative shall be accepted to the exclusion of the votes of the other joint Securityholders and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding.

14.9 A vote given in accordance with the terms of an instrument of proxy or Power of Attorney or other form shall be valid notwithstanding the previous death, insanity or (in the case of a Corporation) liquidation of the principal or revocation of the proxy or Power of Attorney or other form of appointment or of the authority under which the proxy was executed or the transfer of the Debt Securities in respect of which the vote is given provided that no intimation in writing of such death, insanity, liquidation, revocation or transfer is received by the Supervisor or the Society at its registered office before the commencement of the meeting or adjourned meeting at which the proxy is used.

## 15. EXTRAORDINARY RESOLUTIONS

15.1 The expression "Extraordinary Resolution" when used in this Schedule I means a resolution passed at a meeting of the Depositors or a Class thereof or the Redeemable Shareholders or a Class thereof duly convened and held in accordance with the provisions herein contained at which persons holding securities with a combined nominal value of not less than 75% of the nominal value of the Securities held by Securityholders who are entitled to vote (in terms of the FMC Act) and who vote on the motion voting thereat on a poll or if the voting is by postal ballot then at least three-fourths (3/4ths) of the votes given on such a poll voted in favour of the resolution.

15.2 Without limiting the rights, powers and discretions conferred on the Supervisor by the Trust Deed a meeting of the Securityholders shall in addition to all other powers which by the Trust Deed and this Schedule are specified as exercisable by Extraordinary Resolution have the following powers exercisable by Extraordinary Resolution namely:

(a) power to sanction either unconditionally or upon any conditions:

(i) the release of the Society from the payment of all or any part of the Deposit Moneys and/or Redeemable Share Moneys (as the case may be); or

(ii) the release of any Guaranteeing Subsidiary from its guarantee of the Deposit Moneys and/or Redeemable Share Moneys (as the case may be);

(b) power to sanction the exchange of Deposits (or any Class thereof) for Redeemable Shares (or any Class thereof) or the conversion of the Redeemable Shares (or any Class thereof) into Deposits, shares, stock, debentures, debenture stock or other obligations or securities of the Society or any other company formed or to be formed;

(c) power to postpone or with the concurrence of the Society to accelerate the day when the Principal Moneys of the Debt Securities (or any Class thereof) shall become payable and to suspend or postpone for a time the payment of interest or dividends on the Debt Securities;

(d) power to sanction any alteration, release, modification, waiver, variation or compromise or any arrangement in respect of the rights of the Securityholders against the Society and/or the Guaranteeing Subsidiaries or against their respective properties howsoever such rights shall arise;

(e) power to assent to any alteration, modification, variation or addition to the provisions contained in the Trust Deed or the conditions attaching to the Debt Securities proposed or agreed to by the Society and to direct the Supervisor to concur in and execute any supplemental trust deed embodying any such alteration, modification, variation or addition;

(f) power to give any sanction, assent, release or waiver of any breach or default by the Society or any Guaranteeing Subsidiary under any of the provisions of the Trust Deed;

(g) subject to the FMC Act power to discharge, release or exonerate the Supervisor from all liability in respect of any act of commission or omission for which the Supervisor has or may become responsible under the Trust Deed;

(h) power to sanction any scheme for the reconstruction of the Society or any Guaranteeing Subsidiary or for the union or transfer of engagements of the Society or the amalgamation of any Guaranteeing Subsidiary with any other Corporation where such sanction is necessary;

(i) subject to the provisions of the Trust Deed power to remove any Supervisor and to approve the appointment of or appoint a new Supervisor;

(j) power to authorise or direct the Supervisor to concur in and execute any supplemental deed or other document embodying such sanction authority or approval, assent, release, waiver, direction or request.

(k) An Extraordinary Resolution passed at a meeting of the Depositors or a Class thereof or the Redeemable Shareholders or a Class thereof duly convened and held in accordance with these presents subject to paragraph (d) below, shall be binding upon all members of the relevant Class of Securityholders whether present or not present or entitled to be present or not at the meeting and each member of the Class of Securityholders and the Supervisor (subject to the provisions of its indemnity contained in the Trust Deed) shall be bound to give effect thereto accordingly and the passing of any such resolution shall as between the Supervisor and the Class of Securityholders be conclusive evidence that the circumstances justify the passing thereof the intention being that it shall rest with the meeting to determine without appeal whether or not the circumstances justify the passing of any such resolution.

15.3 An Extraordinary Resolution which:

(a) sanctions any alterations to the rights of a Class of Securityholders to receive the Principal and interest of their Debt Securities in accordance with the order of distribution set out in Clause 5.5;

(b) sanctions any alteration to the right of a Class of Securityholders to recover interest on or repayment of their Debt Securities in accordance with the terms of issue thereof;

(c) sanctions or directs waiver by the Supervisor of any breach by the Society of its obligations in regard to payment of interest on or Principal of a Class of Debt Securities;

(d) relates to the exercise or non-exercise or manner of exercise by the Supervisor of any of its trusts, obligations or powers which are exercisable by virtue exclusively of breaches of the matters mentioned in (iii) above (there being no breach of any other provision of the Trust Deed and no other event mentioned in Clause 5.1 having occurred);

(e) otherwise exclusively affects the rights and interests of a Class of Securityholders; shall be of no force and effect unless:

(i) it has been assented to in writing by the holders of not less than three-fourths (3/4ths) in Principal amount of that Class of Securityholders; or

(ii) it is or has been approved or sanctioned by an Extraordinary Resolution of that Class of Securityholders (as the case may require).

## 16. MINUTES TO BE KEPT

16.1 Minutes of all resolutions and proceedings at every meeting shall be made by the Supervisor or if the Supervisor shall not be present at such meeting by some person appointed by the chairman of such meeting and duly entered in books from time to time provided for that purpose by the Supervisor at the expense of the Society and any such minutes as aforesaid if purporting to be signed by the chairman of the meeting at which such resolutions were passed or proceedings had or by the chairman of the next succeeding meeting of Securityholders shall be prima facie evidence of the matters therein stated and until the contrary is proved every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed or proceedings had thereat to be duly passed and had. Copies of such minutes shall be furnished by the Supervisor to the Society as early as possible after the holding of the meeting to which they refer.

## 17. RELATIONSHIP WITH SCHEDULE 11 OF FINANCIAL MARKETS CONDUCT REGULATIONS 2014

17.1 Clauses 6 and 11 of Schedule 11 of the Financial Markets Conduct Regulations 2014 are excluded and shall not apply to meetings of the Society's Securityholders or any Class of them.

17.2 In other respects Schedule 11 of the Financial Markets Conduct Regulations 2014 will apply to meetings of the Society, except that (other than in relation to clauses 2 and 5 of Schedule 11 to the extent that they relate to special resolutions, which shall apply in the case of any inconsistency) if there is any inconsistency between the provisions of that Schedule and the provisions of this Schedule, the provisions of this Schedule will prevail.

**SCHEDULE II**

**THIS SUPPLEMENTAL TRUST DEED** is made on the day of 20

**BETWEEN** [ ] NZ Company No. [ ] (“the Subsidiary”)

**AND** **TRUSTEES EXECUTORS LIMITED** at Dunedin ("the Supervisor")

**WHEREAS**

A. The Subsidiary is a subsidiary within the meaning of the Companies Act 1993 of [ ] having its registered office at [ ] ("the Society").

B. The Society entered into a Trust Deed dated the day of 20 ("the Trust Deed") to enter into covenants with regard to the principal and interest, moneys and premium (if any) from time to time payable in respect of the Redeemable Shares and the Deposits (therein defined) (together the " Debt Securities") of the Society and all other moneys from time to time owing under the provisions of the Trust Deed.

C. At the request of the Society the Subsidiary is desirous of executing this Deed (being a deed supplemental to the Trust Deed and substantially in the form prescribed in Schedule 11 to the Trust Deed) in order to become a Guaranteeing Subsidiary as defined in the Trust Deed pursuant to the provisions in that behalf therein contained.

D. The Shareholders of the Subsidiary noting that as the Subsidiary is a Wholly Owned Subsidiary (as that term is defined in the Trust Deed) of the Society, the Society is required to procure the Subsidiary to become a Guaranteeing Subsidiary under the Trust Deed and the Subsidiary has been so required and the Subsidiary desires to become a Guaranteeing Subsidiary in order to prevent the Society from being in breach of the Trust Deed and also in order to continue to obtain the benefit to be derived under the Trust Deed for the Subsidiary from facilitating the borrowing by the Society of funds from the public, accordingly by Special Resolution RESOLVED on the day of 20 that the Subsidiary;

(a) guarantee the due payment by the Society of all moneys from time to time owing pursuant to the Trust Deed;

(b) execute, register and deliver to the Supervisor this Deed;

**AND** that this Deed be accordingly executed by the Subsidiary.

**NOW THIS DEED WITNESSETH AND IT IS HEREBY AGREED AND DECLARED** as follows:

1. To the extent to which the same are applicable the definitions and provisions contained in Clause 1.2 of the Trust Deed shall apply to and be incorporated in this Deed.

2. The Subsidiary acknowledges that the Debt Securities have been and henceforth will be taken up by the Securityholders on the condition and in part consideration that the Subsidiary will give or has given to the Supervisor the guarantee for the Redeemable Share Moneys and the Deposit Moneys.

3. The Subsidiary hereby jointly and severally with all other Guaranteeing Subsidiaries unconditionally guarantees the due and punctual payment by the Society in accordance with the provisions of the Trust Deed of the Redeemable Share Moneys and the Deposit Moneys as and when the same shall become due and payable hereunder and the due observance and performance by the Society of all of its obligations under the Trust Deed and the Subsidiary hereby agrees that the following provisions shall have effect and in this Clause the expression "guarantee" shall include any guarantee given under or pursuant to this Deed:

(a) Whenever any default has been made by the Society in the payment of all or any of the Redeemable Share Moneys on the Deposit Moneys the Subsidiary will forthwith whether or

not demand therefor shall be made pay such moneys to the Supervisor to the intent that the same may be applied by the Supervisor pursuant to this Deed.

(b) The liability of the Subsidiary under this guarantee shall not be abrogated, prejudiced or affected by any of the following:

the granting of time, credit or any indulgence or other concession to the Society or to any other guarantor (including any Guaranteeing Subsidiary) by the Redeemable Shareholders or the Depositors or any of them or by the Supervisor or by any compounding, compromise, release, abandonment, waiver, variation, relinquishment or renewal of any securities, documents of title, assets or of any of the rights of the Redeemable Shareholders or the Depositors or any of them or of the Supervisor against the Society or that guarantor or by anything done or omitted or neglected to be done by the Supervisor or the Redeemable Shareholders or the Depositors or any of them in exercise of the authorities, powers and discretions vested in them by this Deed or by any other dealing matter or thing which but for this provision might operate to abrogate, prejudice or affect this guarantee;

(i) the liability of any other guarantor (including any Guaranteeing Subsidiary) ceasing from any cause whatsoever (including the release or discharge by the Redeemable Shareholders or the Depositors or any of them or by the Supervisor);

(ii) any other person joining in this or giving any similar guarantee;

(iii) the liquidation of the Society or any guarantor including any Guaranteeing Subsidiary) of the Society;

(iv) any other guarantor (including any Guaranteeing Subsidiary) being incompetent to give this guarantee or any other guarantee or any security or any collateral security or failing to become legally bound in whole or in part under any of them respectively;

(v) any security (including any security given pursuant to this Deed) held or taken being void defective or informal;

(vi) failure by the Society or any other guarantor (including any Guaranteeing Subsidiary) to provide any security which ought to be provided under or pursuant to this Deed;

(vii) any Wholly Owned Subsidiary failing or being incompetent to become or remain a Guaranteeing Subsidiary;

(viii) any alteration, modification, variation or addition to the Trust Deed made pursuant to the provisions in that behalf in the Trust Deed contained,

(c) This guarantee shall be a principal obligation and shall be treated as in addition to and not in substitution for or collateral to any other security or right which the Supervisor may have under or by virtue of the Trust Deed and in particular shall be independent of any other security to the intent that this guarantee may be enforced against the Subsidiary without first having recourse to any such securities or rights and without taking steps or proceedings against the Society or any other guarantor (including any Guaranteeing Subsidiary) and notwithstanding that any other security may be in whole or in part unenforceable by reason of any rule of law or equity and notwithstanding the loss by the Supervisor of any other security and notwithstanding any !aches, acts or omissions on the part of the Supervisor.

(d) Subject to subclause (e) of this Clause and to the provisions of the Trust Deed this guarantee is to be a continuing guarantee and accordingly shall be irrevocable and shall remain in full force and effect until the whole of the Redeemable Share Moneys and the Deposit Moneys have been paid or satisfied.

(e) The Supervisor may as regards all or any of the Guaranteeing Subsidiaries (unless otherwise directed by a resolution of the Redeemable Shareholders or the Depositors in general meeting) determine from time to time whether it shall enforce or refrain from enforcing this

guarantee or any guarantee and unless otherwise directed as aforesaid may from time to time make any arrangement or compromise with any one or more of the Guaranteeing Subsidiaries or the Society which the Supervisor may think expedient in the interests of the Redeemable Shareholders and the Depositors.

(f) All moneys from time to time received by the Supervisor in reduction of the Society's indebtedness from or on account of the Society including any dividends upon the liquidation of the Society or the Subsidiary or any other guarantor (including any Guaranteeing Subsidiary) or from any other person or from the realisation of any security and capable of being applied by the Supervisor in reduction of the Society's indebtedness in relation to the Redeemable Share Moneys and the Deposit Moneys shall be regarded as payments in gross without any right on the part of the Subsidiary or any one or more of them the Guaranteeing Subsidiaries to stand in the place of the Supervisor in respect of or to claim the benefit of any moneys so received as against the Society or any Guaranteeing Subsidiary until the whole of the Redeemable Share Moneys and the Deposit Moneys have been paid or satisfied so that in the event of the Subsidiary or any Guaranteeing Subsidiary or other guarantor going into liquidation the Supervisor shall be entitled to prove against it for the total indebtedness of the Society in relation to the Redeemable Share Moneys and the Deposit Moneys;

(g) In the event of the liquidation of the Society or any guarantor (including any Guaranteeing Subsidiary) the Subsidiary will not prove in such liquidation in competition with the Supervisor and the Subsidiary hereby authorises the Supervisor to prove for all moneys which the Subsidiary has paid hereunder or are otherwise owing to it and have not been repaid to it by the Society or any other Guaranteeing Subsidiary and to retain and to carry to a suspense account and appropriate at the discretion of the Supervisor any amount received until the Supervisor shall have received one hundred cents in the dollar in respect of the indebtedness of the Society in relation to the Redeemable Share Moneys and the Deposit Moneys. The Subsidiary hereby waives in favour of the Supervisor all rights whatever against the Supervisor and the Society and any other guarantor (including any Guaranteeing Subsidiary) or other person or their or its estate and assets so far as necessary to give effect to anything in this guarantee contained.

(h) This guarantee shall not prejudicially affect or be prejudicially affected by any other security or guarantee now or hereafter held by the Supervisor for the Redeemable Share Moneys and the Deposit Moneys but such other security or guarantee shall be deemed to be collateral herewith and the Subsidiary will not as against the Supervisor in any way claim the benefit or seek the transfer of any such security or any part thereof or any right of recourse.

(i) If any payment made to the Supervisor or to any Redeemable Shareholder or Depositor by or on behalf of the Society or the Subsidiary be avoided by law such payment shall be deemed not to have discharged or affected the liability of the Subsidiary therefor or any charge by the Subsidiary in favour of the Supervisor in respect thereof and in that event the Supervisor and the Subsidiary shall be restored to the position in which each would have been and be entitled to exercise all the rights which each would have had if such payment had not been made.

(j) The Subsidiary shall in respect of any sums paid by it hereunder and in respect of any other rights which may accrue howsoever to it in respect of any sum so paid rank and be entitled to enforce the same only after the Redeemable Share Moneys and Deposit Moneys shall have been duly paid and satisfied.

(k) Although as between the Society and the Subsidiary the liability of the Subsidiary to the Supervisor may be that of surety only nevertheless as between the Subsidiary and the Supervisor the liability of the Subsidiary shall be deemed to be the liability of a principal debtor and the guarantees given by the Subsidiary to the Supervisor by or pursuant to this Deed shall constitute security for the Redeemable Share Moneys and the Deposit Moneys respectively and such liability shall not be affected or diminished nor shall such guarantee be released by any of the matters hereinbefore mentioned or by any other act indulgence or omission which but for this present provision would have operated to release the Subsidiary wholly or partly from its liability hereunder to the Supervisor.

4. Pursuant to Section 14 of the Property Law Act 2007 **IT IS HEREBY EXPRESSLY DECLARED THAT** there shall be deemed to be incorporated in this Deed all the covenants powers obligations conditions and provisions of the Trust Deed and the Schedules thereto relating to or affecting the Guaranteeing Subsidiaries or guarantees given by the Guaranteeing Subsidiaries thereunder or pursuant thereto in the same manner and to the same extent as if the same had been mutatis mutandis set out in full herein and made applicable to the Subsidiary and the Subsidiary accordingly hereby covenants with the Supervisor duly and punctually to observe fulfil and perform and to be bound by all the covenants powers conditions and provisions imposed on relating to or affecting it by or under this Deed or the Trust Deed including the Schedules thereto or by the terms of issue of any Redeemable Shareholders or Deposits.

5. Should the Supervisor by notice in writing to the Society declare the Deposit Moneys and/or the Redeemable Share Moneys to be immediately, due and payable, then the whole of the Redeemable Share Moneys and the Deposit Moneys shall become immediately due and payable.

6. As a separate and independent stipulation the Guaranteeing Subsidiary agrees that any moneys payable under the Trust Deed which may not be recoverable from the Society by reason of legal limitation, disability or incapacity on or of the Society or any other fact or circumstances including the unenforceability shall nevertheless be recoverable from the Guaranteeing Subsidiary as though the same had been incurred by the Guaranteeing Subsidiary and the Guaranteeing Subsidiary were the sole principal debtor in respect thereof.

7. The Subsidiary **DOTH HEREBY IRREVOCABLY APPOINT** the Supervisor to be its attorney and in its name and on its behalf to enter into, execute sign and do all assurances, deeds instruments, acts and things whatsoever which shall in the opinion of the Supervisor or attorney be necessary or expedient or that it ought to execute sign and do for the purpose of carrying out any trust or obligations hereby declared or imposed upon it or for giving to the Securityholders or to the Supervisor on their behalf the full benefit of any of the provisions of the Trust Deed or this Deed and generally to use its name in the exercise of all or any of the powers hereby or by the Trust Deed conferred on the Supervisor.

8. The Subsidiary hereby covenants with the Supervisor duly to perform and observe all obligations imposed on the Subsidiary by this Deed or the Trust Deed.

**IN WITNESS WHEREOF** this Deed has been executed the day and year first hereinbefore written
[Supplemental Deed ends here]

**EXECUTED** as a Deed by the Subsidiary in the presence of

Signature of director

Signature of witness

Name of director

Name of witness

Occupation of witness

City/town of residence

## SCHEDULE III

(Clause 2.2(b)) - Exposure outstanding as at 1 January 1991 excepting the categories of Exposure as described in subclauses (i), (ii) and (iii):

Nil

[End of Schedule III and of Trust Deed]

**HERETAUNGA BUILDING SOCIETY**

**CERTIFICATE OF COMPLIANCE**

*under section 108(2)(b) of the Financial Markets Conduct Act 2013 (**FMCA**)*

This certificate relates to the Deed of Amendment and Restatement dated 26 August 2026 (**Trust Deed**) between Heretaunga Building Society (**the Society**) and Trustees Executors Limited (**Supervisor**).

The effect of the Deed is to amend the definition of "NBDT Regulations" in the Existing Trust Deed to include reference to conditions of license that override the NBDT Regulations to be issued by the RBNZ to the Society from time to time, pursuant to section 18 of the NBDT Act. All other provisions of the Trust Deed remain as set out in the Trust Deed and will continue to apply accordingly.

This is a certificate for the purposes of section 108(2)(b) of the FMCA. Section 108(2)(b) of the FMCA requires the supervisor to certify as to certain matters when amending a trust deed.

We certify that:

1. We are satisfied the amendment does not have a material adverse effect on the Securityholders; and

2. We have obtained a certificate from MinterEllisonRuddWatts that the Deed of Amendment complies with sections 104 to 106 of the FMCA.

**Dated:** 26 August 2026



**Authorised signatory**
**(for and on behalf of Trustees Executors Limited)**