

# Amendment and Restatement Deed relating to a Master Trust Deed

Christchurch International Airport  
Limited (Issuer)

Public Trust (Supervisor)



## **AMENDMENT AND RESTATEMENT DEED RELATING TO A MASTER TRUST DEED**

*Date:* 3 May 2018

### **PARTIES**

**Christchurch International Airport Limited** (the *Issuer*)

**Public Trust** (the *Supervisor*)

### **BACKGROUND**

- A The Issuer and the Supervisor are parties to a Master Trust Deed dated 9 November 2012 (as amended and restated on 11 October 2016) (the *Master Trust Deed*).
- B The parties to this deed have agreed to amend and restate the terms of the Master Trust Deed to reflect certain amendments to the Income Tax Act 2007 on the terms and conditions set out in this deed.
- C Clauses 26.2(a)(i), (iii) and (vii) of the Master Trust Deed permit an amendment to the Master Trust Deed without the consent of Holders if the amendment is, in the opinion of the Issuer and the Supervisor, to comply with the requirements of any applicable law, of a minor, formal, administrative or technical nature, or the amendments will not be materially prejudicial to the interests of Holders generally, and if the Supervisor is satisfied that the amendments do not have a material adverse effect on Retail Holders.
- D The Issuer and the Supervisor are of the opinion that the amendments to the Master Trust Deed effected by this deed are to comply with the requirements of applicable law, are of a minor, formal, administrative or technical nature, or that the amendments will not be materially prejudicial to the interests of Holders generally. The Supervisor is satisfied that the amendments to the Master Trust Deed effected by this deed do not have a material adverse effect on Retail Holders.

**THE PARTIES AGREE** as follows:

#### **1 DEFINITIONS**

In this document, unless the context requires otherwise, words and expressions defined, and references construed, in the Master Trust Deed (as amended by this document) and not otherwise defined or construed in this document have the same meanings and constructions when used in this document. In addition, unless the context requires otherwise:

- (a) *Effective Date* means the date of this document; and
- (b) *Existing Master Trust Deed* means the Master Trust Deed immediately prior to it being amended and restated by this document.



**2 AMENDMENT AND RESTATEMENT**

With effect on and from the Effective Date the Master Trust Deed is amended and restated in the form set out in the schedule to this document.

**3 CONTINUATION**

Each of the parties to this document agrees that on and from the Effective Date:

- (a) the Master Trust Deed as amended and restated by clause 2 of this document will continue in full force and effect; and
- (b) all references in each other agreement between them to the Master Trust Deed will be a reference to the Master Trust Deed as amended and restated by this document.

**4 NOTICE OF AMENDMENTS**

The Supervisor hereby agrees, pursuant to clause 27.2 of the Existing Master Trust Deed, to waive the obligation to notify the Holders of the amendment and restatement of the Master Trust Deed as set out in this deed (the *Amendments*) as required under clause 26.2 of the Existing Master Trust Deed indefinitely, on the basis that notice of the Amendments is sent to Holders at the same time as the first interest payment notice is sent to Holders of each Series for which the Record Date occurs after the Effective Date.

**5 COUNTERPARTS**

This document may be signed in any number of counterparts all of which, when taken together, will constitute one and the same instrument. Once the parties have signed the counterparts, each counterpart shall be deemed to be as valid and binding on the party executing it as if it had been executed by all the parties.

**6 GOVERNING LAW**

This document will be governed by New Zealand law.

**7 DELIVERY**

For the purposes of section 9 of the Property Law Act 2007, and without limiting any other mode of delivery, this deed will be delivered by each of the parties to this deed immediately on the earlier of:

- (a) physical delivery of an original of this deed, executed by that party, into the custody of each of the other parties or its solicitors; or
- (b) transmission by that party or its solicitors (or any other person authorised in writing by that party) of a facsimile, photocopied or scanned copy of an original of this deed, executed by that party, to each of the other parties or its solicitors.

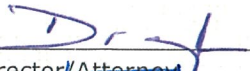


AMENDING DEED (RELATING TO A MASTER TRUST DEED)


**EXECUTED AND DELIVERED AS A DEED**

**The Issuer**

**Christchurch International Airport  
Limited by**

  
\_\_\_\_\_  
Director/~~Attorney~~

CATHERINE DRAYTON  
Print name

  
\_\_\_\_\_  
Director/~~Attorney~~

KATHRYN MITCHELL  
Print name

In the presence of: \_\_\_\_\_

\_\_\_\_\_  
Witness signature

\_\_\_\_\_  
Witness name

\_\_\_\_\_  
Occupation


\_\_\_\_\_  
Address



AMENDING DEED (RELATING TO A MASTER TRUST DEED)

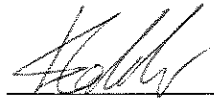
**The Supervisor**

Signed on behalf of **Public Trust** by its attorney:

  
\_\_\_\_\_  
Attorney

In the presence of:

**Ireen Muir**  
Head of Client Services  
Corporate Trustee Services  
Public Trust  
Wellington

  
\_\_\_\_\_  
Witness signature

\_\_\_\_\_  
Witness name **Harley Calder**  
**Business Analyst**  
**Corporate Trustee Services**  
**Public Trust**  
**Wellington**

\_\_\_\_\_  
Occupation

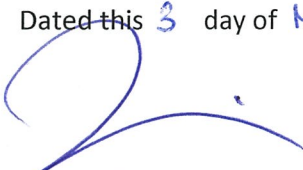
\_\_\_\_\_  
Address

**CERTIFICATE OF NON-REVOCATION  
OF POWER OF ATTORNEY**

I, Ireen Muir, of Wellington, hold the office of Head of Client Services at Public Trust, an entity established under the Public Trust Act 2001, and certify that:

- 1 by deed dated 17 April 2018, Public Trust appointed me its attorney on the terms and conditions set out in the deed of appointment of attorneys which is deposited at Land Information New Zealand under registration number PA10765044.1; and
- 2 at the date hereof I hold the position of Head of Client Services with Public Trust; and
- 3 at the date of this certificate I have not received any notice of the revocation of that appointment.

Dated this 3 day of May 2018



\_\_\_\_\_  
Signature of attorney



AMENDING DEED (RELATING TO A MASTER TRUST DEED)

**SCHEDULE – AMENDED AND RESTATED MASTER TRUST DEED**

# Master Trust Deed

Christchurch International Airport  
Limited (Issuer)

Public Trust (Supervisor)





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## MASTER TRUST DEED

*Date:* 9 November 2012 as amended and restated by deed dated 3 May 2018

## PARTIES

**Christchurch International Airport Limited** (*Issuer*)

**Public Trust** (*Supervisor*)

## BACKGROUND

- A The Issuer proposes to establish a debt programme under which the Issuer may, from time to time, issue debt securities.
- B Each Tranche of Bonds issued by the Issuer will be constituted by, and issued on, terms set out in a Supplemental Trust Deed made between the Issuer and the Supervisor. The terms of any such Supplemental Trust Deed may modify the terms of this deed in relation to the relevant Tranche of Bonds.
- C The Supervisor has agreed, at the request of the Issuer, to act as supervisor and trustee for the benefit of Holders on the terms and conditions of this Deed and applicable law.

**BY THIS DEED** the parties agree as follows:

### 1 INTERPRETATION

#### 1.1 Definitions

In this Deed, unless the context otherwise requires:

*Agency Agreement* means, in relation to any Series, the registrar and paying agency agreement (however described) between the Issuer and the person appointed as the registrar, paying agent and, if applicable, Calculation Agent for that Series, as specified in the relevant Supplemental Trust Deed;

*Approved Issuer Levy* means, in relation to any payment of interest (as defined in section 86F of the Stamp and Cheque Duties Act 1971) under any Bond, the levy payable in accordance with section 86J of the Stamp and Cheque Duties Act 1971;

*Auditors* means the qualified auditors for the time being of the Issuer;

*Authorised Officers* means any person who is a Director, chief executive officer, general manager business services, chief financial officer or financial controller of the Issuer (or such officer of the Issuer howsoever designated as may, from time to time, replace or succeed such officer) and any other officer of the Issuer, in each case as formally appointed by the Issuer's Directors or their duly-authorised delegates and notified to the Supervisor;



*Banking Covenants* means the covenants and undertakings given by the Issuer in favour of the Lenders (as therein defined) in clauses 8.2, 8.3 and 9 of the Negative Pledge Deed.

*Base Rate* means, in relation to an Interest Period, either:

(a) **Bill rate:**

- (i) if the Interest Period is one, two, three, four, five or six months, the rate per annum (expressed on a percentage yield basis and rounded up, if necessary, to the nearest two decimal places) determined by the Calculation Agent to be the average bid rate for the purchase of bank-accepted bills of exchange having a term approximately equal to that Interest Period (expressed on the date of this deed as the "bank bill bid settlement rate") as displayed at or about 10.45 am on the first day of that Interest Period on the Reuters Monitor Screen page BKBM or its successor page (*Reuters Monitor Screen*); or
- (ii) if the Interest Period is longer than one month but shorter than six months, and not two, three, four, or five months, the rate resulting from straight line interpolation (rounded, if necessary, to the nearest two decimal places) between the bank bill bid settlement rates as displayed at or about 10.45 am on the first day of that Interest Period on the Reuters Monitor Screen for bank bills having a term:
  - (aa) shorter than, but closest to, that Interest Period; and
  - (bb) longer than, but closest to, that Interest Period; or
- (iii) (in either case) if:
  - (aa) there are no such rates displayed for bank bills having the relevant term; or
  - (bb) less than three persons are displayed on the Reuters Monitor Screen as quoting such a rate,  
  
then the average (rounded if necessary to the nearest two decimal places) of the rates quoted to the Calculation Agent for the relevant Tranche by each of at least three of the Reference Banks as being its buy rate for bank bills having a term approximately equal to the relevant Interest Period at or about that time on that date; or
- (iv) if less than three of the Reference Banks quote rates, the rate the Calculation Agent reasonably determines to be the nearest practicable equivalent; or

(b) **Other specified rate:** any other reference rate as may be specified in the Supplemental Trust Deed for a Tranche;



*Bond* means a bond, note or other instrument, by whatever name called, constituted by, and subject to the terms and conditions set out in, this Deed, and includes without limitation, a Fixed Rate Bond, a Floating Rate Bond, or a Zero Coupon Bond;

*Business Day* means a day (other than a Saturday or Sunday) on which registered banks are generally open for business in Christchurch, Wellington, Auckland and, to the extent specified in the Supplemental Trust Deed in relation to a Tranche, the city or cities specified in that Supplemental Trust Deed, except that in the context of the Listing Rules, it means a day on which the NZX Debt Market is open for trading;

*Calculation Agent* means, in relation to any Series, the person appointed by the Issuer from time to time to calculate interest rates or amounts due on the Bonds and, if none is appointed, means the Registrar for the relevant Series;

*Ceasing Member* has the meaning set out in clause 14.4;

*Class* means Bonds which constitute a separate category of Bonds, with such categories being:

- (a) all Retail Bonds;
- (b) all Wholesale Bonds;
- (c) all Retail Bonds which have attached to them identical rights, privileges, limitations and conditions (but which may have a different Maturity Date, Interest Rate and/or Interest Payment Dates);
- (d) in relation to matters affecting a Series only, that Series, or
- (e) any category of Bonds having substantially the same rights, privileges, limitations and conditions which, in the reasonable opinion of the Issuer (in consultation with the Supervisor), at any particular time, for any particular purpose, constitutes a separate class of Bonds either within Wholesale Bonds or Retail Bonds, or both, as the case may be,

and *Class of Holders* means the Holders of those Bonds;

*Companies Act* means the Companies Act 1993;

*Conditions* means, in relation to a Tranche, the terms and conditions applicable to that Tranche set out in the Supplemental Trust Deed for that Tranche and (as modified by that Supplemental Trust Deed) this deed;

*Contested Tax* means a Tax assessed as payable by a person where the person:

- (a) is diligently contesting, or is taking steps to diligently contest, the assessment in good faith and in accordance with proper procedures and laws;





- (b) is not required by applicable law to pay the Tax before the contest is determined; and
- (c) has set aside sufficient reserves of liquid assets to pay the Tax and any penalty, interest or other cost payable if the contest is unsuccessful;

*Controlled Subsidiary* means, at any particular time, a company which, at that time, is a Subsidiary, all of the shares, or all of the voting securities (as defined in the Securities Markets Act 1988), of which are beneficially owned by Guaranteeing Group Members;

*Date of Enforcement* means the date on which a Holder or the Supervisor makes a declaration pursuant to clause 18.1;

*this Deed* means this deed and, where used or falling to be interpreted in relation to a particular Tranche, includes the Supplemental Trust Deed for that Tranche, and relates to this deed as modified and supplemented by that Supplemental Trust Deed, and (for the avoidance of doubt) *this deed* means this deed alone;

*Default Interest* has the meaning given in clause 8.6;

*Derivative Transaction* means:

- (a) any foreign exchange transaction (including, without limitation, any foreign exchange contracts, hedge settlement contracts, foreign exchange options, foreign exchange futures and currency exchange or swap agreements, or any combination or permutation of such transaction, or any similar or related transactions);
- (b) any interest rate transaction (including, without limitation, any interest rate options, interest rate futures, forward rate agreements, interest rate exchange or swap agreements and cross-currency interest rate exchange or swap agreements, or any combination or permutation of such transaction, or any similar or related transactions); or
- (c) any futures or options transaction of any nature;

*Director* means a director of the Issuer for the time being, and includes an alternate director acting as a director of the Issuer;

*Dollars and \$* means the lawful currency of New Zealand;

*Effective Date* means the date, subsequent to the date of execution of this deed, agreed in writing between the parties as being the date from which this deed shall take effect;

*Environmental Law* means a standard set by a governmental agency or law concerning health, planning or the use, protection, conservation or contamination of the physical and radiative factors of the surroundings of natural persons (including land, water, atmosphere, climate, sound, odours, taste, electromagnetism and



radioactivity), the biological factors of animals and plants and social, cultural and aesthetic factors, and includes, without limitation, the Resource Management Act 1991, the Hazardous Substances and New Organisms Act 1996 and the Ozone Protection Act 1996;

*Event of Default* means any of the events specified in clause 18.1;

*Extraordinary Resolution* has the meaning set out in Schedule 1;

*Finance Lease* means any lease which is a finance lease for the purposes of NZ GAAP (as in force at 23 February 2006);

*Financial Reporting Act* means the Financial Reporting Act 2013;

*Financial Statements* means, with respect to a person or group of persons, financial statements within the meaning of section 6 or 7 (as appropriate) of the Financial Reporting Act;

*First Interest Accrual Date* means the first date from which interest will accrue in respect of a particular Tranche, as set out in the Supplemental Trust Deed for that Tranche;

*Fixed Rate Bond* means a Bond bearing a fixed rate of interest, or interest at a rate that is a margin over a Base Rate, and that is not reset during the term of the Bond;

*Floating Rate Bond* means a Bond bearing interest at a rate that is a margin over the Base Rate and that is reset during the term of the Bond;

*FMA* means the Financial Markets Authority;

*FMCA* means the Financial Markets Conduct Act 2013;

*FMC Regulations* means the Financial Markets Conduct Regulations 2014;

*FMSA* means the Financial Markets Supervisors Act 2011;

*Group* means, at any time, the Issuer and its Subsidiaries at that time, and *Group Member* means any of them;

*GST* means goods and services tax imposed under the GST Act;

*GST Act* means the Goods and Services Tax Act 1985;

*Guarantee* means the guarantee in clause 12;

*Guaranteed Moneys* means, on any date, all moneys owing or payable by the Issuer or any other Guaranteeing Group Member to the Supervisor, whether in its own right or on behalf of Holders, on such date under, in respect of, or arising out of this Deed;



*Guaranteeing Group* means, at any time and from time to time, the Issuer together with the Guaranteeing Subsidiaries, and *Guaranteeing Group Members* means any of them, and as at the date of this deed the Guaranteeing Group is comprised of the Issuer;

*Guaranteeing Subsidiary* means, at any time and from time to time, each Group Member (other than the Issuer) which has become a Guaranteeing Group Member in accordance with clause 14 (but does not include any Group Member which has been released from its obligations as a Guaranteeing Group Member in accordance with clause 14.4), and *Guaranteeing Subsidiaries* shall be construed accordingly;

*Holder* means, in relation to a Bond at any time, the person whose name is recorded in the Register as the holder of that Bond at that time;

*Index* means, in relation to a Bond, the index (if any) recorded in the Register in respect of that Bond by reference to which the Principal Amount of that Bond and/or the amount of interest payable in respect of that Bond is to be calculated;

*Interest Payment Date* means:

- (a) in relation to a Floating Rate Bond, the last day of each Interest Period for that Floating Rate Bond, or such other date as is specified in the Supplemental Trust Deed in relation to the Tranche of which that Bond forms part and recorded as such in the Register in respect of that Bond;
- (b) in relation to a Fixed Rate Bond, the quarterly, semi-annual or annual dates (or such other dates) for the payment of interest in respect of that Bond specified in the Supplemental Trust Deed for the Tranche of which that Bond forms part and recorded as such in the Register in respect of that Bond; and
- (c) in relation to any other Bond, the dates specified in the Supplemental Trust Deed in relation to the Tranche of which that Bond forms part and recorded as such in the Register in respect of that Bond;

*Interest Period* means, in relation to a Floating Rate Bond, a period determined in accordance with clause 9.1(a) in respect of that Bond;

*Interest Rate* means, in relation to a Bond, the rate of interest (if any) payable in respect of that Bond (which may be a fixed rate or a margin over the Base Rate), specified in the relevant Supplemental Trust Deed, or otherwise at the time of issue of that Bond, and recorded as such in the Register in respect of that Bond;

*Issue Date* means, in relation to a Bond, the date on which that Bond is issued, being the date recorded as such in the Register in respect of that Bond;

*Issue Notice* means a notice relating to an issue of Bonds from the Issuer to the Registrar for the relevant Series, in such form as the Issuer and the Registrar for the relevant Series may from time to time agree;



*Issue Price*, in relation to a Bond, has the meaning given in the relevant Supplemental Trust Deed;

*Issuer* means Christchurch International Airport Limited (or, in relation to a particular Series, any other person which is or becomes an issuer of the Bonds of that Series in accordance with clause 29);

*Listed* means listed and quoted on the NZX Debt Market, or any alternative or successor recognised stock exchange, and *Listing* has a corresponding meaning;

*Listing Rules* means the listing rules of NZX in force from time to time applicable to the Issuer and the relevant Bonds;

*Margin* means, in relation to a Floating Rate Bond, the margin specified at the time of issue and recorded as such in the Register in respect of that Floating Rate Bond;

*Material Adverse Effect* refers to the Guaranteeing Group and means (or, as the context may require, refers to any event or circumstances, or series of events or circumstances, which has) a material adverse effect on the consolidated financial condition, business or operations (financial or otherwise) of the Guaranteeing Group which materially adversely affects, or could reasonably be expected to materially adversely affect, the ability of the Guaranteeing Group to perform or comply with its obligations under this Deed, any Specified Document or any Bond;

*Maturity Date* means, in relation to a Bond, the date for the repayment of that Bond, being the date specified in the relevant Supplemental Trust Deed and recorded as such in the Register in respect of that Bond;

*Minimum Principal Amount* means, in relation to a Tranche, the minimum Principal Amount for subscription, transfer and/or holding of the Bonds forming part of that Tranche, being the amount specified as such in the relevant Supplemental Trust Deed;

*Negative Pledge Deed* means the deed of negative pledge and guarantee entered into by the Issuer in favour of the Lenders (as therein defined) on 23 February 2006;

*NZCDC Settlement System* means the clearing and settlement system operated by NZX;

*NZClear* means the securities clearing and settlement facility known as the NZClear System, and includes any securities clearing and/or settlement facility which replaces or supersedes it from time to time;

*NZ GAAP* means generally accepted accounting practice in New Zealand, as defined in section 8 of the Financial Reporting Act;

*NZX* means NZX Limited;

*NZX Debt Market* means the market for debt securities operated by NZX;



*Offer Document* means, in relation to any Series:

- (a) that is a Retail Series, any investment statement, registered prospectus (including simplified disclosure prospectus) and/or product disclosure statement (as applicable) required by law, or such other document required by law which may replace or operate in lieu of an investment statement, a registered prospectus, and/or product disclosure statement (as applicable) relating to that Retail Series; and
- (b) that is a Wholesale Series, the information memorandum or other offering document relating to that Wholesale Series,

in each case which has been prepared by, or on behalf and with the approval of, the Issuer in relation to the relevant Series and which has been approved by the Supervisor, and includes all documents to be distributed with or which form part of the relevant document;

*Operating Lease* means any lease other than a Finance Lease;

*Permitted Lease* means (i) any Operating Lease or (ii) any Finance Lease that is approved by the Supervisor;

*Permitted Lease Transaction* means any transaction (which shall, in addition to the overall transaction, include all separate transactions which constitute components of the overall transaction) under which:

- (a) one or more Guaranteeing Group Member(s) disposes (including, without limitation, by way of sale or lease, and whether directly or through one or more intermediate Group Member(s)) of assets (the *relevant assets*), and/or its rights (including the right to acquire title) in respect of the relevant assets, to a person which is not a Group Member (the *lessor*); and
- (b) one or more Guaranteeing Group Member(s) obtains or (as the case may be) retains the use and benefit of the relevant assets under a Permitted Lease or similar arrangement (whether directly from the lessor or from one or more intermediate lessee(s) or otherwise);

*Permitted Security* means a Security Interest that is permitted pursuant to clause 17.4;

*Potential Event of Default* means an event which, with the passing of time or the giving or notice or both, would constitute an Event of Default;

*Principal Amount* means, in relation to a Bond, the amount (other than interest) payable on redemption or repayment of that Bond, being the amount recorded as such in the Register in respect of that Bond;

*Record Date* means, in relation to a payment due on a Bond, 5.00pm on the 10th day before (or, in the case of a Zero-Coupon Bond, the day before) the due date for that payment or, if that day is not a Business Day, the preceding Business Day;



*Reference Banks* means ANZ Bank New Zealand Limited, ASB Bank Limited, Bank of New Zealand, and Westpac New Zealand Limited, or any successor of any of the same or any replacement Reference Bank reasonably selected by the Issuer in consultation with the Supervisor;

*Register* means, in relation to a Series, the register of Bonds maintained by the Registrar for that Series in accordance with the provisions of this Deed and the relevant Agency Agreement;

*Registrar* means, in respect of any Series, the person named in the relevant Agency Agreement and specified in the Supplemental Trust Deed for that Series as the registrar and/or Calculation Agent and/or paying agent for that Series, as the case may be, or any successor agent appointed under the relevant Agency Agreement in relation to that Series;

*Retail Series* means a Series of Bonds which are, in accordance with the relevant Conditions:

- (a) offered or sold to members of the public for the purposes of the Securities Act 1978;
- (b) offered or sold under a regulated offer as defined in the FMCA; or
- (c) offered or sold in accordance with clause 19 of Schedule 1 of the FMCA,

and *Retail Bond* means a Bond which is part of a Retail Series, and *Retail Holder* means a Holder of a Retail Bond;

*Security Interest* means:

- (a) any mortgage, pledge, encumbrance by way of security, lien, charge, assignment by way of security or hypothecation; or
- (b) any title retention, preferential right, trust arrangement or other agreement or arrangement the legal effect of which is the creation of security similar to those referred to in paragraph (a); or
- (c) any present or future right or interest in personal property that is a security interest for the purposes of the Personal Property Securities Act 1999 (other than any such security interest referred to in section 17(1)(b) of that Act and not included in paragraph (a) of this definition),

but, for the avoidance of doubt, does not include any (i) Permitted Lease or (ii) any rights or obligations arising in the ordinary course of business (whether arising by operation of law, by contract or otherwise) of, or in the nature of, set-off, netting, combination, consolidation or retention of accounts, banker's lien, blocked accounts or analogous rights or obligations in relation to or affecting any credit balances or other financial obligations, except rights and obligations arising under a flawed asset or conditional debt arrangement or any other arrangement having similar effect;



*Senior Creditors* means all the creditors (present and future):

- (a) whose claims are, or would be, admitted in the Winding-Up of the Issuer; and
- (b) who are not the holders of indebtedness, the right to payment of which by its terms is, or is expressed to be, subordinated in the event of the Winding-Up of the Issuer to the claims of all unsubordinated creditors of the Issuer,

and, for the avoidance of doubt, includes Holders of Unsubordinated Bonds;

*Series* means a Tranche of Bonds together with any further Tranche or Tranches which are:

- (a) expressed to be consolidated and form a single series; and
- (b) identical in all respects except for their respective Issue Dates, Maturity Dates, First Interest Accrual Dates, Issue Prices and/or Interest Rates;

*Solvent* means, in relation to any person, that such person meets the Solvency Test;

*Solvency Test* means the solvency test in section 4 of the Companies Act;

*Specified Documents* means any documents ancillary to, or related to, this Deed or the issue of any Bonds;

*Statement* means, in respect of Listed Bonds, a Securities Transaction statement issued by the Issuer (or the Registrar on its behalf) to a Holder in relation to the Bonds held by that Holder, if applicable, in compliance with the Listing Rules;

*Subordinated Bond* means a Term Subordinated Bond or an Undated Subordinated Bond;

*Subordinated Indebtedness* means any present or future indebtedness of the Issuer for or in respect of moneys borrowed or raised, which by its terms is expressed to be subordinated in the event of Winding-Up of the Issuer to the claims of Senior Creditors of the Issuer;

*Subsidiary* means, in relation to a person, a subsidiary within the meaning of section 5 of the Companies Act of that person, and includes any other entity the financial statements of which are required to be consolidated with the financial statements of the person in accordance with NZ GAAP;

*Supervisor* means Public Trust, or any replacement supervisor appointed under this deed;

*Supplemental Trust Deed* means a deed supplemental to this deed entered into by the Issuer and the Supervisor pursuant to clause 3.4 constituting and setting out the terms and conditions of a Tranche;



*Tax* means any present or future tax, levy, impost, duty, rate, charge, fee, deduction or withholding of any nature and whatever called (including, for the avoidance of doubt, Approved Issuer Levy), imposed, levied or assessed by any governmental agency, together with any interest, penalty, charge, fee or other amount imposed or made on or in respect of any of the foregoing, and *Taxes* and *Taxation* are to be construed accordingly;

*Term Subordinated Bond* means a Bond which, in accordance with its Conditions, is Subordinated Indebtedness of the Issuer, and which is identified in the Supplemental Trust Deed constituting it, and in the Register, as a Term Subordinated Bond, and which has a specified Maturity Date. A Term Subordinated Bond may be a Fixed Rate Bond, a Floating Rate Bond or a Zero Coupon Bond;

*Tranche* means an issue of Bonds which, pursuant to the relevant Supplemental Trust Deed, have the same Issue Date and Conditions;

*Transaction Documents* means, in relation to a Tranche, this deed, the relevant Supplemental Trust Deed, and the other documents (if any) specified as such in the relevant Supplemental Trust Deed;

*Trust Powers* means, in relation to a Bond, the trusts, powers, authorities and discretions vested in the Supervisor by this Deed in relation to that Bond and, where relevant, by law;

*Undated Subordinated Bond* means a Bond which, in accordance with its Conditions, is Subordinated Indebtedness of the Issuer, and which is identified in the Supplemental Trust Deed constituting it, and in the Register, as an Undated Subordinated Bond, and which has no Maturity Date. An Undated Subordinated Bond may be a Fixed Rate Bond or a Floating Rate Bond;

*Unsubordinated Bond* means a Bond which is not a Subordinated Bond. An Unsubordinated Bond may be a Fixed Rate Bond, a Floating Rate Bond, or a Zero Coupon Bond;

*Wholesale Series* means a Series of Bonds which are not permitted, in accordance with the relevant Conditions, to be offered or sold to any retail investor, and *Wholesale Bond* means a Bond which is part of a Wholesale Series, and *Wholesale Holder* means a Holder of a Wholesale Bond;

*Winding-Up* means any procedure, whether brought or instigated by a Holder or any other person, for the winding-up, liquidation or dissolution of the Issuer otherwise than for the purposes of, and followed by, an amalgamation or solvent reconstruction on terms previously approved by an Extraordinary Resolution of each Class of Holders; and

*Zero Coupon Bond* means a Bond in respect of which no interest is payable, and that is issued or to be issued by the Issuer at a discount to its Principal Amount.





## 1.2 References

Except to the extent that the context otherwise requires, any reference in this Deed to:

*assets* means, in respect of any person, all or any part of the present or future undertaking, property, revenues (including the right to receive revenues) or assets of it, and includes its uncalled, or called but unpaid, capital;

an *authorisation* or *consent* includes:

- (a) any consent, authorisation, registration, filing, agreement, notarisation, permit, order, recording, lodgement, certificate, permission, licence, approval, authority or exemption from, by or with a governmental agency; or
- (b) in relation to anything which will be proscribed or restricted in whole or part by law if a governmental agency intervenes or acts in any way within a specified period after lodgement, filing, registration or notification, the expiry of such period without such intervention or action;

a *clause* or *schedule* is a reference to a clause of, or schedule to, this deed, and a *regulation* is a reference to a regulation of a Schedule;

a *default* is a reference to a breach, failure to comply or failure to do, however caused, whether voluntary or involuntary and whether within or beyond the control of any person;

*directive* includes any present or future directive, regulation, policy, request, requirement or rule of any governmental agency (but, if not having the force of law, only if compliance with the directive is in accordance with the general practice of persons to whom the directive is intended to apply);

*disposal* includes any sale, assignment, exchange, transfer, loan, lease, surrender of lease, licence or parting with possession of, or the granting of any option, right or interest, or any agreement for any of the foregoing (but excludes any such transaction which is a security), and *dispose*, *acquisition* and *acquire* are to be construed accordingly;

the *dissolution* of any person includes the bankruptcy, winding-up, liquidation or removal from the register of that person, and any equivalent or analogous procedure under the law of any jurisdiction in which that person is incorporated, domiciled or resident or carries on business or has assets, but excludes:

- (a) the voluntary administration of a person;
- (b) a change in the jurisdiction of incorporation of a person;
- (c) an amalgamation under Part XIII of the Companies Act between two or more Subsidiaries of the Issuer; or



- (d) in respect of the Issuer, an amalgamation under Part XIII of the Companies Act in accordance with clause 16.1(b);

any *governmental agency* includes any central or local government, or any governmental, semi- governmental or judicial entity, agency or authority (including a local authority), or legislative body, or any person or body charged with the administration of any law. It also includes any self-regulatory organisation established under statute, or any stock exchange;

*indebtedness* includes any obligation (whether present or future, actual or contingent, secured or unsecured, joint, several or joint and several, and as principal, surety or otherwise) relating to the payment or repayment or delivery of money, and *debt* is to be construed accordingly;

*issuer obligation* has the same meaning set out in the FMCA, being an obligation imposed on the Issuer under this Deed in respect of the relevant Retail Series, the terms of the offer of that Retail Series, the FMCA or any court order relating to that Retail Series;

a *law* includes common or customary law, and any constitution, legislation, order, ordinance, regulation, by-law, statute, treaty or other legislative measure, and any judicial judgment, decree, order or direction, in each case of any relevant jurisdiction, and *lawful* and *unlawful* shall be construed accordingly;

*non-tax resident* means:

- (a) a Holder; or
- (b) (where applicable) any person beneficially deriving the interest under the Bond,

who is not resident in New Zealand for tax purposes and is a person to whom the payment of interest (or payments deemed by law to be interest) is subject to New Zealand non-resident withholding tax in respect of the relevant Bond;

*outstanding* means, in relation to Bonds, all Bonds other than those which have been:

- (a) redeemed or repaid in full in accordance with the Conditions applicable to those Bonds; or
- (b) purchased and cancelled in accordance with the Conditions applicable to those Bonds;

*payment* includes satisfaction of a monetary obligation;

*person* includes an individual, a body corporate, any association of persons (whether corporate or not), a trust, and any state, government or governmental agency or authority, in each case whether or not having a separate legal personality;



*qualified auditor* has the same meaning set out in the FMCA;

*regulated offer* has the same meaning set out in the FMCA;

*retail investor* has the same meaning set out in the FMCA;

*right* includes any right, power, remedy, authority or discretion;

a *security* includes any security interest, charge, mortgage, lien, pledge, finance lease, sale and lease-back, deferred purchase arrangement, title retention, any interest in land of a security nature, any other encumbrance or security arrangement of any nature creating in effect security for the payment of a monetary obligation or the observance of any other obligation, and any other arrangement having like effect over any property, assets or revenues, but does not include any retention of title or security interest in assets purchased in the ordinary course of trading where the purchase price is payable within 90 days of supply of the relevant assets and is not overdue, and *unsecured* means not subject to a security;

*written* and *in writing* include all means of reproducing words in a tangible and permanently visible form.

## 1.2 **Cross-references**

In relation to any Tranche, a cross-reference to any clause of this deed shall, where that clause is amended or substituted by the Supplemental Trust Deed in relation to that Tranche, be deemed to be a cross-reference to that clause as so amended or substituted.

## 1.3 **Miscellaneous**

- (a) The introduction to and headings in this deed are inserted for convenience only and shall be ignored in construing this deed.
- (b) Unless the context otherwise requires:
  - (i) words denoting only the singular include the plural, and vice versa;
  - (ii) words denoting any gender include all genders; and
  - (iii) words denoting individuals include companies and other corporations, and vice versa.
- (c) References to any legislation, or to any provision of any legislation, are references to that legislation or provision as from time to time amended, re-enacted or substituted and, unless the context otherwise requires, also include any statutory instruments issued under any such legislation or provision.
- (d) References to any agreement or document (however described) include references to such agreement or document as modified, amended, novated, supplemented, varied or replaced from time to time.



- (e) References to any party to this deed or any other document, or any Holder or person, include that party's or person's executors, administrators, successors, substitutes and assigns.
- (f) References to a time of day are references to New Zealand time unless otherwise stated.
- (g) Unless the context otherwise requires, anything which may be done at any time may also be done from time to time.
- (h) A reference to *including, for example* or *such as*, when introducing an example, does not limit the meanings of the words to which the example relates to that example or examples of a similar kind.

## 2 APPOINTMENT OF SUPERVISOR

The Issuer appoints the Supervisor, and the Supervisor accepts appointment, as supervisor for the Holders on the terms and conditions of this Deed and applicable law.

## 3 ISSUE AND FORM OF BONDS

### 3.1 Power to issue Bonds

Bonds may be issued by the Issuer under this deed at the times, in the amounts, to the persons, on the terms and conditions and at the prices from time to time determined by the Issuer.

### 3.2 Form of Bonds

Without limiting clause 3.1, Bonds may be issued on terms such that:

- (a) the Principal Amount is a fixed amount or a reducing amount or an amount to be calculated by reference to an Index; and/or
- (b) interest (if the Bond is interest-bearing) will be calculated by reference to a specific interest rate (which may be a fixed rate or a margin over the Base Rate) or by reference to an Index or both; and
- (c) the Bonds are Subordinated Bonds or Unsubordinated Bonds,

in each case as specified in the Supplemental Trust Deed applicable to those Bonds.

### 3.3 Wholesale Bonds and Retail Bonds

Bonds shall be issued on the basis that the Bonds are Retail Bonds or Wholesale Bonds in each case as specified in the relevant Supplemental Trust Deed.

### 3.4 Supplemental Trust Deed

- (a) Bonds shall be constituted and issued in Series. Each Tranche which forms part of a Series is subject to the terms and conditions set out in a Supplemental Trust Deed for that Tranche and (as modified by that Supplemental Trust Deed) this deed.



- (b) In respect of a Series comprising two or more Tranches, the Supplemental Trust Deeds relating to that Series will be substantively identical except for the respective Issue Dates, Maturity Dates, First Interest Accrual Dates, Issue Prices and/or Interest Rates.
- (c) To the extent that the Supplemental Trust Deed for a Tranche modifies this deed, or in the event of any conflict between the provisions of that Supplemental Trust Deed and those of this deed, that Supplemental Trust Deed shall prevail over this deed in relation to that Tranche.
- (d) The provisions of the relevant Supplemental Trust Deed and this deed read together in accordance with this clause 3.4 constitute the Conditions for the Bonds of the relevant Tranche.
- (e) For the avoidance of doubt, the Holders of a Series will not receive any benefit in respect of the Bonds of that Series from the obligations of the Issuer in respect of Bonds issued pursuant to another Series.

### 3.5 **Creation and issue**

- (a) Bonds of a Tranche are constituted when the Supplemental Trust Deed for that Tranche has been signed by the Issuer and the Supervisor.
- (b) Bonds are issued and created by the Registrar entering in the Register for the relevant Tranche the particulars of that Bond, substantially as specified in Schedule 4.

### 3.6 **Provisions applicable to Bonds**

The Bonds shall be issued and held with the benefit of, and subject to, the applicable Conditions, all of which are binding upon the Issuer, the Supervisor and the Holders. The Holders are deemed to have notice of the applicable Conditions.

### 3.7 **Enforcement of Holders' rights**

- (a) The Supervisor holds its rights and benefits under this Deed in trust for, and for the benefit of, the Holders including (without limitation):
  - (i) the right to enforce the Issuer's duty to repay the Principal Amount, or to pay interest, under the terms of the Bonds;
  - (ii) any Security Interest for repayment; and
  - (iii) the right to enforce any other duties that the Issuer, any Guaranteeing Group Member, and any other person have under the Conditions of any Bonds, or the provisions of this Deed or the FMCA, when applicable, in relation to the Bonds.
- (b) Except as a Supplemental Trust Deed relating to a Wholesale Series provides otherwise, no Holder is entitled to enforce any of its rights or remedies under this Deed directly against the Issuer unless the Supervisor fails to enforce such rights or remedies within a reasonable period after having become bound to do so in accordance with this Deed.



### 3.8 **Form of Bonds**

(a) Each Bond shall:

- (i) subject to clause 5.1, be in uncertificated book entry form; and
- (ii) have a tenor of one year or longer.

(b) In respect of each Tranche, there may be a Minimum Principal Amount for holdings of Bonds of that Tranche, and there may also be a minimum multiple of that amount for such holdings, in each case as specified in the relevant Supplemental Trust Deed for that Tranche.

### 3.9 **Listing**

Bonds may be Listed or unlisted, as specified in the relevant Supplemental Trust Deed or Offer Document or as otherwise provided in respect of any Series.

### 3.10 **Payment of brokerage or commission and issue at a discount or premium**

The Issuer may pay a commission, procuration, application, subscription or other fee or brokerage to any person for subscribing for, underwriting the subscription of or obtaining subscriptions for any Bonds, and may issue a Bond at a discount or premium to its Principal Amount.

### 3.11 **Issuer not precluded**

No person in, or in respect of, which the Issuer has an interest is precluded from at any time purchasing, re-purchasing, subscribing for, acquiring, holding, selling or otherwise disposing of, any Bonds.

## 4 **STATUS OF BONDS**

### 4.1 **Status of Bonds generally**

- (a) The Bonds are, and will at all times be, direct, unsecured and (except in relation to Subordinated Bonds) unconditional indebtedness of the Issuer.
- (b) Except where the Bonds are expressed in the Supplemental Trust Deed for the relevant Tranche to be Term Subordinated Bonds or Undated Subordinated Bonds, the Bonds shall be Unsubordinated Bonds, and nothing in clause 7 shall apply in respect of them.

### 4.2 **Status of Unsubordinated Bonds**

Unsubordinated Bonds rank, and will at all times rank, equally without any preference or priority among themselves, and at least equally with all present and future unsubordinated and unsecured indebtedness of the Issuer (except indebtedness preferred solely by operation of law and subject to laws affecting creditors' rights generally and equitable principles of general application).

### 4.3 **Status of Term Subordinated Bonds**

Term Subordinated Bonds rank, and will at all times rank, equally without any preference or priority among themselves, and at least equally with all other present and future unsecured Subordinated Indebtedness of the Issuer having a fixed maturity date (subject to laws affecting creditors' rights generally and equitable



principles of general application), and otherwise in accordance with the status and ranking recorded in the relevant Supplemental Trust Deed.

#### 4.4 **Status of Undated Subordinated Bonds**

Undated Subordinated Bonds rank, and will at all times rank, equally without any preference or priority among themselves, and at least equally with all other present and future unsecured Subordinated Indebtedness of the Issuer having no fixed maturity date (subject to laws affecting creditors' rights generally and equitable principles of general application), and otherwise in accordance with the status and ranking recorded in the relevant Supplemental Trust Deed.

### 5 **TITLE AND TRANSFER**

#### 5.1 **Certificates**

At the request of a Holder, or otherwise as required by the FMCA, the Listing Rules or any other applicable law, the Issuer shall procure the Registrar of the relevant Bonds to issue to that Holder a confirmation, certificate, Statement or notice of registration in relation to the Bonds held by that Holder, such confirmation, certificate, Statement or notice to be provided in the manner required by the FMCA (if applicable) and to be in the form agreed between the Issuer and the Registrar of the relevant Bonds and to comply with law and, in respect of any Bonds that are Listed, the Listing Rules (if applicable). A confirmation, certificate, notice of registration or Statement issued in respect of a Bond will not constitute a document of title. Entitlement will be determined solely by entry in the Register for the relevant Series and, in the case of the beneficial interest in Bonds lodged in NZClear, the records of NZClear.

#### 5.2 **Transfer**

Title to a Bond may be transferred by a transfer in any commonly-used form which complies with all applicable laws and the standard form and procedures of the Registrar of the relevant Bonds and which is produced to the Registrar of the relevant Bonds.

#### 5.3 **Partial transfers**

A Holder may transfer part of its interest in a Bond. However, no transfer of any part of its interest may be effected if such transfer would result in the transferor or the transferee holding or continuing to hold a Bond with a Principal Amount of less than the applicable Minimum Principal Amount (or minimum multiple thereof).

#### 5.4 **Fees**

The Issuer shall, and shall procure that each Registrar will, make no service charge to the Holders for:

- (a) the registration of any holding of Bonds; or
- (b) the transfer of registered title to any Bonds.

The Issuer and each Registrar may, however, require the payment of any Taxes and other governmental charges payable as a result of any transfer.

## 5.5 **Selling restrictions**

- (a) Each Holder shall offer for sale or sell any Bond only in conformity with all applicable laws and regulations in any jurisdiction in which it is offered, sold or delivered.
- (b) Without limiting clause 5.5(a), Bonds which are expressed in the relevant Supplemental Trust Deed to be part of a Wholesale Series shall not be offered or sold by the Issuer or any Wholesale Holder to any investors where the offer to at least one of those investors would require disclosure under Part 3 of the FMCA.
- (c) No Offer Document or any advertisement, prospectus or other offering material in respect of any Bond may be published, delivered or distributed in or from any country or jurisdiction except under circumstances which will result in compliance with all applicable laws and regulations.
- (d) In respect of a Series, the Issuer may specify any further selling restrictions it considers necessary or appropriate in an Offer Document (including any document or information lodged on the Disclose Register) for that Series, and no Bonds may be offered or sold by the Issuer or any Holder in breach of any such further selling restrictions.

## 6 **REGISTER**

### 6.1 **Register**

- (a) The Issuer shall at all times while Bonds are outstanding cause the Registrar for each Series to maintain the Register for that Series in New Zealand, which must record in respect of each Bond the information specified in Schedule 4.
- (b) The Register may be an electronic register or kept in any other reasonable manner that the Issuer thinks fit.

### 6.2 **Disclosure and Inspection**

The Registrar of the relevant Bonds must disclose, to a Holder who so requests, any information held on the Register which relates to the Bond(s) registered in the name of that Holder and all other matters required by applicable law. Subject to the terms of the Agency Agreement and any applicable laws, the Issuer and the Supervisor may at all reasonable times inspect and take extracts from each Register without payment of any fee. The Issuer will procure that the Register will make available for inspection and provide copies of or extracts from, the Register to the extent required by, and in accordance with, the FMCA, the FMC Regulations and applicable law.

### 6.3 **Register conclusive**

Except as ordered by a court of competent jurisdiction, the Issuer, the Supervisor and each Registrar are each entitled to recognise the Holder of a Bond as the absolute owner of that Bond, and shall not be bound by any actual or constructive notice of any trust (express, implied or constructive), encumbrance, security or other adverse interest to which any Bond may be subject. No recognition of any trust (express, implied or constructive), encumbrance, security or other adverse interest shall be entered on any Register. In the event of any conflict between any certificate or notice of registration issued in respect of a Bond and the Register, the Register shall prevail.





#### 6.4 **Correction of errors**

Each Registrar may, on such evidence as appears to it to be sufficient, correct errors and remedy omissions in the relevant Register.

#### 6.5 **Co-ownership of Bonds**

(a) Where two or more persons are registered as Holders of the same Bond(s) by virtue of any application for Bonds, memorandum of transfer or other instrument, then, unless the contrary is expressed in the application, memorandum, or other instrument, those persons are deemed to hold the Bond(s) as joint tenants with right of survivorship.

(b) If two or more persons apply (on an application for any Bonds or by memorandum of transfer or other instrument) to be registered as Holders as tenants in common, the Registrar for the relevant Series may, after notifying those persons of its intention to do so, divide the Bonds into parcels which represent each such person's share. If the Bonds cannot be divided into shares each of which share would comply with the applicable Minimum Principal Amounts (and any minimum multiples thereafter), the Registrar of the relevant Bonds may refuse to accept the application, memorandum of transfer or other instrument (as the case may be).

#### 6.6 **Acquisition of Bonds by operation of law**

When the right to any Bond is acquired by any person in any manner other than by way of a transfer under this Deed (whether on the dissolution or death of the relevant Holder, or under a writ of execution, or otherwise), the Registrar of the relevant Bonds, on application by or on behalf of that person and on being satisfied that such person is legally entitled to be registered as the Holder of that Bond, will enter that person's name in the Register as the Holder of that Bond accordingly.

#### 6.7 **Notification by Holders**

Any change of name or address of any Holder, or any change in any other information required to be inserted in any Register in respect of any Holder, shall immediately be notified to the Registrar of the relevant Bonds in writing by the Holder, or, if a joint holding, by all the joint Holders.

#### 6.8 **Register compliance**

The Issuer shall comply with, and shall use all reasonable endeavours to ensure that each Registrar complies with, all statutory requirements (including the Listing Rules where applicable) and the requirements of this Deed relating to the keeping of the Register and the details entered in the Register. The Register in respect of any Series shall be audited at the request of the Supervisor. Without limiting the generality of the foregoing, the Register in respect of any Retail Series shall be audited in accordance with the requirements of the FMCA and FMC Regulations from time to time by the Auditors (or such other qualified auditors that are acceptable to the Supervisor).

#### 6.9 **No liability**

No Registrar will be liable for any breach by the Issuer of any representation, obligation, or undertaking, including the non-payment of any money due, nor will any Registrar be liable for any negligent act, error or omission on the part of the



Issuer, nor for acting in accordance with any instruction or direction of the Issuer, or with the consent or approval of the Issuer.

## **7 SUBORDINATED BONDS**

### **7.1 Issue of Subordinated Bonds**

The Issuer may, if it expressly so provides in the Supplemental Trust Deed for any Series, issue Bonds which are subordinated in the event of the Winding-Up of the Issuer to the claims of Senior Creditors of the Issuer, in which case this clause 7 (as it may be modified by the relevant Supplemental Trust Deed) shall apply to that Series.

### **7.2 Term Subordinated Bonds**

The rights and claims of Holders of Term Subordinated Bonds are, in a Winding-Up of the Issuer, subordinated to the claims of the Senior Creditors of the Issuer (with the intent that all claims of Senior Creditors shall be paid in full before any claims of the Holders of the Term Subordinated Bonds are paid), and prior to the commencement of a Winding-Up of the Issuer:

- (a) the obligation of the Issuer to make any payment in respect of the Term Subordinated Bonds is conditional upon the Issuer being Solvent at the time the relevant payment falls due and, in the event that the Issuer is not Solvent at that time, such obligation shall remain conditional (and the relevant payment shall not be due) until such time as the Issuer becomes Solvent; and
- (b) no payment shall be made in respect of the Term Subordinated Bonds except to the extent that the Issuer may make such payment and still be Solvent immediately thereafter.

### **7.3 Undated Subordinated Bonds**

The rights and claims of Holders of Undated Subordinated Bonds are, in a Winding-Up of the Issuer, subordinated to the claims of the Senior Creditors of the Issuer and Holders of Term Subordinated Bonds (with the intent that all claims of Senior Creditors and Holders of Term Subordinated Bonds are paid in full before any claims of the Holders of the Undated Subordinated Bonds are paid), and prior to the commencement of a Winding-Up of the Issuer:

- (a) the obligation of the Issuer to make any payment in respect of the Undated Subordinated Bonds is conditional upon the Issuer being Solvent at the time the relevant payment falls due and, in the event that the Issuer is not Solvent at that time, such obligation shall remain conditional (and the relevant payment shall not be due) until such time as the Issuer becomes Solvent; and
- (b) no payment shall be made in respect of the Undated Subordinated Bonds except to the extent that the Issuer may make such payment and still be Solvent immediately thereafter.

### **7.4 Solvency**

- (a) For the purposes of clauses 7.2 and 7.3, a certificate as to whether the Issuer is Solvent signed by two Directors or by two authorised signatories of the Auditors,



and provided to the Supervisor, shall be prima facie evidence of the information contained therein.

#### 7.5 **Contingent debt**

On a Winding-Up of the Issuer, the Supervisor and the Holders of Subordinated Bonds shall only be entitled to prove for any sum payable in respect of the Subordinated Bonds as a debt which is subject to and contingent upon prior payment in full of, in the case of Holders of Term Subordinated Bonds, the Senior Creditors, or in the case of Holders of Undated Subordinated Bonds, the Senior Creditors and the Holders of Term Subordinated Bonds. The Supervisor agrees, and by purchasing, or otherwise becoming entered on the Register as a Holder of, a Subordinated Bond, each Holder of Subordinated Bonds is deemed to agree, that:

- (a) in accordance with section 313(3) of the Companies Act, it is accepting a lower priority in respect of the debt represented by such Bond than that which it would otherwise have under section 313; and
- (b) nothing in section 313 will prevent this Deed from having effect in accordance with its terms.

#### 7.6 **No set-off**

No Holder of a Subordinated Bond is entitled to net, or set off, against any amounts due in respect of the Subordinated Bonds held by that Holder, any amount held by the Holder to the credit of the Issuer, or otherwise to reduce the amount due to such Holder in respect of a Subordinated Bond by merger of accounts or lien or the exercise of any other rights of like effect. To the extent any netting, set-off, merger, lien or other right is required by law to be exercised that exercise shall be subject to clause 7.7.

#### 7.7 **Trust**

Any payment, whether voluntarily or in any other circumstances, received by a Holder of Subordinated Bonds, or by the Supervisor on its behalf, from or on account of the Issuer (including by way of credit, netting, set-off or otherwise), or from any liquidator, receiver, manager or statutory manager of the Issuer in breach of this clause 7, will be held by the Supervisor or the relevant Holder in trust for and to the order of the Senior Creditors (and, in the case of payments received by the Holders of Undated Subordinated Bonds, payments will also be held in trust for and to the order of the Holders of Term Subordinated Bonds). Any such trust hereby created shall be for a term expiring on the earlier of the date on which all Senior Creditors (and, in the case of any payment held in trust by a Holder of Undated Subordinated Bonds, the Holders of Term Subordinated Bonds) have been paid in full, or 80 years from the date of this deed. Neither the Supervisor nor any Holder shall have any obligation under this clause 7.7 in respect of any payment received by anyone other than itself.

#### 7.8 **Performance of trust**

Any trust mentioned in clause 7.7 may be performed by a Holder or the Supervisor by paying or repaying the amount so received or recovered, or so much thereof as is necessary to ensure that all of the Senior Creditors (and, in the case of any payment held in trust by a Holder of Undated Subordinated Bonds, the Holders of Term



Subordinated Bonds) are fully paid or repaid, on trust to the liquidator of, or other person charged with or responsible for the making of distributions on behalf of, the Issuer or, where there is no such person, the Issuer, for distribution to the appropriate Senior Creditors (and, in the case of any payment held in trust by a Holder of Undated Subordinated Bonds, the Holders of Term Subordinated Bonds). The receipt of the liquidator, or other such person or the Issuer, shall be a good discharge to the Holder or the Supervisor for the performance by it of the trust mentioned in clause 7.7. Any amount which becomes subject to the trust mentioned in clause 7.7 and which is paid or repaid by any Holder, as the case may be, or the Supervisor pursuant to this clause 7.8 shall thereafter be treated as between the Issuer and the Supervisor or the Holder as if it had never been received or recovered in the first place.

#### 7.9 **Contracts Privity Act**

For the purposes of the Contracts (Privity) Act 1982, the provisions of this clause 7 are intended to confer a benefit upon the Senior Creditors and, subject to clause 3.7, to be enforceable by the Senior Creditors directly, but no consent of the Senior Creditors is required to any modification or amendment to this clause 7 in accordance with clause 26.

#### 7.10 **No subordination of Supervisor's entitlement**

The provisions of this clause 7 apply only to payments or repayments by way of Principal Amount or interest on the Subordinated Bonds, and nothing in this clause 7 shall subordinate, defer in priority or point of payment, or otherwise affect or prejudice the payment or reimbursement of, the fees, expenses, indemnities or other moneys payable to the Supervisor pursuant to this Deed, or the rights and remedies of the Supervisor in respect thereof.

#### 7.11 **Exercise of Supervisor duties**

In respect of Subordinated Bonds issued as part of a Series, the duties of the Supervisor shall be construed and interpreted to recognise and take into account the subordinated nature of the relevant Bonds, including (to the extent applicable to the Subordinated Bonds of that Series under the terms of issue thereof contained in the relevant Supplemental Trust Deed) the following characteristics:

- (a) the subordination, and the postponement in priority, of the Subordinated Bonds to indebtedness to all Senior Creditors (and also, in the case of Undated Subordinated Bonds, to Holders of Term Subordinated Bonds);
- (b) the Issuer may freely incur further indebtedness to Senior Creditors and further Subordinated Indebtedness;
- (c) the obligation of the Issuer to make payment in respect of Undated Subordinated Bonds is conditional on the Issuer being and remaining Solvent at the time of and immediately following such payment;
- (d) the Issuer may, in the circumstances set out in this deed or any Supplemental Trust Deed, suspend payment on the relevant Bonds; and



- (e) the undertakings in clause 17 being not applicable to such Subordinated Bonds,

and the duties of the Supervisor, including the duties set out in the FMCA, shall to the extent permitted by law be limited and construed by reference to the special features of the Subordinated Bonds. All Holders of Subordinated Bonds are deemed to have agreed to, and are bound by, the foregoing limitations.

#### 7.12 **Unsubordinated Bonds paramount**

In the execution of the trusts under this Deed, and to the extent permitted by law, the Supervisor shall at all times:

- (a) regard the interests of the Holders of Unsubordinated Bonds as paramount to the interests of the Holders of Subordinated Bonds; and
- (b) regard the interests of the Holders of Term Subordinated Bonds as paramount to the interests of the Holders of Undated Subordinated Bonds,

and the Supervisor is entitled to act accordingly, taking into account the ranking of interests of Holders set out in this Deed.

#### 7.13 **No Entitlement to Specified Covenants**

Except to the extent otherwise expressly provided in the terms of issue of such Subordinated Bonds under the relevant supplemental Trust Deed, the covenants and undertakings of Guaranteeing Group Members in clause 17 (other than clause 17.2(b)) shall not be given in relation to any Subordinated Bonds or in favour of the Holders thereof, and shall not form part of the terms of issue thereof and the Holders thereof (or the Supervisor on their behalf) shall have no rights under or arising from clause 17 (other than clause 17.2(b)).

### 8 **PAYMENT OF PRINCIPAL AMOUNT AND INTEREST**

#### 8.1 **Determination of Principal Amount**

The Principal Amount of each Bond shall be the amount recorded as such in the Register in respect of that Bond, which may be the par or face value or the amount calculated by the Registrar for that Bond by reference to the formula specified in the relevant Supplemental Trust Deed.

#### 8.2 **Principal Amount of Bonds**

- (a) Subject to clause 8.2(b), the Issuer shall, on the Maturity Date of each Bond, pay or cause to be paid to, or to the order of, the Supervisor the Principal Amount of that Bond, in accordance with the Conditions applicable to that Bond.
- (b) Notwithstanding clause 8.2(a), the Issuer shall, on the Maturity Date of each Bond, unless and until otherwise requested by the Supervisor and without the need for any Holder or the Supervisor on its behalf to give notice that payment is required, pay or cause to be paid to, or to the order of, the relevant Holder the Principal Amount of that Bond, in accordance with the Conditions applicable to that Bond. Such payment shall operate as a payment to the Supervisor in satisfaction (to the extent of the amount paid) of the Issuer's obligations under clause 8.2(a).



### 8.3 **Interest on Bonds**

- (a) Subject to clause 8.3(b), the Issuer shall, as and when due and payable in accordance with the Conditions applicable to each Bond, unconditionally pay or cause to be paid to, or to the order of, the Supervisor all interest and other amounts payable in respect of that Bond, in accordance with the Conditions applicable to that Bond.
- (b) Notwithstanding clause 8.3(a), the Issuer shall, as and when due and payable in accordance with the Conditions applicable to each Bond, unless and until otherwise requested by the Supervisor and without the need for any Holder or the Supervisor on its behalf to give notice that payment is required, pay or cause to be paid to, or to the order of, the relevant Holder all interest and other amounts payable in respect of that Bond, in accordance with the Conditions applicable to that Bond. Such payment shall operate as a payment to the Supervisor in satisfaction (to the extent of the amount paid) of the Issuer's obligations under clause 8.3(a).

### 8.4 **Rate of interest**

Subject to the Conditions applicable to a Bond, the Issuer shall pay interest on each Interest Payment Date:

- (a) on each Floating Rate Bond for each Interest Period, at the rate per annum equal to the aggregate of the Base Rate for that Interest Period (as determined by the Calculation Agent for the relevant Series) and the Margin for that Floating Rate Bond;
- (b) on each Fixed Rate Bond, at the Interest Rate for that Fixed Rate Bond; and
- (c) on any other Bond, in the manner specified in the relevant Supplemental Trust Deed and recorded in the Register in respect of that Bond.

### 8.5 **Non-payment**

Each Bond will cease to bear interest from its Maturity Date unless payment of the Principal Amount is improperly withheld or refused (or, in the case of a Subordinated Bond, if its repayment is suspended under clause 7). In such event, interest will continue to accrue (after, as well as before, any judgment) up to but excluding the date on which payment in full of the Principal Amount is made.

### 8.6 **Default interest**

If any amount payable in respect of a Bond, or any other amount due to any person under this Deed, is not paid on its due date, interest (*Default Interest*) shall accrue on the unpaid amount (net of any interim or progress payments made) (after, as well as before, judgment) at the rate determined by the Calculation Agent for the relevant Series to be:

- (a) in the case of a Floating Rate Bond, the aggregate of 2%, the Base Rate applicable to such Bond and the Margin;
- (b) in the case of a Fixed Rate Bond, the aggregate of 2% and the relevant fixed rate; and



- (c) in the case of any other payment due under this Deed (and unless otherwise specified in the relevant Supplemental Trust Deed in any particular case) the aggregate of 2% and the Base Rate which on the due date would apply to an Interest Period of one month,

and such Default Interest shall be so determined at monthly intervals thereafter until the unpaid amount (net of any interim or progress payments) is paid, and shall be compounded monthly until paid. For the avoidance of doubt, this clause 8.6 shall not apply in relation to payments of interest on any Bonds which have been suspended in accordance with the Conditions of those Bonds.

#### 8.7 **Early redemption**

Subject to this Deed and to the Conditions of any Bond, including any restrictions on Minimum Principal Amounts, the Issuer may redeem Bonds prior to their Maturity Date. For the avoidance of doubt, this clause 8.7 does not apply to Subordinated Bonds unless specifically provided otherwise in the relevant Supplemental Trust Deed.

### 9 **CALCULATION OF INTEREST**

#### 9.1 **Floating Rate Bonds**

- (a) **Interest Periods:** Each Interest Period in relation to a Floating Rate Bond shall be a period of one, two, three, four, five or six months' duration (as specified by the Issuer at the time of issue of that Bond and entered in the Register for the relevant Series), and:

- (i) the first Interest Period will commence on (and include) the First Interest Accrual Date and end on (but exclude) the first Interest Payment Date, and each subsequent Interest Period will commence on (and include) the Interest Payment Date of the previous Interest Period and end on (but exclude) the next Interest Payment Date;
- (ii) if an Interest Period would otherwise end on a day which is not a Business Day, it will be extended to the next Business Day; and
- (iii) if the final Interest Period would otherwise extend beyond the Maturity Date, it will end on the Maturity Date.

- (b) **Basis for calculation:** Interest shall be calculated on the Principal Amount of each Floating Rate Bond, on the basis of the number of days in the relevant Interest Period and a year of 365 days. Interest shall accrue from day to day and shall be paid to the Holder in arrears on the Interest Payment Date for that Interest Period, subject to any provisions relating to suspension of interest payments which are contained in the Conditions of the relevant Series.

#### 9.2 **Fixed Rate Bonds**

Interest shall be calculated on the Principal Amount of each Fixed Rate Bond and shall be payable in arrears in, except as otherwise provided in the relevant Supplemental Trust Deed in relation to any broken period, equal quarterly, semi-annual, annual or other instalments on each Interest Payment Date for that Fixed



Rate Bond, subject to any provisions relating to suspension of interest payments which are contained in the Conditions of the relevant Series.

### 9.3 **Other Bonds**

In the case of any other Bonds, interest shall be calculated and paid in the manner specified in the relevant Supplemental Trust Deed.

## 10 **PAYMENTS**

### 10.1 **Payment to Holder**

Payment of the Principal Amount of, and interest (if any) on, a Bond (less any amount required to be deducted in accordance with clause 11) shall be made to the person whose name appears in the Register for the relevant Series as the Holder of the Bond on the Record Date in respect of the relevant payment. If more than one person is so named in the Register, payment will be made to the first person so named.

### 10.2 **Method of payment**

- (a) If the Issuer pays the Principal Amount of any Bond in accordance with clause 8.2(b), all payments in respect of that Bond held by a Holder shall be paid by the Registrar by direct credit to a bank account specified by that Holder by written notice from time to time or, in the absence of such specification, by cheque posted at the Holder's risk to the address of the Holder as recorded in the Register for the relevant Series, unless the Conditions of any Bond specify otherwise. A Holder may at any time amend any notice so given, provided that no amendment of a notice shall have effect unless another address or bank account is specified by that Holder.
- (b) No notice or amendment of a notice given under clause 10.2(a) will have effect in respect of any payment unless received by the Registrar before the Record Date for that payment. Any notice given under clause 10.2(a) is deemed to be automatically cancelled upon transfer of all of a Bond or, in the case of transfer of part of a Bond, in respect of the part transferred. A notice from one of several Holders of the same Bonds is deemed to be given by all such Holders.
- (c) If, for whatever reason, at any time a Holder has provided neither a current address nor current details of a bank account to the Registrar, any payments in respect of any bond to that Holder shall be deemed to be unclaimed money for the purpose of clause 10.4.

### 10.3 **Business Day**

If any Interest Payment Date or the Maturity Date of a Bond is not a Business Day for that Bond, the due date for the payment to be made on that date will, subject to the terms of the relevant Supplemental Trust Deed, be the next following Business Day and all other provisions of this Deed and the relevant Agency Agreement will be read and construed accordingly.

### 10.4 **Unclaimed payments**

If any payment made by the Issuer to a Holder, at its address or bank account last entered in the Register, is returned unclaimed, the amount concerned must (unless the Registrar or the Issuer has in the meantime received notice of a change of





address or bank account to be entered in the Register) be retained by the Registrar for the relevant Series, to be held by it for the Holder concerned without any liability to invest or pay interest on that amount. Any money not claimed within a period of six months from the original date of payment must be returned to the Issuer, without limiting the rights of the Holder entitled to the unclaimed amount. The Issuer will have no liability in respect of the amount concerned if it remains unclaimed five years after the original date of payment. If the unclaimed amount concerned is not claimed within five years after the original date of payment, then the unclaimed amount is taken to be forfeited to the Issuer for the Issuer's benefit and shall no longer be treated as being an unclaimed amount.

#### 10.5 **Reinstatement**

If any payment made to a Holder by, or on behalf of, the Issuer is subsequently rescinded, avoided or otherwise restored to the Issuer, that payment will be deemed not to have discharged or affected the liability of the Issuer in respect of which that payment was made. In that event, the relevant Holder and the Issuer will 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.

### 11 **TAXES**

#### 11.1 **Deductions or withholdings**

All sums payable under a Bond or under this Deed must be paid:

- (a) free of any restriction or condition;
- (b) free and clear of, and (except to the extent required by law or as provided in this clause 11) without any deduction or withholding on account of, any Taxes; and
- (c) (except to the extent required by law or as provided in this clause 11) without deduction or withholding on account of any other amount, whether by way of set-off or otherwise.

#### 11.2 **Non-resident withholding tax**

New Zealand non-resident withholding tax (*NRWT*) will be deducted from payments of interest, or payments deemed by law to be interest, to any Holder (including, if applicable, any person who beneficially derives interest under the relevant Bond) who is non-tax resident. However, unless otherwise stated in the relevant Offer Document or the relevant non-tax resident Holder notifies the Issuer that it elects that NRWT be deducted from payments to it instead of Approved Issuer Levy, if the Issuer is lawfully able to pay Approved Issuer Levy in respect of any payment of interest (or deemed interest) to non-tax resident Holders, and elects to do so in respect of any Series, the Issuer, or the Registrar for the relevant Series on its behalf, shall pay the Approved Issuer Levy to the appropriate authority and shall deduct and retain for its own benefit an amount equal to the amount so paid from the interest (or deemed interest) payable to those Holders, in lieu of deducting NRWT from that payment at the rate otherwise applicable.



### 11.3 **Resident withholding tax**

New Zealand resident withholding tax (*RWT*) will be deducted from payments of interest (or payments deemed by law to be interest) to any Holder (including, if applicable, any other person who beneficially derives interest under the relevant Bond) other than a non-tax resident, unless the Holder is able to establish to the satisfaction of the Issuer, or the Registrar for the relevant Series on its behalf, either by provision of an appropriate exemption certificate or otherwise before the Record Date for the relevant payment, that no such Tax need be deducted.

### 11.4 **No gross-up**

The Issuer is not required to, and will not, make any additional payment by way of gross-up or otherwise with respect to the deduction or withholding from any payment made in respect of the Bonds under clauses 11.2 or 11.3. If, in respect of any Bond, the Registrar for the relevant Series or the Issuer becomes liable to make any payment of, or on account of, Tax payable by any Holder (including, if applicable, any other person who beneficially derives interest under the relevant bond), then the Registrar for the relevant Series and the Issuer shall be indemnified by the relevant Holder in respect of such liability. Any moneys paid by the Registrar for the relevant Series or the Issuer in respect of such liability may be recovered from the Holder as a debt due to the Registrar for the relevant Series or the Issuer, and may be withheld from any further payments to that Holder. Nothing in this clause 11.4 will prejudice or affect any other right or remedy of the Registrar for the relevant Series or the Issuer.

### 11.5 **Default rate**

Deductions of NRWT or RWT will be made at the default rates from time to time applicable unless a Holder (or, if applicable, any person who beneficially derives interest under the relevant Bond) provides evidence to the Issuer or the Registrar for the relevant Series (acceptable to it) that a different rate is applicable.

### 11.6 **Tax status**

The Issuer and the Registrar for the relevant Series are entitled for the purposes of this clause 11 to rely, without further enquiry, upon any evidence produced, or statement made, by, or on behalf of, a Holder in relation to that Holder's Tax status or tax residency, and to regard the Holders entered in the Register as the only beneficial owners of, or the only persons who beneficially derive interest under, the relevant Bonds.

### 11.7 **Tax Details**

Each Holder shall give written notice to the Registrar for the relevant Series of any information requested by the Registrar for the relevant Series in order to determine the payment or withholding obligations of the Issuer. A Holder must also notify the Registrar for the relevant Series prior to the Record Date in respect of any Interest Payment Date of any change in circumstances from those previously notified that could affect the payment or withholding obligations of the Issuer.



## 12 **GUARANTEE**

### 12.1 **Guarantee**

Each Guaranteeing Group Member jointly, severally, unconditionally and irrevocably guarantees, to and for the benefit of the Supervisor, the due and punctual payment by each other Guaranteeing Group Member (including, without limitation, the Issuer) of the Guaranteed Moneys as and when the same shall become owing or payable under this Deed, and the due observance and punctual performance of, and compliance by each other Guaranteeing Group Member with, its obligations in respect of the Guaranteed Moneys during the term of this Guarantee.

### 12.2 **Payment on demand**

In the event that a Guaranteeing Group Member defaults in the due and punctual payment of such Guaranteed Moneys to the Supervisor, each Guaranteeing Group Member jointly and severally agrees, immediately upon demand by the Supervisor, to pay to the Supervisor all amounts then due and unpaid with respect to such Guaranteed Moneys.

### 12.3 **Guaranteeing Group Member as principal debtor**

The liability of each Guaranteeing Group Member to the Supervisor under this Guarantee is deemed to be the liability of a principal debtor and not merely a surety, and such liability will not be affected or diminished, nor will any security or guarantee provided by any Guaranteeing Group Member be released or discharged, by any act, indulgence, omission or matter which, but for this clause, would have operated to release a Guaranteeing Group Member wholly or partly from its liability to the Supervisor, including:

- (a) **Granting of time:** the granting of any time, credit, indulgence, waiver or other concession to any Guaranteeing Group Member or any other person, whether by the Supervisor or any other person (whether or not at the request of the Guaranteeing Group Member or other such person);
- (b) **Insolvency:** the dissolution of any Guaranteeing Group Member or any other person, or the appointment of any receiver, manager, inspector, trustee, statutory manager or other similar person in respect of any Guaranteeing Group Member or any other person over the whole or any part of its or their respective assets, or any step being taken in respect of such dissolution or appointment;
- (c) **Change in position:** any Guaranteeing Group Member or any other person being or becoming a party to an amalgamation, assignment for the benefit of creditors, scheme of arrangement, compromise, scheme of reconstruction or change in constitution, composition, status or control, in each case however arising, including by reason of a change in constitutive documents or by incorporation or the death, incapacity, retirement, appointment or admission of any partner, trustee or other person;
- (d) **Liability ceasing:** subject to any release of a Guaranteeing Group Member under clause 14.4, the liability of any Guaranteeing Group Member or any



other person ceasing, from any cause whatever (including any release or discharge by the Supervisor or by operation of law);

- (e) **Other agreements:** any other person providing, or joining in providing, any agreement, guarantee or security, or the failure by any Guaranteeing Group Member or any other person to provide, or being incompetent to give, this Guarantee or any other agreement, guarantee or security required by the Supervisor;
- (f) **Other obligations:** any agreement, guarantee (including this Guarantee), security or right held by, or available to, the Supervisor at any time being or becoming in whole or in part void, voidable, defective or unenforceable for any reason, or being released, discharged or varied in whole or in part;
- (g) **Variation:** any amendment, variation, waiver, compounding, compromise, release, abandonment, relinquishment or renewal of any agreement (including any alteration or addition to this deed or any Supplemental Trust Deed), guarantee, security or any assets, or any of the rights of the Supervisor against any Guaranteeing Group Member or any other person (a *change in circumstance*), or any failure to notify any Guaranteeing Group Member or such person of such change in circumstance; or
- (h) **Enforcement:** the enforcement of, or failure to enforce (including the failure to make a valid demand in respect of), any rights under any agreement, guarantee or security or any law.

#### 12.4 **Independent obligation**

This Guarantee is a principal obligation and is in addition to, and independent of, and not in substitution for, any other agreement, guarantee, security or right which the Supervisor may have at any time, and will not merge with, or in any way be prejudiced or affected by, or prejudice or affect, any such agreement, guarantee, security or right. The Supervisor may enforce this Guarantee without first taking steps or proceedings against any other Guaranteeing Group Member or any other person.

#### 12.5 **Continuing**

This Guarantee is a continuing guarantee, and will remain in full force and effect by way of continuing security until the whole of each Guaranteeing Group Member's indebtedness for Guaranteed Moneys has been fully paid and/or satisfied, and will not be considered as wholly or partially satisfied, discharged or affected by any intermediate payment or settlement of account.

#### 12.6 **Exercise of Guaranteeing Group Member's Rights**

So long as any Guaranteeing Group Member has any indebtedness for Guaranteed Moneys which is unpaid or unsatisfied:

- (a) **No competition:** any right of any Guaranteeing Group Member, by reason of the performance of any of its obligations under this Guarantee, to be indemnified by any other Guaranteeing Group Member or any other person, to directly or indirectly prove in the estate of any other Guaranteeing Group



Member or any other person, to take the benefit of or enforce any agreement, security or other guarantee, or exercise any other right it may have to receive the benefit of any distribution or payment, shall be exercised and enforced only in such manner and on such terms as the Supervisor may require; and

(b) **Moneys on trust:** any amount received or recovered by any Guaranteeing Group Member:

(i) as a result of any exercise of any such right; or

(ii) in the dissolution of any Guaranteeing Group Member or any other person,

shall be held in trust for the Supervisor and immediately paid to the Supervisor.

#### 12.7 **Payments in gross**

Any dividend, distribution, payment, or other money whatever, received at any time by the Supervisor which may be applied in reduction of a Guaranteeing Group Member's indebtedness for Guaranteed Moneys will be regarded as a payment in gross, without any right on the part of any Guaranteeing Group Member to stand in the place of the Supervisor in respect of, or to claim the benefit of, any moneys so received against that Guaranteeing Group Member until the whole of the Guaranteed Moneys have been paid or satisfied, so that, in the event of the dissolution of a Guaranteeing Group Member or any other person, the Supervisor may prove against it for the whole indebtedness of a Guaranteeing Group Member to the Supervisor in relation to the Guaranteed Moneys, until the whole of the Guaranteed Moneys have been paid or satisfied.

#### 12.8 **Suspense account**

The Supervisor may retain in a suspense account and appropriate (subject to the provisions of this Deed) at its discretion any amount received from any Guaranteeing Group Member in respect of a Guaranteeing Group Member's indebtedness for Guaranteed Moneys until the Supervisor has received 100 cents in the dollar in respect of a Guaranteeing Group Member's indebtedness for Guaranteed Moneys to the Supervisor.

#### 12.9 **Reinstatement**

If any payment made to the Supervisor by or on behalf of any Guaranteeing Group Member is avoided by law, or required to be repaid to a liquidator or similar official of the relevant Guaranteeing Group Member, such payment is deemed not to have discharged or affected the liability of that or any other Guaranteeing Group Member in respect of such payment, and in that event the Supervisor and each Guaranteeing Group Member shall be restored to the respective positions 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.

#### 12.10 **Indemnity**

If all or any of the Guaranteed Moneys (or any sum which, if recoverable, would have formed part of the Guaranteed Moneys) are or may be irrecoverable from the



Guaranteeing Group Members, or if all or any of such moneys are not recoverable from any Guaranteeing Group Member by the Supervisor under this Guarantee, then and in each such case:

- (a) **Indemnity:** each Guaranteeing Group Member, as a separate and additional liability under this deed, indemnifies and will keep indemnified the Supervisor in respect of such moneys; and
- (b) **Payment:** each Guaranteeing Group Member, as a principal debtor, will, on demand, pay to the Supervisor a sum equal to the amount of such moneys,

and the terms of this Deed shall (with all necessary modifications) apply so far as possible to this indemnity.

#### 12.11 **Not affected**

The indemnity in clause 12.10 applies to all or any of the Guaranteed Moneys (or any sum which, if recoverable, would have formed part of the Guaranteed Moneys) which is, or may be, irrecoverable for any reason (whether or not within the knowledge of the Supervisor), including any legal or equitable limitation, disability or incapacity of, or affecting, any Guaranteeing Group Member or any other person, any transaction relating to such moneys being or becoming at any time void, voidable, defective or otherwise unenforceable, and any other circumstances which allow any Guaranteeing Group Member to avoid paying such sums, in whole or in part.

#### 12.12 **Marshalling**

The Supervisor is under no obligation to marshal or appropriate in favour of any Guaranteeing Group Member.

### 13 **OBLIGATION TO SATISFY GUARANTEED MONEYS**

Each Guaranteeing Group Member undertakes to each other Guaranteeing Group Member that it shall take all actions available to it to meet its liability in respect of the Guaranteed Moneys owed by that Guaranteeing Group Member, including utilisation of its undistributed profits and other available reserves.

### 14 **JOINING AND RELEASING GUARANTEERING GROUP MEMBERS**

#### 14.1 **Joining Guaranteeing Group Members**

Subject to clause 14.3, the Issuer covenants with the Supervisor that it will, from time to time, with all reasonable expedition, after any company becomes a Controlled Subsidiary, procure that such Controlled Subsidiary shall become a Guaranteeing Group Member, and may procure, at any time, of its own volition (without being under any obligation to do so), any Group Member which is not a Guaranteeing Group Member to become a Guaranteeing Group Member.

#### 14.2 **Mode of joining**

A Group Member shall become a Guaranteeing Group Member by executing and delivering to the Supervisor a supplemental deed substantially in the form set out in Schedule 5, or in such other form as may be approved by the Supervisor, whereby

such Group Member guarantees, jointly and severally with each of the other Guaranteeing Group Members, the payment of the Guaranteed Moneys.

#### 14.3 **Exemption**

The Issuer is not obliged to comply with clause 14.1 where the Issuer has provided to the Supervisor a certificate executed by either a Director or the chief executive officer of the Issuer certifying that, if such a Controlled Subsidiary does not execute a supplemental deed, the Issuer and each other Guaranteeing Group Member will continue to satisfy and comply in all respects with clause 17.1(a).

#### 14.4 **Release of Guaranteeing Group Members generally**

Notwithstanding clause 14.1 (but subject to continued compliance with clause 17.1(a)), and so long as no Event of Default or Potential Event of Default has occurred and is continuing unremedied or unwaived, a Guaranteeing Group Member (referred to herein as a *Ceasing Member*, which may not be (a) the Issuer or (b) any Guaranteeing Group Member which, other than solely in its capacity as a Guaranteeing Subsidiary under this Deed, has any outstanding indebtedness owing to the Supervisor under this deed or any Supplemental Trust Deed) shall cease to be a Guaranteeing Group Member, and the Supervisor and each other Guaranteeing Group Member shall, without the need for any further action (except as expressly provided for by clauses 14.4(a) or 14.4(b)), be deemed to have released such Ceasing Member from this Deed and the Guarantee and its obligations and liabilities as a Guaranteeing Group Member under or by virtue of this deed (including, for the avoidance of doubt, all indemnities) on the date specified in the certificate referred to in clause 14.4(a) below, or the date of release referred to in clause 14.4(b) below, if:

- (a) the Issuer has given to the Supervisor (i) a written notice of the intention to invoke this clause by provision of the certificate next referred to; and (ii) a certificate signed by a Director notifying the proposed date of release of the Ceasing Member (not being less than 20 Business Days after the date of the notice referred to in paragraph (i)), giving the reasons for the proposed release and sufficient information for the Supervisor to form an opinion as to the effect of the proposed release, and certifying that, immediately following such release of the Ceasing Member, the Issuer and each other Guaranteeing Group Member will satisfy and comply in all respects with clause 17.1(a), and the Supervisor has notified the Issuer in writing that it considers that the interests of the Holders are not and are not likely to be materially prejudiced by the release of the Ceasing Member; or
- (b) the Supervisor has at any time, by written release, released a Ceasing Member from all or any of its obligations under this Deed (to the extent provided in such release) upon being satisfied that the interests of the Holders will not be materially prejudiced thereby.

#### 14.5 **Effect of release**

No release pursuant to any of the provisions of this clause 14 shall operate to release the relevant Guaranteeing Group Member, or any other Guaranteeing Group Member, from liability for the payment or fulfilment of any indebtedness or any



other obligations for which it is liable or obligated to the Supervisor independently of this Deed or the Guarantee.

## 15 REPRESENTATIONS AND WARRANTIES

### 15.1 Representations and warranties

The Issuer represents and warrants to the Supervisor and the Holders that:

- (a) **Status:** it is a company duly incorporated under the Companies Act 1955 and reregistered to become a company under the Companies Act, and validly existing under the laws of New Zealand;
- (b) **Power:** it has power to enter into, and perform its obligations under, this Deed and to issue the Bonds;
- (c) **Authority:** it has taken all necessary corporate and other action to authorise the entry into, execution and delivery of this Deed, and the performance by it of all the obligations expressed to be binding on it, and the issue of Bonds;
- (d) **Valid obligations:** its obligations under this Deed and the Bonds (once issued) are legal, valid and binding obligations enforceable against it, in each case in accordance with its terms, subject to all applicable insolvency laws affecting creditors' rights generally, and subject also (as to enforceability) to equitable principles of general application regardless of whether enforcement is sought in a proceeding in equity or at law;
- (e) **No laws violated:** the execution and performance by it of its obligations under this Deed and the Bonds do not violate any applicable law or its constitution or any agreement, security document or other instrument to which it is a party or which is binding on it or any material part of its assets, or cause any limitation on any of its powers, or on the right or ability of its Directors to exercise those powers, to be exceeded;
- (f) **Authorisations:** all material consents and other authorisations required by it, or otherwise appropriate for it to obtain, in relation to the entry into, execution or performance by it, and the validity and enforceability of, this Deed and the Bonds have been obtained or effected and are in full force and effect, and there have been no revocations, qualifications or modifications to any such consent, and there has been no default in compliance with any such consent which has not been notified to the Supervisor;
- (g) **Power to carry on business:** it has the power and authority to own its assets and to carry on its business as, and in such place or places as, it is now being conducted;
- (h) **No litigation:** except as notified to the Supervisor in writing, no litigation, tax claim, administrative or arbitration proceedings before or of any court, tribunal, arbitrator or governmental agency, or dispute with any governmental agency against, or affecting, it is or are presently in process, pending or (to the best of its knowledge, information and belief) threatened in respect of any





Guaranteeing Group Member, in respect of a claim or claims in aggregate in excess of \$5,000,000 (*Material Litigation*);

- (i) **No default:**
  - (i) no Event of Default or Potential Event of Default has occurred and remains unremedied; and
  - (ii) no Event of Default or Potential Event of Default will result from the execution and delivery of this Deed or the issue of the Bonds;
- (j) **Full disclosure:**
  - (i) all the factual information provided by it in writing to the Supervisor at any time (including, for the avoidance of doubt, prior to the date of this document) in connection with this Deed was true and accurate in all material respects and not misleading in a material respect (including by omission) as at the date on which it was provided; and
  - (ii) any opinions (to the best of its knowledge and belief), projections, forecasts and the prospective financial information provided at any time (including, for the avoidance of doubt, prior to the date of this document) by it to the Supervisor, and the assumptions on which they are based, are reasonable, were arrived at after due consideration and enquiry, and genuinely represent its view;
- (k) **Solvency:** it is Solvent;
- (l) **Obligations rank pari passu:** subject to clauses 4.3 and 4.4, all of its obligations under this Deed rank, and will at all times rank, at least equally in right and priority of payment with all its other present and future unsecured unsubordinated indebtedness (actual or contingent), except such indebtedness which is preferred solely by law;
- (m) **No agency or trust:** it enters into this Deed as principal and not in the capacity of an agent or as the trustee of any trust or settlement;
- (n) **Taxes:** it has complied in all material respects with all taxation laws in all jurisdictions in which it is subject to taxation, and has paid all material amounts in respect of taxes due and payable by it, and no material claims are being asserted against it in respect of taxes which would have a material adverse effect;
- (o) **No immunity:** neither it nor any material part of its assets has any immunity from suit or attachment;
- (p) **No Security Interest:** its execution and performance of this Deed, and the issue of the Bonds, do not and will not result in a Security Interest (other than a Permitted Security) being created on any of its assets;



(q) **Financial Statements:** the Guaranteeing Group's most recent Financial Statements provided to the Supervisor were prepared in accordance with NZ GAAP (except as expressly disclosed otherwise in those Financial Statements) and are a true and fair statement of:

- (i) the financial position (and fully disclose or reflect all actual and contingent liabilities) in respect of the Guaranteeing Group's operations as at the date to which the financial statements relate; and
- (ii) the operational results of the Guaranteeing Group during the period covered by the financial statements,

and there has been no change in the financial position of the Guaranteeing Group's state of affairs or operations since the date to which those Financial Statements were prepared which would, or would be likely to, have a material adverse effect;

- (r) **Documents:** the most recent copy of each document provided by it to the Supervisor in connection with this Deed and the issue of the Bonds is a true and complete copy of the original, and the original document is in full force and effect;
- (s) **Reliance:** it has relied on its own investigations and enquiries regarding the transactions contemplated by this Deed and the issue of the Bonds, and has not relied on any information, advice or opinion (including as to interest rates, Derivative Transactions or exchange rates) given or offered by or on the Supervisor's behalf, even if in answer to any enquiry by or for it;
- (t) **Environmental Laws:** it is not, and so far as it is aware, it is not likely to be, in breach of any Environmental Laws which would cause a material adverse effect;
- (u) **Permitted Security:** its assets are not subject to any Security Interest other than any Permitted Security; and
- (v) **Governance:** the Issuer:
  - (i) operates subject to the Companies Act, its constitution and the Transaction Documents; and
  - (ii) if and for so long as the Issuer is party to a listing agreement with NZX or any other stock exchange or has issued Listed securities or securities listed on any such other exchange (noting that none of the foregoing applies at the date of this deed), will in addition operate subject (to the extent applicable) to the Listing Rules, or (as the case may be) the rules and regulations of any such other exchange.



## 15.2 **Representation and Warranty of the Supervisor**

The Supervisor represents and warrants to the Issuer and the Retail Holders that the Supervisor is licensed (as the term is defined in the FMCA) and that licence covers the supervision of all Retail Bonds issued under this Deed.

## 15.3 **Supplemental Trust Deed**

In respect of a Series, the Issuer shall make such further representations and warranties as are set out in the Supplemental Trust Deeds for that Series.

## 15.4 **Repetition**

- (a) The representations and warranties contained in clause 15.1 above are deemed to be repeated for the benefit of the Supervisor and the Holders on the Issue Date of each Bond.
- (b) In respect of a Series, the representations and warranties contained in clause 15.3 above are deemed to be repeated for the benefit of the Supervisor and Holders of that Series on the Issue Date and each Interest Payment Date of each Bond forming part of that Series.
- (c) The representation and warranty contained in clause 15.2 will be deemed to be repeated by the Supervisor at all times until all Bonds are cancelled, redeemed, or forfeited, or all of the obligations in relation to the Bonds have been discharged.

## 16 **UNDERTAKINGS**

### 16.1 **General undertakings**

The Issuer undertakes to the Holders and the Supervisor that it will, for so long as any Bonds are outstanding:

- (a) **Notify Event of Default:** promptly notify the Supervisor of the occurrence of any Event of Default or Potential Event of Default;
- (b) **Report of contravention or possible contravention of issuer obligations:** if it has reasonable grounds to believe that it has contravened, may have contravened, or is likely to contravene any of its issuer obligations in a material respect, as soon as practicable:
  - (i) report the contravention or possible contravention to the Supervisor;  
and
  - (ii) advise the Supervisor of the steps (if any) that the Issuer has taken or intends to take in light of the contravention or possible contravention and the date by which the steps were taken or are to be taken;
- (c) **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 FMCA), 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 Issuer and that was



obtained in the course of, or in connection with, the performance of its functions as Issuer; and

- (ii) advise the Supervisor of the steps (if any) that the Issuer intends to take in respect of that matter and the date by which the steps are to be taken;
- (d) **Corporate existence:** maintain its corporate existence, and will not amalgamate, merge or consolidate with any person unless (and without prejudice to the Issuer's rights under clause 29):
- (i) the Issuer is, following the amalgamation, merger or consolidation, the continuing legal entity; or
  - (ii) in any other case, the resulting or surviving entity assumes, to the satisfaction of the Supervisor, the obligations of the Issuer under the relevant Bonds and each Transaction Document;
- (e) **Send notices:** in respect of each Series, send copies to the Supervisor of all notices or other information given by it to Holders of that Series generally;
- (f) **FMCA:** in respect of each Retail Series, comply with the provisions of the FMCA and the FMC Regulations applicable to that Series;
- (g) **Information:** provide the Supervisor, upon written request, with such information relating to the Issuer, a Guaranteeing Subsidiary or the Group, or the Issuer's, Guaranteeing Subsidiary's or the Group's business or financial condition, as may reasonably be required by the Supervisor for the purposes of the discharge of the duties, trusts and powers vested in the Supervisor under this Deed or imposed on it by law;
- (h) **Annual and half-yearly reports:** if requested by a Holder, send copies to that Holder of the Guaranteeing Group's annual report and/or half-yearly report at any time after the Issuer has supplied the relevant annual or semi-annual Financial Statements comprised therein to the Supervisor pursuant to clause 16.3;
- (i) **Offer Document:** not issue any Offer Document in respect of the issue of Bonds without prior consultation with the Supervisor, and not include any statement in any such Offer Document, or any advertisement (as defined in the FMCA) for any Bonds, concerning the Supervisor, without the prior consent of the Supervisor;
- (j) **Insurance:** insure and keep insured, and procure that each Guaranteeing Subsidiary will insure and keep insured, its insurable assets in accordance with normal industry practice, and obtain and maintain such other insurance as appropriate to its business, assets and operations (including public risk and business interruption) consistent with normal industry practice;



- (k) **Comply with laws:** promptly comply with and observe, and procure that each Guaranteeing Subsidiary will promptly comply with and observe, all applicable laws and directives, non-compliance or non-observance with which would, or might reasonably be expected to, have a Material Adverse Effect;
- (l) **Business:** conduct, and procure that each Guaranteeing Subsidiary will conduct, business prudently and in accordance with normal commercial business practice;
- (m) **Authorisations:** obtain, effect and promptly renew, and procure that each Guaranteeing Subsidiary will obtain, effect and promptly renew, from time to time, all material authorisations required, or otherwise appropriate to obtain, under any applicable law, to enable each Guaranteeing Group Member to perform and comply fully with its respective obligations under this Deed or any Transaction Document to which it is a party, or required on its part (or on the part of any other Guaranteeing Group Member) for the validity or enforceability of this Deed or any Transaction Document;
- (n) **Records:** keep proper and adequate books and records in accordance with law and (in respect of any Financial Statements) in accordance with NZ GAAP;
- (o) **Pay Taxes:** pay when due all Taxes assessed, levied or imposed on it or its assets, other than Contested Taxes;
- (p) **Environmental Law:** maintain procedures to monitor its compliance with Environmental Law, and take whatever action is required to avoid any liability under an Environmental Law where failure to do so would have or be likely to have a material adverse effect; and
- (q) **Listing Rules:** if at any time any Bonds are to be Listed, use reasonable endeavours to maintain such Listing, and furnish to NZX such information as it may require in accordance with the Listing Rules, or with any arrangements made between the Issuer with NZX, and for the time being in force.

## 16.2 Supplemental Trust Deed

In respect of each Series, the Issuer also undertakes in favour of the Holders of that Series and the Supervisor that it will, and in relation to paragraphs (a) and (b) below will procure that each relevant Guaranteeing Subsidiary will, for so long as any Bonds of that Series are outstanding:

- (a) **Supplemental Trust Deed:** comply in all material respects with, and perform its obligations under, each Supplemental Trust Deed for that Series;
- (b) **Transaction Documents:** comply in all material respects with, and perform its obligations under, each Transaction Document for that Series to which it is a party;
- (c) **Agency Agreement:** comply in all material respects with, and perform all material obligations under, the Agency Agreement for that Series and use all

reasonable endeavours to ensure that the Registrar for that Series also does so;

- (d) **Register:** ensure that a Register for each Series is established and maintained, and use all reasonable endeavours to cause the Registrar for that Series to keep the Register for that Series pursuant to the relevant Agency Agreement; and
- (e) **Registrar:** give, or procure that the Registrar gives, notice to the Holders of that Series and the Supervisor of any resignation or removal of the Registrar for that Series, and the appointment of any replacement Registrar, promptly following such event, provided that so long as any Bond is outstanding, any resignation or removal of the Registrar shall not be effective until the new Registrar is duly appointed.

### 16.3 Financial Statements and Directors' certificates

The Issuer covenants with the Supervisor that, so long as any Bonds are outstanding, the Issuer will deliver to the Supervisor:

- (a) not later than four months after the end of each of its financial years, a copy of the latest consolidated Financial Statements of the Guaranteeing Group made up as at the last day of, that financial year, prepared in accordance with the FMCA and NZ GAAP and duly audited;
- (b) not later than three months after the end of each of its financial half-years, a copy of the latest consolidated Financial Statements of the Guaranteeing Group made up as at the last day of the preceding half-year, prepared in accordance with NZ GAAP; and
- (c) not later than the time of delivery of the latest Financial Statements for the Guaranteeing Group under clauses 16.3(a) or 16.3(b) (as applicable), a separate certificate in relation to each Series signed by two Directors in the form set out in Schedule 3 (or such other form as the Issuer and the Supervisor may agree or, if applicable, as set out in the Supplemental Trust Deed) stating the matters referred to therein as at the end of, and in respect of, such year or half-year, as applicable.

### 16.4 Auditor's report

The Issuer shall provide to the Supervisor, at the same time as the audited Financial Statements for the Guaranteeing Group are provided in accordance with clause 16.3(a), a separate report by the Auditors:

- (a) stating:
  - (i) whether, in the course of performing their duties as Auditors, they have become aware of:
    - (A) any non-payment of interest (including any suspension of interest) or any breach of the provisions of this Deed, and if so giving particulars thereof; or



- (B) so long as any Retail Bonds are outstanding, any matter which, in their opinion, is relevant to the exercise or performance of the powers or duties conferred or imposed on the Supervisor by this Deed, by the FMCA or otherwise by law, and if so giving particulars thereof;
  - (ii) whether they, as Auditors, have audited the Register for each Series and if so whether the Register for that Series has been duly maintained in accordance with this Deed, or alternatively (if they have not so audited the Register) detailing the arrangements they have made with the Registrar or any other person for the purpose of conducting such audit (or its equivalent) and the processes followed, and reports or other confirmations received, in that regard;
  - (iii) whether their audit has disclosed any matter, and if so giving particulars thereof, calling in their opinion for further investigation by the Supervisor in the interests of the Holders;
  - (iv) that they have perused the certificate(s) of the Directors provided in accordance with clause 16.3(c) (*Directors' Certificates*) given since the last report by the Auditors (or the date of this deed, whichever is the later), and that, so far as matters which they have observed in the performance of their duties as auditors are concerned, nothing has come to their attention to show that the statements made in the Directors' Certificates are not correct;
  - (v) the aggregate Principal Amount of Bonds in each Series on issue and outstanding; and
  - (vi) any other matter required by the FMCA to be set out in the report; or
- (b) in such other form as agreed between the Issuer, the Supervisor and the Auditors.

**16.5 Provide requested information and reports**

- (a) Subject to clause 16.5(b), if requested by the Supervisor (or a person authorised by the Supervisor), the Issuer must:
- (i) make available to the Supervisor (or other authorised person) all documents and records relating to the Issuer; and
  - (ii) provide the Supervisor (or other authorised person) with any other reports or information required by the Supervisor (or other authorised person),
- within the time and in the manner (which must be reasonable in the circumstances) specified by the Supervisor.
- (b) The reports or information referred to in clause 16.5(a) may be about any matter relevant to the performance of the Supervisor's functions and may include forward-looking reports.



## 17 UNDERTAKINGS AS TO FINANCIAL RATIOS AND NEGATIVE UNDERTAKINGS

### 17.1 Financial ratios

The Issuer covenants with the Supervisor that, for so long as any Bonds are outstanding, unless the Supervisor otherwise agrees in writing:

- (a) **Guaranteeing Group coverage:** at all times the Total Tangible Assets of the Guaranteeing Group will exceed 90% of the Total Tangible Assets of the Group;
- (b) **Gearing:** at all times Total Debt will not exceed 60% of the sum of Total Debt plus Total Equity;
- (c) **Interest cover:** the interest cover ratio for the immediately preceding Financial Period (comprising EBITDA divided by Total Interest Expense for that Financial Period) will not be less than 1.75: 1; and
- (d) **Joint ventures:** at all times the Total Tangible Assets attributable to Joint Venture Interests will not exceed 10% of Total Tangible Assets of the Group, provided that Total Tangible Assets attributable to Joint Venture Interests may exceed 10% of the Total Tangible Assets of the Group (the amount of such excess being *the Excess*) for so long as the following conditions are complied with:
  - (i) the Excess does not exceed 5% of the Total Tangible Assets of the Group; and
  - (ii) the Issuer promptly notifies the Supervisor of such Excess when it first occurs; and
  - (iii) the Issuer complies with clause 17.1(a) as if such ratio was calculated by excluding from the Total Tangible Assets an amount equal to such Excess; and
  - (iv) the Issuer complies with clause 17.1(b) as if such ratio was calculated by excluding from Total Equity an amount equal to such Excess; and
  - (v) the Excess does not have a Material Adverse Effect.

If any Group Member holds an interest (in whatever form) in, or any participant in, any joint venture, partnership or similar venture then, notwithstanding any determination or ruling to the contrary, for the purposes of the calculations required under clauses 17.1(a), (b), (c) and (d) above (*the Required Calculations*), the value attributable to that interest shall be determined by applying the principles of equity accounting as in force at 23 February 2006, notwithstanding any rule of NZ GAAP to the contrary (the intention being that such interest shall not be consolidated with the Financial Statements of the Group for the purposes of any Required Calculation).





## 17.2 Positive and Negative undertakings

The Issuer undertakes in favour of the Supervisor that, for so long as any Bonds are outstanding:

- (a) **Notify Changes to Banking Covenants:** it will give written notice to the Supervisor, without delay and where practical prior to the event, of any change in the Banking Covenants;
- (b) **Restrictions on Distributions:** it will not, without the prior written consent of the Supervisor, pay or make, or allow to be paid or made, and will procure that no other Guaranteeing Group Member makes, any Distribution to any person who is not a Guaranteeing Group Member if:
  - (i) any Event of Default or Potential Event of Default has occurred, or will occur as a result of making the Distribution; or
  - (ii) the Issuer is unable, or will immediately following the making of the Distribution be unable, to satisfy the Solvency Test.

For the purposes of this clause 17.2(b), and without prejudice to the provisions of clause 17.2(b), the term *Distribution* has the meaning given to it in section 2 of the Companies Act, except that it shall not include a Distribution of the nature referred to in clauses 17.2(c)(ii) or 17.2(c)(iii);

- (c) **Restrictions on other transactions:** it will not:
  - (i) enter into, or agree to enter into, a major transaction (as defined in section 129 of the Companies Act); or
  - (ii) acquire any of its own shares (unless it is required to do so by law); or
  - (iii) redeem any of its own shares which are redeemable at its option; or
  - (iv) give financial assistance, directly or indirectly, to any person for the purpose of, or in connection with, the purchase of any of its shares or any of the shares in its holding company; or
  - (v) itself (and it will procure that no other Guaranteeing Group Member will) amalgamate, or allow itself to be amalgamated, with, or into, any other entity that is not a Guaranteeing Group Member; or
  - (vi) alter, or allow to be altered, any term attaching to, or acquire or redeem, any of its shares, in a manner which would cancel or reduce the liability of any shareholder in relation to a share held prior to that alteration, acquisition or redemption,

unless it has:

- (vii) notified the Supervisor of such action; and



- (viii) first obtained the consent of the Supervisor if a Potential Event of Default has occurred and is subsisting or where such action will cause the Issuer to breach any provision of this document (including without limitation clauses 17.1, 17.2(d) or 17.2(f)) or have a Material Adverse Effect;
- (d) **Related Party transactions:** it will not, and will procure that no other Guaranteeing Group Member will, without the prior written consent of the Supervisor:
  - (i) make any loan or provide any other financial accommodation to any Related Party;
  - (ii) (except in relation to a Permitted Lease Transaction) enter into any guarantee, indemnity or other obligation of any nature in respect of an obligation of a Related Party; or
  - (iii) (except in relation to a Permitted Lease Transaction) dispose of any assets or provide services to, or purchase any assets or accept any services from, any Related Party,

except on a bona fide basis for fair value on reasonable arm's length commercial terms, and provided that this clause 17.2(d) shall not apply to (and the consent of the Supervisor shall not be required under this clause 17.2(d) in respect of) (aa) any transaction for fair value comprising or arising from share capital held in the Guaranteeing Group or held by the Guaranteeing Group in such Related Party (including the subscription, purchase, holding, repurchase or redemption of such share capital or the distribution of dividends or other returns on it) or (bb) any such transactions described in paragraphs (i) to (iii) above if the aggregate principal amount of the assets the subject of, and/or the amount of the consideration in respect of, all such transactions is less than 2.5% of the total assets of the Group;

- (e) **Disposals:** without the prior written consent of the Supervisor, it will not, and it will procure that no Guaranteeing Group Member will, so long as any Guaranteed Moneys remain outstanding, whether by a single transaction, or a number of related or unrelated transactions, and whether at the same time or over a period of time, dispose of the whole of its assets, or any material part of its assets (disposals which, when aggregated with all other disposals by the Guaranteeing Group required to be taken into account under this paragraph during any financial year, would not exceed 10% of Total Tangible Assets of the Group as at the commencement of that period not being considered material for this purpose). The following disposals by the Issuer or any other Guaranteeing Group Member are not required to be taken into account under this clause:
  - (i) disposals of assets (including the payment of cash or other consideration for any asset required) for fair value, provided that the Issuer or any other Guaranteeing Group Member may not dispose of more than 10% of Total Tangible Assets of the Group under this

- subparagraph (i) unless: (A) it has notified the Supervisor of such disposal and (B) it first obtained the consent of the Supervisor if a Potential Event of Default has occurred and is subsisting or where such disposal will cause the Issuer to breach any provision of this document (including without limitation clauses 17.1, 17.2(d) or 17.2(f)) or have a Material Adverse Effect;
- (ii) disposals on reasonable commercial terms in the ordinary course of its business and/or operations;
  - (iii) disposals of money borrowed or raised for the purposes for which that money was borrowed or raised;
  - (iv) disposals on reasonable commercial terms of obsolete or surplus assets, or assets no longer required for the purpose of its or their business and/or operations;
  - (v) the disposal of assets in exchange for assets comparable in type and value;
  - (vi) the disposal of assets on reasonable commercial terms for cash which is to be, and is, applied in or towards the purchase of replacement assets within one month or any longer period agreed with the Supervisor;
  - (vii) disposals required by law, regulation, or order of mandatory effect;
  - (viii) a disposal of assets for the purpose of, or as part of, a Permitted Lease Transaction in respect of those assets; and
  - (ix) a disposal by a Guaranteeing Group Member to another Guaranteeing Group Member, or a disposal of assets to a trust for the benefit of one or more Guaranteeing Group Members, provided the trust has no indebtedness and has not granted and does not grant any Security Interest (other than in favour of Guaranteeing Group Member(s)) over the assets so disposed of; and
- (f) **Core business:** it will procure that, unless otherwise approved in writing by the Supervisor, the primary business of the Group will be the ownership, operation, investment in and management of the International Airport at Christchurch, New Zealand and activities ancillary thereto, and it will at all times, own, lease, licence or otherwise have the right to use on normal commercial terms the Core Assets.

### 17.3 **Negative pledge undertaking - no Security Interests**

Subject to clauses 17.4 and 17.5, so long as there are any Guaranteed Moneys outstanding, no Guaranteeing Group Member shall create, or permit to arise or subsist, any Security Interest whatsoever over the whole or any part of its assets as security for any indebtedness for Borrowings unless the Supervisor is reasonably satisfied that there is created at the same time as, or prior to, the creation of that



Security Interest, the same or an equivalent Security Interest for all the indebtedness of the Guaranteeing Group Members under this Deed.

#### 17.4 Permitted Security Interests

Notwithstanding clause 17.3 and without breach of it, a Guaranteeing Group Member may create a Security Interest, or permit a Security Interest to arise or subsist, without the need for creating any Security Interest in favour of the Supervisor, to the extent such Security Interest:

- (a) **Operation of law:** arises in the ordinary course of business solely by operation of law or pursuant to any statute, or arises out of title retention provisions (for a period not exceeding 90 days, or such longer period agreed with the Supervisor, such approval not to be unreasonably withheld) to secure the payment of the purchase price for the supply of goods or services in the ordinary course of business, or secure taxes or other governmental or regulatory levies, duties or imposts, so long as (in each of the foregoing cases) the payment of money secured thereby is not in default or the liability therefor of the Issuer or any other Guaranteeing Group Member is being contested by appropriate proceedings;
- (b) **Factoring etc:** a Security Interest that is created or provided for by (i) a commercial consignment in respect of which a Guaranteeing Group Member is the consignee; or (ii) a transfer or purchase of any account receivable or chattel paper in respect of which a Guaranteeing Group Member is the transferor or vendor and, in each case, that does not secure payment or performance of an obligation;
- (c) **Acquisition of asset:** exists over any asset at the time of its acquisition, provided that (i) such Security Interest is not created in contemplation of such acquisition, (ii) the principal amount of the indebtedness so secured is not increased after such acquisition, (iii) the maturity of any liability so secured is not extended beyond the date of its maturity as at the date of that acquisition after such acquisition, and (iv) such Security Interest is discharged, and the indebtedness so secured paid or repaid, within six months after such acquisition or such longer period as may be approved by the Supervisor;
- (d) **Acquisition of Guaranteeing Group Member:** exists over any asset of any company that became or becomes a Guaranteeing Group Member after 23 February 2006, being a Security Interest that exists, or being a Security Interest that the Issuer is contractually bound to create or permit to exist, at the time it becomes a Guaranteeing Group Member, provided that (i) such Security Interest was not created or such contract entered into in contemplation of such company becoming a Guaranteeing Group Member, (ii) the maturity of any liability so secured is not extended beyond the date of its maturity as at the date such company becomes a Guaranteeing Group Member after such company becomes a Guaranteeing Group Member, (iii) the principal amount of the indebtedness so secured is not increased after such company becomes a Guaranteeing Group Member, and (iv) such Security Interest is discharged, and the indebtedness so secured paid or repaid, within

six months after such company becomes a Guaranteeing Group Member or such longer period as may be approved by the Supervisor;

- (e) **Joint venture assets:** is created or permitted to exist over the whole or any part of its right, title or interest in, or the assets of, any joint venture, partnership or similar venture (whether or not incorporated) to secure indebtedness in connection with such joint venture, partnership or similar venture in favour of a participant or participants in it;
- (f) **Capital projects:** is created or permitted to exist to secure indebtedness in connection with a new capital project (other than a development or redevelopment of a Core Asset) entered into after 23 February 2006 of:
  - (i) any one or more Guaranteeing Group Members; or
  - (ii) any joint venture, partnership or similar venture in which any one or more Guaranteeing Group Members is or are participant(s),

where (in any such case) the financier's right of action to enforce repayment of the principal amount of that indebtedness and/or the payment of financing charges thereon is limited to a right of action or claim against the capital project so financed and/or any of the assets, revenues, contracts, licences, consents and similar rights derived from such capital project, or against the interests of the relevant Guaranteeing Group Member in any of the foregoing;

- (g) **Purchase of asset:** is created to secure indebtedness in connection with the purchase (which, for the avoidance of doubt, includes financing and refinancing) of an asset (and *asset* for the purpose of this clause 17.4(g) includes an interest in, or in the assets of, any joint venture, partnership or similar venture in which any one or more Guaranteeing Group Members is or are participants), or the maintenance, repair, improvement or development of an asset, where the principal amount of the indebtedness so secured does not exceed such purchase price or the cost of such maintenance, repair, improvement or development (as the case may be), provided that in the case of the purchase of, any maintenance, repair or development of, or improvements to, an asset forming part of the assets of any joint venture, partnership or similar venture, the amount of indebtedness secured by such Security Interest shall not exceed, as a proportion of the aggregate indebtedness incurred in respect of such purchase, maintenance, repair, improvement or development, the relevant Guaranteeing Group Member's share in such joint venture, partnership or similar venture;
- (h) **In favour of Guaranteeing Group:** is created or permitted to exist in favour of any other Guaranteeing Group Member, provided that one or more Guaranteeing Group Members retain at all times the sole beneficial ownership of, and all rights, powers and benefits in relation to, such Security Interest;
- (i) **Prior consent:** is created or permitted to exist with the prior written consent of the Supervisor; or

- (j) **In substitution:** is created or permitted to exist in substitution for any of the Security Interests referred to in clauses 17.4(a) to (i), provided that the principal amount of the indebtedness so secured is not increased.

#### 17.5 **General exemption from negative pledge undertaking**

Notwithstanding clauses 17.3 and 17.4 and without breaching clauses 17.3 or 17.4, any Guaranteeing Group Member(s) may, in addition to and separately from any Security Interest permitted under clause 17.4, create or permit to exist any Security Interest over any asset as security for any indebtedness for Borrowings, provided that the aggregate principal amount of the indebtedness for Borrowings so secured by all such Security Interests permitted to be created or to exist by this clause 17.5 (other than any Security Interest attaching only to assets which are not included in Total Tangible Assets) does not exceed 5% of the Total Tangible Assets of the Guaranteeing Group.

#### 17.6 **Calculation of Borrowings**

For the purposes of clause 17.5, the principal amount of any indebtedness secured by a Security Interest is deemed to be nil if the only assets of the Guaranteeing Group which are subject to such Security Interests are assets which:

- (a) do not form part of, or are not taken into account in determining, the total assets of the Group, as shown in the most recent audited Consolidated Financial Statements of the Group; or
- (b) in the case of assets acquired after the end of the financial period to which the most recent audited Consolidated Financial Statements relate, would not form part of, or be taken into account in determining, such total assets if Consolidated Financial Statements were prepared immediately following such acquisition.

#### 17.7 **Appointment of Auditors**

For so long as any Bonds are outstanding, the Issuer must, before recommending the appointment or reappointment of a person as Auditors of the Issuer:

- (a) consult with the Supervisor on such appointment or reappointment and the nature and scope of any assurance engagement in relation to the Issuer's compliance with this Deed;
- (b) ensure that any comments of the Supervisor concerning the proposed Auditors are brought to the attention of the persons appointing or reappointing the Auditors;
- (c) give the Supervisor an opportunity to be a party to the assurance engagement for the purpose of the Supervisor obtaining assurance of matters relevant to the exercise or performance of the Supervisor's powers or duties;
- (d) ensure that the terms of appointment of the Auditors, whether the Auditors are conducting an audit, review or other engagement, include that the Auditors will give the Supervisor an opportunity to meet with the Auditors, without any representative of the Issuer being present, to raise or discuss:



- (i) at the beginning of such engagement, any issues or concerns relevant to the exercise or performance of the Supervisor's powers or duties; and
- (ii) matters arising in the performance of such engagement and to answer any questions the Supervisor may have concerning such engagement.

#### 17.8 Resignation

For so long as any Bonds are outstanding, the Issuer must notify the Supervisor if the Auditors resign from appointment, or decline to accept appointment or reappointment, and must pass on to the Supervisor any explanation provided by the Auditor for resigning its appointment or declining to accept appointment or reappointment. The Issuer must not attempt to prevent any person who has resigned its appointment as an auditor, or declined to accept an appointment or reappointment as an auditor, from offering an explanation, or disclosing to the Supervisor the reason, for resigning or declining appointment or reappointment.

#### 17.9 Definitions

For the purposes of this clause 17, except where the context otherwise requires:

- (a) *Auditors* means, at any time, the qualified auditors for the time being of the Issuer or the auditors for the time being of any member(s) of the Group (as the case may be);
- (b) *Borrowings* includes any liabilities or indebtedness, whether actual or contingent, for or in respect of:
  - (i) money borrowed or raised (whether or not for cash consideration) including, without limitation, any debenture, bond, note, convertible note, loan stock, commercial paper, Subordinated Debt, Redeemable Share or other security, and (in respect of actual or contingent reimbursement and other payment obligations only) any acceptance credit, bill discounting or note purchase facilities, but excluding, for the avoidance of doubt, any raising of equity (other than by way of the issue of Redeemable Shares);
  - (ii) any guarantee of, or indemnity in respect of, any liabilities or indebtedness specified in any other paragraph of this definition, but only to the maximum extent, actual or contingent, of recourse under such guarantee or indemnity;
  - (iii) negotiable instruments;
  - (iv) recourse obligations for factored debts;
  - (v) any termination amount due and payable under any currency exchange or interest rate swap, floor or collar arrangements, and any other interest or currency protection, hedging or financial futures transaction or arrangement;



- (vi) rental or lease payments under any Finance Lease;
- (vii) the acquisition cost of property, assets or services to the extent payable after the time of acquisition or possession by or provision of services to the party liable where the deferred payment was arranged primarily as a method of raising finance or financing the acquisition of the property, assets or services acquired, but excluding any such liabilities or indebtedness incurred in the ordinary course of business on normal trade terms;
- (viii) the amount payable by any member of the Group in respect of the redemption of any share capital, or other securities, issued by it or any other member of the Group, to the extent that entitlement to such amount would make the payee a creditor of any member of the Group in a winding-up ranking *pari passu* with, or ahead of, the ordinary creditors of that member; and
- (ix) amounts raised under any financing transaction similar to any of the above having the commercial effect of a borrowing or raising of money,

in each case of the Guaranteeing Group calculated on a consolidated basis. For the purposes of any calculation of the amount of Borrowings, there shall be no double-counting;

- (c) *Consolidated Financial Statements* means, at any date, consolidated Financial Statements of the Group or, as the case may be, the Guaranteeing Group, as at that date prepared in accordance with NZ GAAP, and on a basis consistent with the most recent audited consolidated Financial Statements of the Group (other than the first such Financial Statements prepared by the Group or, as the case may be, the Guaranteeing Group after the adoption of International Financial Reporting Standards), except to the extent (if any) expressly disclosed in the notes to such statements or otherwise disclosed to the Supervisor, in each case after prior consultation of the Auditors;
- (d) *Core Assets* means the airside assets and terminals of the International Airport at Christchurch;
- (e) *Debt* means indebtedness for borrowed money (actual or contingent), indebtedness under any guarantee, security or other commitment designed to assure any creditor against loss in respect of any financial indebtedness of any third party, any indebtedness under any acceptance credit, and any rental payments under any Permitted Lease entered into primarily for the purpose of raising or obtaining finance, but net of any cash balances held by the Issuer;
- (f) *EBITDA* means, in relation to the Guaranteeing Group and any Financial Period, the aggregate amount on a consolidated basis of the earnings of the Guaranteeing Group before charging or providing for Interest and Financing Costs, and before charging, or providing for, income tax, or any other tax, depreciation, amortisation and extraordinary items (including all up-front funding costs incurred in establishing this deed, any Supplemental Trust Deed





and any other Specified Documents), in each case in relation to that Financial Period and calculated in accordance with NZ GAAP, and excludes:

- (i) abnormal items;
  - (ii) profits and losses derived on the sale of fixed assets or investments;
  - (iii) non-cash equity accounted profits and losses;
  - (iv) non-cash revaluations of investment properties in accordance with New Zealand International Reporting Standard 40;
  - (v) unrealised gains and losses resulting from foreign exchange, swaps, futures, options or similar transactions; and
  - (vi) any amount accrued to the Guaranteeing Group which is deducted from the calculation of Interest and Financing Costs pursuant to paragraph (ii) of the definition of Interest and Financing Costs;
- (g) *Financial Period* means each financial year of the Issuer (currently being each period of 12 months ending on 30 June), and the first half year of each said year (currently being each period of 6 months ending on 31 December);
- (h) *Intangible Assets* means assets which, according to NZ GAAP, should be classified as intangible assets in Financial Statements;
- (i) *Interest and Financing Costs* means, in relation to the Guaranteeing Group and a Financial Period:
- (i) the aggregate amount on a consolidated basis of the interest charged, or provided for, on an accruals basis on Borrowings of the Guaranteeing Group (and which, notwithstanding any specific items deemed to be included below, will be calculated in accordance with NZ GAAP) in respect of that Financial Period. For this purpose, *interest* includes:
    - (A) discounts on the issue of debt securities;
    - (B) the interest element of rental payments under Finance Leases;
    - (C) any amount of interest on any convertible notes issued by any member of the relevant group;
    - (D) dividends and distributions of a revenue nature paid in respect of Redeemable Shares; and
    - (E) fees and other charges incurred in establishing or maintaining debt financing arrangements (including without limitation Redeemable Shares and Subordinated Debt), or debt-related risk management products, but specifically excluding:



- (aa) normal banking transactional charges; and
- (bb) any fees and other charges incurred in establishing this deed, any Supplemental Trust Deed or any other Specified Documents, or refinancing any part of the facilities provided under this deed, any Supplemental Trust Deed or any other Specified Documents,

and taking into account realised gains or losses resulting from foreign exchange, swaps, futures, options or similar transactions entered into in order to manage debt-related risks in relation to interest payment obligations in connection with transactions for Borrowings, but after deducting from the amount calculated in accordance with the foregoing:

- (ii) the aggregate of all earnings of the Guaranteeing Group consisting of interest and financing costs (of the nature referred to above) accrued to the Guaranteeing Group on a consolidation basis in relation to such Financial Period on loans or deposits with banks or financial institutions, or on investments in negotiable instruments, bonds or similar instruments;
- (j) *Joint Venture Interest* means an interest (in whatever form) of a Group Member in, or in any participant, in any joint venture, partnership or any similar venture (*JV Entity*) where:
- (i) that JV Entity does not become a Subsidiary of that Group Member within the meaning of section 5 of the Companies Act; or
  - (ii) the Financial Statements of that JV Entity are required to be consolidated with the Financial Statements of the Group in accordance with, and solely by virtue of the application of, NZ GAAP; or
  - (iii) that JV Entity is both a Subsidiary of a Group Member and a party to an unincorporated joint venture but is not a member of the Guaranteeing Group;
- (k) *Redeemable Share* means:
- (i) shares which are redeemable in cash, or by the issue of other redeemable shares which are redeemable in cash, either compulsorily, or at the option of the holder of such shares; and
  - (ii) units in any trust which are analogous in nature to the shares referred to in paragraph (a), if that unit trust is a member of the Group, or if a member of the Group is responsible for the redemption of those units;
- (l) *Related Party* means, in relation to a Guaranteeing Group Member:
- (i) the directors of the Guaranteeing Group Member;



- (ii) the Senior Office Holders of the Guaranteeing Group Member;
- (iii) the relatives of persons referred to in paragraphs (i) and (ii);
- (iv) its Subsidiaries;
- (v) any person who:
  - (A) owns, or in any way has the power to control (whether directly or indirectly), or has the right to acquire, 10% or more of the ordinary shares of the Guaranteeing Group Member; or
  - (B) owns, or in any way has the power to control (whether directly or indirectly), or has the right to acquire, 10% or more of the voting rights of the Guaranteeing Group Member; or
  - (C) has, by any other means, 10% or more of the control of the Guaranteeing Group Member; and
- (vi) any person who has control (whether directly or indirectly) or significant influence over 25% or more of the composition of the board of directors of the Guaranteeing Group Member; and
- (vii) any person or class of persons considered at law to be a related party of the Guaranteeing Group Member;

except any member of the Guaranteeing Group;

- (m) *Senior Debt* means Debt excluding any Subordinated Debt;
- (n) *Senior Office Holder* in relation to a Guaranteeing Group Member, means a person occupying a position that allows the person to exercise significant influence over the management or administration of the Guaranteeing Group Member (for example, a chief executive or a chief financial officer).
- (o) *Subordinated Debt* means a liability (whether actual or contingent) of a Guaranteeing Group Member which, to the satisfaction of the Auditors, is in a liquidation of that company either to be deferred in point of payment to all other liabilities (not being liabilities which are similarly deferred) whether secured or unsecured, present or future, of that company (*preferred liabilities*) or in respect of which any distribution to the creditor on account thereof will be subject to an express trust to account to all of the other creditors to whom preferred liabilities are owed and in respect of which the relevant creditor has no right to:
  - (i) demand any payment of principal or interest;
  - (ii) accelerate the liabilities; or
  - (iii) enforce any rights to payment relating thereto,



at any time while any preferred liability remains outstanding;

- (p) *Total Debt* means, at any date, the aggregate of the Senior Debt of the Guaranteeing Group as is (or would be if such statements were prepared as at such date) disclosed in the Consolidated Financial Statements for the Guaranteeing Group as at that date;
- (q) *Total Equity* means, at any date, the aggregate of total shareholder's equity of the Guaranteeing Group (on a consolidated basis) and Subordinated Debt of the Guaranteeing Group as are (or would be if such statements were prepared as at such date) disclosed in the Consolidated Financial Statements for the Guaranteeing Group as at that date;
- (r) *Total Interest Expense* means, in respect of any period, the aggregate Interest and Financing Costs incurred by the Guaranteeing Group during that period;
- (s) *Total Tangible Assets* means, in relation to the Group or Guaranteeing Group at any date, the aggregate amount on a consolidated basis of the assets of the relevant group which would be disclosed by Consolidated Financial Statements for such group if they were prepared as at that date, excluding all Intangible Assets, provided, however, that when making such calculation (and to the extent not already done so in preparing the Financial Statements), the amount of:
  - (i) any minority interest held by any person in a Group Member; and
  - (ii) any assets subject to a Permitted Security,shall be deducted from the book value of the tangible assets of that Group Member; and
- (t) *Total Tangible Assets attributable to Joint Venture Interests* means, at any date, the portion of the Total Tangible Assets of the Group attributed to or derived from each Joint Venture Interest calculated by applying the principles of equity accounting as in force at 23 February 2006, provided that for the purposes of this calculation, and notwithstanding any rule of NZ GAAP to the contrary, the amount of any increase in the value of the Joint Venture Interest after the date of its acquisition by a Group Member shall be excluded.

## 18 DEFAULT

### 18.1 Events of Default

If any of the following occurs, whether or not within the control of the Issuer, while any Bonds or Guaranteed Moneys are outstanding:

- (a) **Non-payment:** subject to the provisions of the Supplemental Trust Deed applicable to any Bond relating to suspension of payments:



- (i) any Principal Amount or portion thereof payable in respect of any Bond is not paid in the manner specified in this Deed within two Business Days after its due date; or
  - (ii) any interest payable in respect of any Bond is not paid in the manner specified in this Deed within two Business Days of its due date (and for the avoidance of doubt, in the event that payment of interest is suspended in accordance with the relevant Supplemental Trust Deed, the due date for payment of that interest shall not have occurred for the purposes of this Deed and this clause 18.1(a) until such interest becomes payable in accordance with the relevant Supplemental Trust Deed); or
  - (iii) any other amount payable under this Deed is not paid in the manner specified in this Deed within 30 Business Days of its due date;
- (b) **Breach of undertakings as to financial ratios or negative undertaking:** a Guaranteeing Group Member fails to comply with any undertaking in clauses 17.1 or 17.2;
- (c) **Other breach:** a Guaranteeing Group Member commits any breach of, or omits to observe, any of its material undertakings or obligations under this Deed (other than those referred to in paragraph (a) or (b)) and, in respect of any such breach or omission which is capable of being remedied, such breach or omission is not remedied within 14 days of the Guaranteeing Group Member becoming aware of that breach or omission;
- (d) **Misrepresentation:** any representation, warranty or statement made or deemed to be repeated by, or on behalf of, a Guaranteeing Group Member in this Deed, or in a document provided in connection with this Deed, is or was untrue, incorrect or misleading in a material respect when made or deemed repeated;
- (e) **Cross Default:** any indebtedness of a Guaranteeing Group Member:
  - (i) becomes due and payable, or capable of being declared due and payable, before its due date; or
  - (ii) is not paid when due or within any applicable grace period,and the amount of the indebtedness exceeds \$5,000,000 or its equivalent;
- (f) **Judgment:** any judgment, or series of judgments arising from the same or similar circumstances, is obtained against a Guaranteeing Group Member for an amount exceeding \$5,000,000 or its equivalent and is not satisfied or stayed within 10 Business Days, unless that judgment is, or those series of judgments are, being contested in good faith by appropriate proceedings;
- (g) **Guarantee:** any guarantee is enforced or becomes enforceable against a Guaranteeing Group Member and:



- (i) in the case of the Issuer, the guarantee is enforced or is enforceable for an amount exceeding \$5,000,000; and
  - (ii) in the case of any other Guaranteeing Group Member enforcement has, or could reasonably be expected to have, a material adverse effect;
- (h) **Insolvency:** an Insolvency Event occurs in respect of a Guaranteeing Group Member, except any dissolution of any Guaranteeing Group Member in the course of, or for the purpose of, a voluntary reconstruction or re-organisation not arising out of insolvency or that has been approved in writing by the Supervisor;
- (i) **Distress:** execution or distress takes place or is attempted or an order to execute a judgment (however described) in excess of \$5,000,000 is made against a Guaranteeing Group Member or any of its assets and is not stayed or withdrawn within five Business Days;
- (j) **Analogous event:** anything analogous or having a similar effect to an event listed in paragraph (i) above occurs;
- (k) **Cessation of business:** a Guaranteeing Group Member stops or threatens to stop carrying on its business, or a material part of it, or substantially changes the nature of its business (except in the course of and for the purpose of a voluntary reconstruction or re-organisation not arising out of insolvency or which has been approved in writing by the Supervisor);
- (l) **Invalidity or illegality:**
  - (i) all or any material provision of this Deed is terminated, void, avoided, illegal, invalid, unenforceable, repudiated or limited in its effect; or
  - (ii) any party has the right to terminate, rescind or avoid all or any part of this Deed,or any party other than the Supervisor with respect to this Deed so alleges;
- (m) **Contribution on liquidation:** an order is made requiring a Guaranteeing Group Member to pay or contribute to the debts of any other person or any claim made in the liquidation of a company and:
  - (i) in the case of the Issuer, such order is for an amount exceeding \$5,000,000; and
  - (ii) in the case of any other Guaranteeing Group Member, such order has, or could reasonably be expected to have, a material adverse effect;
- (n) **Restriction on capital:** without the prior consent of the Supervisor, a resolution is proposed in a notice of a meeting so as to prevent or restrict the calling-up of any unpaid capital of the Issuer;



- (o) **Material Authorisation:** any Material Authorisation:
  - (i) expires; or
  - (ii) is revoked, cancelled, withdrawn or modified in a manner unacceptable to the Supervisor; or
  - (iii) otherwise ceases to remain in full force and effect,  
and is not replaced by an authorisation acceptable to the Supervisor:
  - (iv) in the case of the Issuer's Aerodrome Operating Certificate issued by the Civil Aviation Authority, prior to its expiry or revocation; and/or
  - (v) in the case of any other authorisation, within five days; and
- (p) **Supplemental Trust Deed:** (in relation to any Bond) any event occurs which is specified in the Conditions for that Bond as an event of default,

then, at any time thereafter, provided that event is continuing unremedied, the Supervisor may, in its discretion, and shall immediately upon being directed to do so by an Extraordinary Resolution passed by Holders of a Series of Bonds, declare the Principal Amount of the Bonds of that Series, together with accrued interest thereon and any other Guaranteed Moneys, to be immediately due and payable by notice in writing to the Issuer, whereupon it shall become immediately due and payable.

## 18.2 Definitions

For the purposes of clause 18.1, except where the context otherwise requires:

- (a) *Insolvency Event* means, in respect of a person, any of the following occurring:
  - (i) it is taken or admits to be unable to pay its debts under section 287 of the Companies Act, or suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness; or
  - (ii) the value of its assets is less than the value of its liabilities (taking into account contingent and prospective liabilities); or
  - (iii) a moratorium is declared in respect of any of its indebtedness or other obligations; or
  - (iv) it is the subject of a Liquidation, or an order or an application is made for its Liquidation (and in the case of an application, it is not withdrawn or dismissed within five Business Days), or an effective resolution is passed or meeting summoned or convened to consider a resolution for its Liquidation; or

- (v) any corporate action, legal proceedings or other procedure or step is taken in relation to:
  - (A) the suspension of payments, the dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of that person;
  - (B) a composition, compromise, assignment or arrangement with any class of creditors of that person;
  - (C) the appointment of a liquidator, receiver, administrator or other similar officer in respect of that person or any of its assets; or
  - (D) enforcement of any security over any assets the aggregate value of which exceeds \$5,000,000 of that person,

or any analogous procedure or step is taken in any jurisdiction unless (in each of the foregoing cases) the legal proceedings are, or other procedure or step is:

- (E) not being taken or carried out by that person or any of its officers; and
  - (F) being or intended to be challenged by that person; and
  - (G) discharged within 14 days; or
- (vi) it is declared at risk pursuant to the Corporations (Investigation and Management) Act 1989, or a statutory manager is appointed or a step taken with a view to any such appointment in respect of it under that Act (including a recommendation by any person to the Financial Markets Authority supporting such an appointment); or
  - (vii) a step is taken under section 318 of the Companies Act to remove it from the register of Companies; or
  - (viii) an analogous or equivalent event to any listed above occurs in any jurisdiction;

(b) *Liquidation* means:

- (i) winding-up, dissolution, liquidation, administration, bankruptcy or other proceeding for which a liquidator is appointed, or an analogous or equivalent event or proceeding in any jurisdiction; or
- (ii) an arrangement, moratorium, assignment or composition with or for the benefit of creditors generally or any class or group of them;

(c) *Material Authorisation* means any governmental authorisation which is:





- (i) necessary for the execution, delivery, performance, validity or enforceability of this Deed; or
- (ii) material to a Guaranteeing Group Member's conduct of its business.

### 18.3 **Trusts of proceeds of enforcement**

All moneys received by the Supervisor in respect of Bonds from the Issuer on or after the Date of Enforcement shall (subject to payment of any debts or liabilities having priority to the moneys due to Holders pursuant to those Bonds) be held and applied (subject to the provisions of clause 7) in the following order:

- (a) first, subject to any direction made by any court, in payment of all amounts due to the Supervisor under this Deed (including all expenses, losses and liabilities sustained or incurred by the Supervisor under this Deed, all fees payable to the Supervisor under this Deed, and any Default Interest on each such amount);
- (b) secondly, in payment to the Holders of Unsubordinated Bonds, rateably in proportion to the amounts actually or contingently owing to them, of the Principal Amount in respect of outstanding Unsubordinated Bonds held by them and interest thereon, as in any case entitled thereto;
- (c) thirdly, in payment to the Holders of Term Subordinated Bonds (if any), rateably in proportion to the amounts actually or contingently owing to them, of the Principal Amount in respect of outstanding Term Subordinated Bonds held by them and interest thereon, as in any case entitled thereto;
- (d) fourthly, in or towards payment to the Holders of Undated Subordinated Bonds (if any), rateably in proportion to the amounts actually or contingently owing to them, of the Principal Amount in respect of outstanding Undated Subordinated Bonds held by them and interest thereon, as in any case entitled thereto; and
- (e) fifthly, the surplus (if any) of such moneys, in payment to the Issuer or to such other person (including a liquidator of the Issuer) who may be lawfully entitled thereto.

## 19 **CHANGES IN NZ GAAP**

If, at any time after 23 February 2006, there is any change to NZ GAAP or any change to the interpretation or application of NZ GAAP to any accounting practice adopted by the Issuer as in effect and/or applied at 23 February 2006 (in each case including such changes that may result from the implementation of the International Financial Reporting Standards as adopted in New Zealand by the Financial Reporting Standards Board) (each a *Change in NZ GAAP*), so that the financial computations required to be made under this document with respect to the financial covenants in clauses 17.1, or under clauses 17.2(c) or 17.5, are, or will be (as a consequence of the implementation of the Change in NZ GAAP), materially different to the financial computations prior to the Change in NZ GAAP:

- (a) at the request of the Supervisor or the Issuer, the Issuer and the Supervisor shall negotiate in good faith, with a view to agreeing such amendments to the financial computations and/or the definitions or meanings of the terms used in relation to the financial computations or the application of the relevant provisions as are necessary to leave the parties in no better and no worse position than that contemplated at 23 February 2006; and
- (b) if no such amendments are agreed, ensure that each of the capitalised terms used in the financial computations or the application of the relevant provisions will be calculated by reference to NZ GAAP and the accounting practices as in effect prior to the Change in NZ GAAP, and provide the Supervisor with a certificate which is confirmed in writing by the Auditors verifying the calculations undertaken.

## 20 SUPERVISOR'S POWERS

### 20.1 General powers

The powers, authorities and discretions conferred on the Supervisor by this Deed are in addition to any powers, authorities and discretions which may from time to time be vested in trustees by law in relation to Bonds and to any powers, authorities and discretions which may from time to time be vested in the Supervisor as the Holder of any Bond.

### 20.2 Series

The Supervisor shall, in addition to any powers provided by law, and subject to compliance with the Supervisor's statutory duties under the FMCA and the FMSA and the terms of the Supplemental Trust Deed in relation to the relevant Series, have the following powers and duties:

- (a) in relation to each Retail Series only:
  - (i) **General Duties:** the Supervisor:
    - (A) is responsible for acting on behalf of the Retail Holders in relation to any contravention or alleged contravention of the issuer obligations in respect of any Retail Bonds;
    - (B) is responsible for supervising the Issuer's performance of its issuer obligations and in order to ascertain whether the assets of the Issuer and each of the other Guaranteeing Group Members that are, or may be, available are sufficient, or likely to be sufficient, to discharge the payment obligations of the Issuer in respect of the Bonds as they become due (subject, in the case of any Subordinated Bonds issued as part of a Series, to clause 7.11).
  - (ii) **Monitoring Role:** the Supervisor must:
    - (A) do all the things it has the power to do to cause any contravention referred to in section 111(1)(a)(iii) of the FMCA to

be remedied (unless it is satisfied that the contravention will not have a material adverse effect on any Class of Retail Holders); and

- (B) subject to any court order made under section 210 of the FMCA, act in accordance with any direction given by an Extraordinary Resolution that is not inconsistent with any enactment, rule of law, or this deed in relation to seeking a remedy to a contravention referred to in section 111(1)(a)(iii) of the FMCA.

(b) in relation to each Series:

(i) **General Duties:** the Supervisor:

- (A) is responsible for acting on behalf of Holders in relation to the Issuer, any matter connected with this Deed or a Supplemental Trust Deed for a Series and any matter connected with the terms of the offer of any Bonds; and
- (B) is responsible for performing and exercising any other functions, duties and powers conferred or imposed on the Supervisor by this Deed.

(ii) **Monitoring Role:** the Supervisor must:

- (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 Holders generally;
- (C) exercise reasonable diligence in carrying out its functions as a supervisor;
- (D) in exercising 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 (as those terms are defined in the FMCA) would exercise in the same circumstances; and
- (E) subject to any court order made under section 210 of the FMCA, act in accordance with any direction given by an Extraordinary Resolution that is not inconsistent with any enactment, rule of law, or this deed in relation to any matter connected with the Supervisor's functions.

For the avoidance of doubt, should any duty, or the performance of any duty, imposed on the Supervisor by this clause 20.2 be inconsistent with the duties or the performance of duties imposed on the Supervisor under the FMCA or the FMSA, the duties imposed on the Supervisor under the FMCA or the FMSA (as applicable) prevail.

- (iii) **Applications to court:** if, after due inquiry, the Supervisor is of the opinion that the Issuer is unlikely to be able to pay any amounts payable in relation to one or more Series of Bonds as and when due, or that the provisions of this Deed are no longer adequate to give protection to the interests of any of the relevant Holders of Bonds, and whenever the Supervisor, acting reasonably, considers it in the best interests of the Holders, then having regard to any other powers or remedies available to it under this Deed or at law for the protection of the interests of such Holders and to all other circumstances relevant to the general interests of such Holders, the Supervisor may apply to the court for an order that the Trust Powers be exercised under the direction of the court, or for directions or any other order in relation to the extent of, or the carrying out of, the Trust Powers or for any other order, and it may support or oppose any application to the court made by or at the instance of any Holder. Subject to clause 24.1, the Supervisor shall be indemnified by the Issuer against all expenses incurred in relation to any such application or proceedings, provided that the Supervisor must consult with the Issuer prior to making any such application before the Date of Enforcement.
- (iv) **Material breach:** if any breach of this Deed occurs, or any circumstances occur which may result in such a breach, which the Supervisor reasonably considers may be materially prejudicial to the interests of any class of Holders, the Supervisor shall be entitled in its absolute discretion to require the Issuer to promptly report to the Holders the circumstances and the nature of such breach, and any other relevant information concerning the Issuer which the Supervisor has received in relation to this Deed and which it reasonably considers to be material to those Holders, and invite those Holders to indicate to the Supervisor their preferences as to any exercise or non-exercise of the Trust Powers under this Deed. If the Issuer fails to give that report within 30 days the Supervisor shall be entitled to do so itself.
- (v) **Represent Holders:** the Supervisor may, either of its own volition or pursuant to any directions or in accordance with any policy given or indicated by any meeting of Holders, represent and act on behalf of those Holders in any matter concerning them generally.
- (vi) **Investment:** any moneys held by the Supervisor which are subject to the trusts created by this Deed may, at the discretion of the Supervisor, be invested in the name of the Supervisor or its nominee in any investment whatsoever, with power to vary such investments for others of a like nature and to deal with, or dispose of, such investments. The income (less any commissions properly payable to the Supervisor) arising from all such investments made by the Supervisor will belong to the person in respect of whom such moneys are held by the Supervisor.



- (vii) **Power to remedy breach:** the Supervisor's powers to remedy any breach of this Deed are subject to any other provision of this Deed which is inconsistent with the exercise of such powers.
- (viii) **Power to engage expert:** The Supervisor may engage an expert (for example, an auditor, investigating accountant, valuer or actuary) if the Supervisor considers, on reasonable grounds, that it requires the assistance of the expert:
  - (A) to determine the financial position of the Issuer; or
  - (B) to review the business, operation, management systems or the governance of the Issuer.

Where the Supervisor engages an expert pursuant to this clause 20.2(b)(viii), the Issuer shall provide reasonable assistance to the expert to provide the assistance and the fees and expenses of the expert, which must be reasonable in the circumstances, shall be paid by the Issuer.

## 21 EXERCISE OF SUPERVISOR'S POWERS

### 21.1 Discretion

Except as otherwise expressly provided in this Deed, and subject to the proper performance of its duties in accordance with clauses 20.2(b)(ii)(A) to 20.2(b)(ii)(E) and (where applicable) clauses 20.2(a)(ii)(A) and 20.2(a)(ii)(B), the Supervisor:

- (a) has absolute discretion as to the exercise or non-exercise of the Trust Powers and as to the conduct of any action, proceeding or claim (provided it has acted with reasonable care and diligence);
- (b) may refrain from exercising any Trust Power until directed by Extraordinary Resolution of Holders or of the affected Class of Holders to do so.

### 21.2 Reliance

The Supervisor is entitled, without liability for loss, to obtain, accept, and act on, or (other than as provided for by clause 21.1) to decline and elect not to act on:

- (a) any communication or document (including any fax or email) reasonably believed by it to be genuine and correct;
- (b) any resolution which the Supervisor believes to have been properly passed at any meeting of Holders or affected Class of Holders;
- (c) advice and statements of lawyers, accountants and other experts reasonably selected by it or by the Issuer;
- (d) a certificate signed by or on behalf of the Issuer as to any matters of fact which might reasonably be expected to be within the knowledge of the Issuer, or that any particular transaction, step or thing is expedient or commercially



desirable and not detrimental to the interests of Holders generally or of any Class of Holders generally, as sufficient evidence of such fact or the expediency or desirability of such transaction, step or thing; and

- (e) the statements contained in any certificate or report, given pursuant to this Deed, as conclusive evidence of the facts stated therein.

### 21.3 **Delegation**

The Supervisor, whenever it thinks it expedient in the interests of the relevant Holders to do so, may:

- (a) where permitted to do so by the FMCA or as permitted by, and then subject to conditions imposed under, the FMSA, delegate at any time to any person any of the Trust Powers which cannot conveniently be exercised by it or through its employees, upon such terms and conditions it thinks fit, provided that any such delegation shall not relieve the Supervisor of its responsibilities under this Deed; and
- (b) authorise any person as it thinks fit to act as its representative at any meeting.

### 21.4 **Supervisor's consent**

Any consent given by the Supervisor for the purposes of this Deed may be given on such terms and conditions (if any) as the Supervisor thinks fit.

### 21.5 **Subscribers' money**

The Supervisor is not responsible for monitoring the application by the Issuer of the money paid by purchasers of the Bonds.

### 21.6 **Safe custody**

The Supervisor may, at the expense of the Issuer, hold or place this Deed and any other documents with any bank or any person whose business includes the undertaking of safe custody of documents, or with any lawyer or firm of lawyers (in each case reasonably considered by the Supervisor to be of good repute), and the Supervisor is not responsible for or required to insure against any loss incurred in connection with that deposit.

### 21.7 **Fiduciary relationship**

- (a) The Supervisor and any of its related companies and officers may:
  - (i) be a Holder, or a holder of shares or other securities of the Issuer or any associated company of the Issuer; or
  - (ii) act in any representative capacity for a Holder or any holder of such shares or other securities,

either on their own account or as executor, administrator, trustee, receiver, committee, guardian, attorney or agent or in any other fiduciary, vicarious or professional capacity, and, by doing so, will not be deemed to breach this Deed or



obligations imposed or implied by law arising out of the fiduciary relationship between the Supervisor and the Holders.

- (b) The Supervisor and any of its related companies and officers may (without having to account to the Issuer or any Holder for any profits arising therefrom):
- (i) make any contracts or enter into any transactions with the Issuer or any associated company of the Issuer in the ordinary course of business;
  - (ii) undertake any insurance, financial or agency service for any of them; or
  - (iii) accept or hold the office of trustee for the holders of any securities (whether secured or unsecured) issued by the Issuer or by any other entity,

and may accept fees or other consideration for such services, and will not be prevented from doing any of the foregoing by reason of its fiduciary capacity.

#### 21.8 **Confidentiality**

Unless required to do so by law, court order or the Conditions, the Supervisor shall not be required to disclose to any Holder any confidential financial or other information made available to the Supervisor by the Issuer.

#### 21.9 **Binding on all Holders**

Any action taken or omitted to be taken by the Supervisor in accordance with this Deed is binding on all of the Holders or all of the relevant Holders (as the case may be).

#### 21.10 **No obligation to consult**

Except where expressly required otherwise in this Deed, the Supervisor is not obliged to consult with the Holders before giving any consent, approval or agreement or making any determination under this Deed.

#### 21.11 **Listing Rules**

Subject to compliance by the Supervisor with its obligations under the FMCA and the FMC Regulations, the Supervisor is not required to monitor compliance by the Issuer or any other party with the Listing Rules and, in the absence of notice to the contrary from the Issuer or NZX, is entitled to assume that the Issuer is so complying. In the event of non-compliance with the Listing Rules, the Supervisor, in determining the action to be taken or not taken by it, is entitled to have regard to the actions of NZX, as relevant, in relation to that non-compliance by the Issuer.

## 22 **SUPERVISOR'S FEES, EXPENSES AND INDEMNITIES**

### 22.1 **Fees**

The Issuer shall pay to the Supervisor such fees (plus GST (if any)) as may from time to time be agreed between them in writing.

## 22.2 Expenses

The Issuer shall pay all expenses (including legal fees on a full indemnity basis and travelling expenses) reasonably incurred by or on behalf of the Supervisor in connection with:

- (a) the preparation, signing and (if applicable) registration of this deed, each Supplemental Trust Deed, and each Offer Document;
- (b) the convening and holding, and carrying out of any directions or resolutions, of any meeting of Holders in accordance with the terms and conditions of this Deed; or
- (c) any waiver, consent or other action requested by the Issuer.

## 22.3 Enforcement

The Issuer shall pay all expenses (including legal fees on a full indemnity basis and travelling expenses) properly incurred by the Supervisor in connection with the enforcement or preservation of, or attempted or contemplated enforcement or preservation of, any right under a Transaction Document, or the exercise or potential exercise of any Trust Power, including the taking of any expert advice deemed reasonably necessary or expedient by the Supervisor.

## 22.4 Indemnity by Issuer

Subject to clause 24.1, and without prejudice to the right of indemnity by law given to supervisors or trustees, but subject to any limitation placed on such rights of indemnity by law, the Supervisor and each of its officers, directors, employees and agents shall be indemnified by the Issuer for all expenses, losses and liabilities (and for the avoidance of doubt excluding income tax on the Supervisor's remuneration) reasonably sustained or incurred in carrying out the Trust Powers or otherwise for any action taken, or omitted to be taken, in accordance with the provisions of this Deed, other than a claim arising out of a wilful default, gross negligence or wilful breach of trust.

## 22.5 Indemnity by Holders

The Supervisor is not required to take any action or exercise any Trust Power or comply with any request or direction pursuant to this Deed in respect of any Series (whether or not it is expressed to be bound to do so) unless it has first been indemnified by the Holders of that Series to its satisfaction against all expenses, losses and liabilities it may reasonably sustain or incur by so doing. The Supervisor is not liable for anything done or omitted to be done by it, in good faith, in giving effect to a direction given to it by Holders.

## 22.6 Payments

The fees, expenses, indemnities and other amounts payable under this Deed to the Supervisor shall be payable by the Issuer at the times agreed (or, in the absence of agreement, on demand) and, if not paid when due, shall carry Default Interest in accordance with clause 8.6(c), until paid.





## 23 REPLACEMENT OF SUPERVISOR

### 23.1 Resignation or removal of Supervisor

Subject to law:

- (a) the Supervisor may resign at any time by giving not less than 90 days' written notice to the Issuer;
- (b) the Issuer may remove the Supervisor from office by giving not less than 180 days' written notice to the Supervisor;
- (c) the Holders may remove the Supervisor from office by giving not less than 90 days' written notice to the Issuer and Supervisor, upon the passing of an Extraordinary Resolution of Holders to that effect; and
- (d) the FMA or the Issuer may remove the Supervisor from office under Part 2 of the FMSA.

### 23.2 Requirements for retirement and removal

The Supervisor may not:

- (a) be removed or retire under clauses 23.1(a), (b) or (c) unless:
  - (i) all functions and duties of the position have been performed; or
  - (ii) another licensed supervisor has been appointed, and accepted the appointment, in its place; or
  - (iii) the court consents; and
- (b) be removed by the Issuer under clause 23.1(b) without the FMA's consent.

### 23.3 Appointment of new Supervisor

Upon such a notice of resignation or removal being given, the Issuer will, subject to clause 23.4, have the right to appoint a successor Supervisor, which must be a person who is authorised to act as a supervisor under section 103(1)(b) of the FMCA.

### 23.4 Approval by Extraordinary Resolution

Where at any time there are Bonds outstanding under this Deed, the removal of the Supervisor pursuant to clause 23.1(b), and the appointment of any successor Supervisor pursuant to clause 23.3, shall be subject to approval by an Extraordinary Resolution of Holders.

### 23.5 Failure to appoint Supervisor

Other than where the successor Supervisor requires approval pursuant to clause 23.4, if a successor Supervisor has not been appointed by the Issuer or has not accepted an appointment within 60 days after any such notice, then the retiring Supervisor may, on behalf of the Issuer, appoint a successor Supervisor. In circumstances where the successor Supervisor requires approval by an Extraordinary



Resolution of Holders, any failure of the Issuer to appoint or have approved a successor Supervisor will entitle the Holders, by Extraordinary Resolution, to appoint a new Supervisor.

### 23.6 **Successor Supervisor**

Upon the acceptance of any appointment under this clause 23 by a successor Supervisor:

- (a) the successor Supervisor will succeed to, and become vested with, all the rights, powers and obligations of the retiring Supervisor under the Transaction Documents and, as from that time, the retiring Supervisor shall be discharged from its rights, powers and obligations;
- (b) the retiring Supervisor must transfer to the successor Supervisor all moneys, investments, property and books held by the Supervisor under this Deed.

### 23.7 **Execution of documents**

Upon the acceptance of any appointment under this clause 23 by a successor Supervisor, the successor Supervisor shall execute all such documents which are necessary or appropriate and in such form as may be reasonably required by the other parties to the Transaction Documents, such that the successor Supervisor is bound by all the covenants on the part of the Supervisor under the Transaction Documents from the date of such appointment. Any appointment of a successor Supervisor has no effect until such documents are executed by the successor Supervisor.

### 23.8 **Notice**

The Issuer shall notify all Holders of the appointment of any new supervisor as soon as reasonably practicable following such appointment.

## 24 **LIABILITY OF SUPERVISOR**

### 24.1 **Supervisor not indemnified**

No provision of this Deed shall have the effect of exempting the Supervisor from, or indemnifying the Supervisor against, liability for wilful default, gross negligence or wilful breach of trust where the Supervisor fails to show the degree of care and diligence required of the Supervisor having regard to the Trust Powers and the provisions of this Deed. With respect to Retail Bonds, the Supervisor's rights to be indemnified in relation to the performance of the Supervisor's licensee obligations (as defined in section 4 of the FMSA) under this Deed are available only in relation to the proper performance of its duties in accordance with clauses 20.2(a)(ii)(A) and 20.2(a)(ii)(B) and clauses 20.2(b)(ii)(A) to 20.2(b)(ii)(E) (inclusive) and no other provision of this Deed that is contrary to the foregoing shall have any effect.

### 24.2 **Duty of care**

Notwithstanding any other provision of this deed, but subject to the provisions of any Supplemental Trust Deed and any applicable law, the Supervisor does not assume any duty of care to the Issuer, any creditors of the Issuer, or any other person other than the Holders (subject to and in accordance with this Deed) in exercising the Trust Powers, and shall not be liable to any person (including the



Issuer and any Holders) in any way except for wilful default, gross negligence or wilful breach of trust where the Supervisor has failed to show the degree of care and diligence required of it having regard to the provisions of this Deed.

## 25 **BENEFIT OF DEED**

The Issuer acknowledges that, in relation to each Series and the Holders of the Bonds of that Series, this Deed (including, for the avoidance of doubt, the Supplemental Trust Deeds for that Series) is made for the benefit of and, subject to clause 3.7, is intended to be enforceable by any person who is from time to time a Holder of the Bonds of that Series, the Registrar for that Series, and the Supervisor.

## 26 **AMENDMENTS**

### 26.1 **Limited right to amend**

In relation to each Series, except as provided in clauses 26.2 and 26.3, the Issuer may not cancel, vary or amend any provision of this deed, any Supplemental Trust Deed or any other Specified Document while any Bonds are outstanding. Any amendment to this deed, any Supplemental Trust Deed or any other Specified Document, including where approved by Holders under clause 26.3, must be:

- (a) in writing signed by the Issuer and the Supervisor (and, in relation to an amendment affecting Retail Bonds, the Supervisor must, where required by the FMCA, provide or, where applicable, obtain the certificates required under section 108(2)(b) of the FMCA); or
- (b) made under section 109 of the FMCA or sections 22(7) or 37(6) of the FMSA or under any other power to amend this Deed under any other applicable law.

### 26.2 **Amendment without consent**

In relation to each Class, the provisions of this deed, any Supplemental Trust Deed or any other Specified Document may be amended without the consent of the Holders of that Class where:

- (a) such amendment, in the opinion of the Issuer and the Supervisor:
  - (i) is of a minor, formal, administrative or technical nature;
  - (ii) to correct a manifest error;
  - (iii) is to comply with the requirements, or a modification of the requirements, of any applicable law, or any rules of any stock exchange in New Zealand or elsewhere;
  - (iv) is necessary for the purpose of obtaining or maintaining a quotation of any Bonds on any stock exchange in New Zealand or elsewhere;
  - (v) is in respect of any of the provisions for reporting to the Supervisor under this Deed or in respect of clauses 21 and 22;



- (vi) is agreed to by the Supervisor pursuant to clause 28; or
  - (vii) will not be materially prejudicial to the interests of Holders generally;  
and
- (b) in relation to a Retail Series, the Supervisor is satisfied that such amendment does not have a material adverse effect on Holders of that Retail Series.

Notice of any such amendment shall be provided to the Holders of the relevant Series within 10 Business Days of the amendment being made.

#### 26.3 **Amendment approved by Holders**

Without limiting clause 26.2, the provisions of this deed, any Supplemental Trust Deed or any other Specified Document may be amended in relation to each Class of Bonds if the amendment has been approved by an Extraordinary Resolution of that Class of Holders or each Class of Holders that is or may be adversely affected by the amendment.

#### 26.4 **Single meeting**

Where an amendment requiring approval of the Holders pursuant to clause 26.3 relates to, or arises from, any general change in the constitution, affairs or business of the Issuer, such approval is not required to be dealt with by way of separate meetings of each such Class of Holders.

#### 26.5 **Notice**

Notice of any proposed variation under clause 26.3 shall be given by the Issuer to each Holder or, if it affects one or more Classes of Holders but not all Classes of Holders, to the Holders of each affected Class of Holders, not less than seven days before the date on which it is intended that such variation take effect, but the non-receipt of notice by any such Holder shall not affect the validity of any such variation.

### 27 **WAIVER**

#### 27.1 **Temporary variation**

In addition to, and not in abrogation of or substitution for, clause 26 (but subject to any applicable law and except to the extent expressly provided otherwise in the Conditions applicable to any Bond) the Supervisor may, in respect of any Series, temporarily vary the provisions of this Deed applicable to the relevant Bonds for such period and on such terms as:

- (a) the Supervisor may deem appropriate, provided that the Supervisor shall be satisfied that the temporary variation will not have a material adverse effect on Holders of that Series; or
- (b) may be agreed by the Supervisor pursuant to clause 28.

#### 27.2 **Waivers**

Subject to any applicable law and except to the extent expressly provided otherwise in the Conditions for any Bonds, the Supervisor may, if it is satisfied that the



interests of the Holders generally will not be materially prejudiced thereby, and shall if so directed by an Extraordinary Resolution of Holders, by notice to the Issuer, waive, in whole or in part, for a specified period or indefinitely, and on such other terms and conditions (if any) as it deems expedient, any breach or anticipated breach by the Issuer of this Deed or Conditions applicable to any Bonds, provided that no such waiver shall prejudice the rights of the Supervisor or the Holders in respect of any other breach.

## 28 **STATUTORY EXEMPTIONS**

Subject to applicable law (including, but not limited to, section 108 of the FMCA) and except to the extent expressly provided otherwise in the Conditions for any Bonds, if:

- (a) the Issuer is granted an exemption, or an exemption is applicable to the Issuer, in relation to any obligation imposed upon the Issuer by or pursuant to the Companies Act, the Financial Reporting Act, the FMCA, the FMCA Regulations, or the listing rules of any stock exchange, which is materially the same as or analogous to any obligation of the Issuer under this Deed or any Bonds; and
- (b) two Authorised Officers (at least one of whom is a Director) of the Issuer certify that such amendment, temporary variation or waiver will not have a material adverse effect on the Issuer or be or become materially prejudicial to the general interests of any Class of Holders,

then the Supervisor may, in respect of any Series, if it is satisfied that the interests of that Class or those Classes of Holders will not be materially prejudiced thereby, and that the interests of any relevant Class of Retail Holders will not be materially adversely affected thereby, agree to amend or temporarily vary this Deed or the Conditions for the relevant Bonds, or waive any breach or anticipated breach of such obligation, in a manner which is consistent with the relevant exemption.

## 29 **FURTHER AND SUBSTITUTED ISSUERS**

### 29.1 **Further Issuers**

The Issuer is entitled to nominate any wholly-owned Subsidiary of the Issuer to be the issuer of the Bonds of a particular Series by so providing in the Supplemental Trust Deed for that Series, provided that the new issuer enters into the relevant Supplemental Trust Deed and agrees to become bound by the terms of this Deed and on terms satisfactory to the Supervisor (acting reasonably).

### 29.2 **Substituted Issuers**

The Issuer may, with the consent of the Supervisor, substitute any wholly-owned Subsidiary of the Issuer (*Substituted Obligor*) in place of the Issuer (or of any previous substitute under this clause) as the principal debtor under this Deed and the Bonds in relation to one or more Series but only if:

- (a) the obligations of the Substituted Obligor under the relevant Bonds are guaranteed by the Issuer;



- (b) the Substituted Obligor succeeds to and becomes bound by all the terms and conditions of the Transaction Documents for the relevant Series by entering into such agreements and documents (*Substitution Documents*) each in form and substance satisfactory to the Supervisor, as the Supervisor (acting reasonably) may deem appropriate;
- (c) such amendments are made to any other documents (including any Offer Document in respect of the relevant Bonds) as the Supervisor may reasonably deem appropriate;
- (d) two directors of the Substituted Obligor certify that the Substituted Obligor will be Solvent immediately after such substitution;
- (e) (if the relevant Bonds, or any of them, are publicly rated by a rating agency as a result of a contract between the Issuer and that rating agency) that rating agency confirms in writing that, following such substitution, the rating assigned to the relevant Bonds in force immediately prior to the substitution taking effect shall be maintained or increased;
- (f) (where paragraph (e) above does not apply, and if the Issuer is publicly rated by a rating agency whether as a result of a contract between the Issuer and that rating agency or otherwise) that rating agency confirms in writing that, following such substitution, the rating assigned to the Substituted Obligor or any person guaranteeing the obligations of the Substituted Obligor under this Deed immediately prior to the substitution taking effect shall be maintained or increased;
- (g) the Issuer (or any such previous Substituted Obligor) and the Substituted Obligor comply with all applicable laws relating to such substitution and such other reasonable requirements as the Supervisor may direct which the Supervisor reasonably considers are in the interests of the Holders (as a whole) of the relevant Bonds, which may include a requirement that the Issuer remains bound by all or certain of the provisions of this Deed in respect of the relevant Bonds;
- (h) prior to the substitution being effected, the Substituted Obligor warrants and represents to the Holders of the relevant Series that:
  - (i) it has obtained all necessary authorisations for such substitution;
  - (ii) it has obtained all necessary authorisations for the performance by it of its obligations under the relevant Transaction Documents and Bonds, and that they are in full force and effect; and
  - (iii) the obligations assumed by it are its legal, valid and binding obligations, enforceable against it in accordance with their terms, subject to laws affecting creditors' rights generally and equitable principles of general application; and

- (i) legal opinions (in form and substance reasonably satisfactory to the Supervisor) have been delivered to the Supervisor confirming that, following such substitution:
  - (i) the Transaction Documents and the Bonds will constitute legal, valid and binding obligations of the Substituted Obligor, enforceable against it in accordance with their terms, subject to applicable bankruptcy, reorganisation, insolvency, moratorium or similar laws affecting creditors' rights generally and equitable principles of general application;
  - (ii) the Substituted Obligor is validly incorporated in its jurisdiction of incorporation;
  - (iii) all necessary authorisations are in full force and effect; and
  - (iv) amounts payable to any Holder of the relevant Series will not be reduced by the existence of any applicable Taxes (by deduction from such amounts or otherwise) except for such Taxes (if any) in respect of which the Substituted Obligor has agreed to make compensating payments to the Holders of that Series.

### 29.3 **Release of substituted issuer**

Any Substitution Document entered into pursuant to clause 29.2 shall, if so expressed, release the Issuer from any or all of its obligations under the Bonds and the Transaction Documents for the relevant Series with effect from the date of substitution. Notice of any substitution pursuant to clause 29.2 shall be given to the Holders of the relevant Series within 14 days of the execution of the Substitution Documents and compliance with the other requirements of clause 29.2.

### 29.4 **Completion of substitution**

After notice has been given in accordance with clause 29.3:

- (a) the Substituted Obligor is deemed to be the principal debtor and to have all the rights, powers and obligations of the Issuer under the Transaction Documents for the relevant Series as if the Substituted Obligor were originally named in those Transaction Documents in place of the Issuer; and
- (b) this Deed and the Conditions of the relevant Bonds are deemed to be amended as necessary to give effect to the substitution.

## 30 **MEETINGS AND RESOLUTIONS OF HOLDERS**

### 30.1 **Convening**

Meetings of Holders and any Class of Holders are to be convened and held in accordance with the provisions of Schedule 1 unless a meeting only relates to Wholesale Holders, in which case the meeting is to be convened and held in accordance with the provisions of Schedule 2.

### 30.2 **Resolutions of Holders**

Regulation 78 and Schedule 11 of the FMC Regulations (other than clauses 2 and 5 of Schedule 11) do not apply except to the extent incorporated into Schedule 1. Any matter relating to this Deed, or the Bonds issued pursuant to this Deed, may be agreed to or approved by the relevant Class of Holders by signing (in any number of counterparts) a memorandum in writing, recording the matter so agreed or approved in accordance with regulation 16 of Schedule 1 or regulation 16 of Schedule 2.

### 30.3 **No voting by Issuer**

Notwithstanding any other provision of this Deed, where the Issuer or any Subsidiary of the Issuer is a Holder, neither the Issuer nor any of its Subsidiaries may vote on any matter relating to the Bonds held by the Issuer.

## 31 **NOTICES**

### 31.1 **Writing**

Each notice or other communication to be given or made under this Deed to any person must:

- (a) **Writing:** be given or made in writing by fax or letter and be signed by the sender or an authorised officer of the sender;
- (b) **Address:** be given or made to the recipient at the address or fax number, and marked for the attention of the person (if any), from time to time designated by the recipient to the other for the purposes of this Deed or the Bonds;
- (c) **Deemed delivery:** not be effective until received by the recipient, and any such notice or communication is deemed to be received:
  - (i) (if given or made by letter) when left at the address of the recipient or five Business Days after being put in the post (by airmail if to another country), postage prepaid, and addressed to the recipient at that address; or
  - (ii) (if given or made by fax) upon production of a transmission report by the machine from which the fax was sent which indicates that the fax was sent in its entirety to the fax number of the recipient,

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

### 31.2 **Initial address and numbers**

The initial address, fax number and person (if any) designated for the purposes of this Deed are set out below:

- (a) **The Issuer:**





Christchurch International Airport Limited  
PO Box 14001  
4<sup>th</sup> Floor, Car Park Building  
Durey Road  
Christchurch Airport  
Memorial Avenue  
Christchurch 8544

Fax: (03) 353 7730  
Attention: Chief Financial Officer

(b) **The Supervisor:**

Public Trust  
PO Box 1598  
Level 9  
34 Shortland Street  
Auckland

Fax: (09) 302 3696  
Attention: General Manager, Corporate Trustee Services, Public Trust

(c) **The Holders:**

The address of each Holder last entered in the Register.

31.3 **Joint Holders**

In the case of joint holders of Bonds, a notice given to the Holder whose name stands first in the Register in respect of such holding shall be sufficient notice to all the joint holders.

32 **RELEASE**

Upon being indemnified to its reasonable satisfaction pursuant to clause 22.4, and upon proof being given to the reasonable satisfaction of the Supervisor that all sums owing or outstanding in respect of the Bonds or otherwise under this Deed have been paid or satisfied, or that provision for such payment or satisfaction has been made, in accordance with the provisions of this Deed, and upon payment or retention of all costs, charges and expenses incurred by, or payable to, the Supervisor in relation to this Deed and the remuneration of the Supervisor and all other money payable hereunder, the Supervisor shall, at the request and cost of the Issuer, execute a deed of release of this deed and, for the avoidance of doubt, any relevant Supplemental Trust Deed, and shall thereupon retire.

33 **MISCELLANEOUS**

33.1 **Registration of deed**

If the Issuer proposes to issue a Series, it shall promptly, at its own cost, register this deed, the relevant Supplemental Trust Deeds in respect of that Series and any



amendment to this deed or such Supplemental Trust Deeds as required by the FMCA, and shall pay all costs and expenses incidental to doing so.

### **33.2 Waivers and remedies**

Time is of the essence with respect to this Deed, but no delay in acting, or failure to act, by a Holder is a waiver of any of that Holder's rights, nor will any single or partial exercise of any right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The rights provided in this Deed do not exclude any rights provided by law.

### **33.3 Partial invalidity**

A provision in this Deed or any Supplemental Trust Deed has no effect to the extent that it contravenes, or is inconsistent with, the FMCA, the FMC Regulations or any term implied in this Deed by the FMCA or the FMC Regulations (other than where such contravention, or inconsistency, is permitted by the FMCA or the FMC Regulations). An invalid provision in this Deed shall not affect the enforceability of the remaining provisions of this Deed.

### **33.4 Further issues**

In respect of each Series, subject to any agreement to the contrary contained in any Transaction Document in respect of that Series, the Issuer may from time to time, without the consent of the Holders of that Series, issue further bonds or other debt obligations on such other terms and conditions as the Issuer may think fit (including as part of that Series or as a new Series).

### **33.5 Documents**

Copies of this deed, each Supplemental Trust Deed and the Offer Document relating to Bonds held by the relevant Holder, and the Agency Agreement and any other Transaction Document in relation to the relevant Series will be made available by the Issuer for inspection during usual business hours by any Holder at the office of the Issuer referred to in clause 31.2 (or such other office as the Issuer may notify the Holders from time to time). The Issuer must in relation to a Retail Series, retain, make available for inspection, provide and deliver copies of any document or information as required by, and in accordance with, the FMCA for such fee as permitted by the FMCA. Each Holder is deemed to have notice of the provisions of this Deed and each other Transaction Document in relation to the relevant Series.

### **33.6 Survival**

The indemnities given in this Deed will survive the repayment of all the Bonds and the termination of this Deed.

### **33.7 Remedies cumulative**

The rights, powers and remedies provided in this Deed are cumulative and not exclusive of any rights, powers or remedies provided by law.

### **33.8 Counterparts**

This deed may be signed in any number of counterparts, all of which together constitute one and the same instrument, and any of the parties may execute this deed by signing any such counterpart (by fax or otherwise).



34 **GOVERNING LAW**

34.1 **Governing law**

This deed shall be construed and take effect as a contract and declaration of trust made in New Zealand and shall be governed by New Zealand law.

34.2 **Submission to jurisdiction**

The Issuer and the Supervisor submit to the non-exclusive jurisdiction of the New Zealand courts for the purpose of any legal proceedings arising out of this Deed.

35 **EFFECTIVE DATE**

This deed shall take effect from the Effective Date.



**SIGNED AS A DEED**

**The Issuer**

**Christchurch International Airport  
Limited** by

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

\_\_\_\_\_  
Print name

\_\_\_\_\_  
Print name

**The Supervisor**

Signed on behalf of **Public Trust** by its attorney: ) \_\_\_\_\_  
) Attorney

In the presence of:

\_\_\_\_\_  
Witness signature

\_\_\_\_\_  
Witness name

\_\_\_\_\_  
Occupation

\_\_\_\_\_  
Address



## **SCHEDULE 1: MEETING OF RETAIL HOLDERS OR ALL HOLDERS**

### **1 INTERPRETATION**

#### **1.1 Definitions**

In these provisions:

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

*Authorised Person* means the person authorised by the Supervisor to receive and count votes at the meeting cast in accordance with regulation 13, or if no such person is authorised, the Supervisor.

*Extraordinary Resolution* means a resolution approved by Holders holding not less than 75% of the aggregate Principal Amount of the Bonds who are entitled to vote and who vote on the resolution.

*Proxy Closing Time* means 48 hours before the Appointed Time of the relevant meeting of Holders or taking of a poll of Holders.

*regulation* means a clause of this Schedule.

*Representative* means:

- (a) in the case of an individual Holder, a person appointed by an instrument of proxy or by power of attorney or, in the event of the death of a Holder, the personal representative of that Holder;
- (b) in the case of a Holder which is a corporation or corporation sole either:
  - (i) a person appointed by an instrument of proxy or by power of attorney; or
  - (ii) a person authorised by the directors of the corporation, or in the case of a corporation sole, a person authorised pursuant to its constitution.

#### **1.2 Classes**

In this Schedule, references to *Bonds* and  *Holders* are references to the Bonds of the relevant Class of Bonds only and the Holders of the Bonds of the relevant Class only.

#### **1.3 Meetings of Wholesale Holders only**

In relation to a meeting which relates only to Wholesale Holders, the meeting shall be convened and held in accordance with the provisions of Schedule 2 and the provisions of this Schedule 1, other than this regulation 1.3, shall be of no effect. For the avoidance of doubt, if a meeting relates to both Wholesale Holders and Retail Holders, the meeting shall be convened and held in accordance with the provisions of this Schedule 1.



## 2 **CONVENING**

### 2.1 **Meeting required by law**

The Issuer shall, whenever required to do so pursuant to the Companies Act or the FMCA or any other applicable law, convene a meeting of the Holders.

### 2.2 **By Holders or the Supervisor**

The Issuer shall, at the written request of:

- (a) Holders holding not less than 5% of the aggregate Principal Amount of the Bonds; or
- (b) the Supervisor,

convene a meeting of the Holders. The request must state the nature of the business proposed to be dealt with at the meeting concerned.

### 2.3 **By Issuer**

The Issuer may at any time of its own volition convene a meeting of the Holders and shall, at the request in writing of a person authorised by the FMCA or the FMC Regulations to call a meeting of Retail Holders, convene a meeting of Retail Holders.

### 2.4 **By Supervisor**

The Supervisor may, at any time, of its own volition (after such consultation with the Issuer which is reasonable in the circumstances as to the nature of the business the subject of the proposed meeting), convene a meeting of Retail Holders. The Supervisor is not obliged to convene a meeting of Retail Holders pursuant to this regulation 2.4 until it has been indemnified to its satisfaction (acting reasonably), subject to clause 24.1, against all costs and expenses to be incurred in relation to that meeting.

### 2.5 **Place of meeting**

Each meeting will be held in the city or town in which the registered office of the Issuer is situated, or at such other place as designated by the Issuer.

### 2.6 **Regulations**

Meetings of Holders shall be convened and held in accordance with the provisions of this Schedule or such supplemental rules or procedures for meetings, and variations to the rules and procedures applying to such meetings set out in this Schedule, as the Supervisor and the Issuer may agree from time to time.

## 3 **NOTICE OF MEETINGS**

### 3.1 **Persons to be notified**

Notice of every meeting shall be given in the manner provided in clause 31 of this deed to:

- (a) every Holder entered in the Register as at the close of business five Business Days prior to the date of despatch of the notice;

- (b) each director of the Issuer;
- (c) the Auditors of the Issuer;
- (d) the Issuer, if the meeting is convened by the Supervisor;
- (e) the Supervisor; and
- (f) if the relevant Bonds are listed, any stock exchange on which those Bonds are listed.

### 3.2 **Time for notification**

Subject to regulations 3.4 and 4.5, at least 15 Business Days' notice of every meeting will be given. The notice will be exclusive of the day on which it is served, or deemed to be served and of the day for which it is given.

### 3.3 **Contents of notice**

The notice must specify the following:

- (a) the place and Appointed Time of the meeting;
- (b) the nature of the business to be transacted in sufficient detail to enable a Holder to form a reasoned judgment in relation to it;
- (c) in the case of a resolution proposed to be passed as an Extraordinary Resolution, the text of such resolution;
- (d) the right of each Holder to appoint a Representative; and
- (e) the Authorised Person (if any) for the meeting.

In addition, if an Extraordinary Resolution is to be submitted to the meeting:

- (f) a draft of the proposed notice to be issued for that meeting shall be provided to the Supervisor at least ten Business Days (or any lesser period as agreed with the Supervisor) in advance of the notice period provided for under regulation 3.2; and
- (g) where the Supervisor has provided its comments on the text of the Extraordinary Resolution at least five Business Days in advance of the notice period provided for under regulation 3.2, the notice must include a copy of the Supervisor's comments.

### 3.4 **Short or informal notice**

Notwithstanding any other provision of this regulation 3, a meeting may be called by shorter notice than that specified in regulation 3.2, or without any formal notice, and without compliance with regulation 3.3, and shall be deemed to have been duly called, and any such irregularity or lack of formal notice shall be waived if:



- (a) all Holders entitled to attend and vote at the meeting attend the meeting without protest as to the irregularity or lack of formal notice, or if all such Holders agree to the waiver before, at or after that meeting; or
- (b) the Supervisor indicates at the meeting that it is satisfied that the irregularity has not resulted, and is unlikely to result, in any material prejudice to the Retail Holders.

### 3.5 **Accidental omission**

The accidental omission to give notice to, or the non-receipt of notice by, any person (other than the Supervisor) entitled to receive notice will not invalidate the proceedings at any meeting.

## 4 **QUORUM**

### 4.1 **Quorum required**

No business will be transacted at any meeting unless the requisite quorum is present at the commencement of business. A Holder is present at a meeting for the purposes of this Schedule and part of the quorum if that Holder is present in person or by Representative or is participating in that meeting by means of audio, audio and visual or electronic communication, or by a combination of these two methods.

### 4.2 **Quorum for Extraordinary Resolution**

Subject to regulation 4.4, the quorum for a meeting at which an Extraordinary Resolution is proposed to be submitted is the Holders (participating or present in person or by Representative) holding or representing not less than 25% of the aggregate Principal Amount of the Bonds held by persons entitled to vote on the business to be transacted by the meeting. Where a Holder holds Zero Coupon Bonds, for the purposes of determining the quorum, the Principal Amount of those Zero Coupon Bonds is to be construed as a reference to the net present value of those Zero Coupon Bonds (as calculated by the Registrar for the relevant Series by adjusting, on a straight line basis, the Principal Amount of the relevant Bond by a proportion of any discount to that Principal Amount applicable to such Bond on its Issue Date) as at the date of the meeting.

### 4.3 **Quorum for other business**

The quorum for the transaction of any business other than the passing of an Extraordinary Resolution is the Holders present in person or by Representative holding or representing at least 10% of the aggregate Principal Amount of the Bonds. Where a Holder holds Zero Coupon Bonds, for the purposes of determining the quorum, the Principal Amount of those Zero Coupon Bonds is to be construed as a reference to the net present value of those Zero Coupon Bonds (as calculated by the Registrar for the relevant Series by adjusting, on a straight line basis, the Principal Amount of the relevant Bond by a proportion of any discount to that Principal Amount applicable to such Bond on its Issue Date) as at the date of the meeting.





#### 4.4 **Quorum not present**

If, within 30 minutes after the Appointed Time, a quorum is not present, the meeting, if convened at the request of Holders, will be dissolved. In any other case it will be adjourned to:

- (a) a day that is 10 Business Days from the Appointed Time provided that the time and place of the adjourned meeting remain the same; or
- (b) such other time, date and place as the Supervisor may appoint,

and in any event, if a quorum is not present 30 minutes after the time appointed for the adjourned meeting, all the Holders present in person or by Representative at the adjourned meeting will comprise a quorum for the transaction of business including the passing of Extraordinary Resolutions.

#### 4.5 **Notice of adjourned meeting**

Notwithstanding regulation 3.1, notice of any such adjourned meeting of Holders at which an Extraordinary Resolution is to be submitted shall be given to the same persons as those who were given notice of the original meeting and otherwise will be given in the same manner as for an original meeting and such notice will state that if a quorum is not present 30 minutes after the Appointed Time, the Holders present in person or by Representative at the adjourned meeting will form a quorum whatever the Principal Amount of Bonds held by them provided that if a meeting is adjourned for less than 30 days, it will not be necessary to give notice of the time and place of the adjourned meeting other than by announcement at the meeting originally adjourned.

### 5 **CHAIRPERSON**

A person nominated by the Supervisor shall preside at every meeting of Holders. If no such person is nominated, or if at any meeting the person nominated is not present within 15 minutes after the time appointed for holding the meeting, the Holders or Representatives present shall appoint a person to be chairperson of the meeting.

### 6 **RIGHT TO ATTEND AND SPEAK**

Any:

- (a) director, officer, solicitor, auditor or accountant of the Issuer;
- (b) person appropriately authorised by the Issuer;
- (c) director, officer or solicitor of the Supervisor; or
- (d) person appropriately authorised by the Supervisor,

may attend any meeting, and all such persons will have the right to speak at the meeting.



## 7 **ADJOURNMENT**

### 7.1 **Chairperson may adjourn**

The chairperson of a meeting may, with the consent of the meeting at which a quorum is present, and will, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

### 7.2 **Business at adjourned meeting**

No business will 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 ISSUER**

The persons named as Holders in the Register at the Proxy Closing Time will be recognised and treated as the legal owners of the Bonds whether those persons are or are not in fact the beneficial owners of those Bonds.

## 9 **AUTHORITY TO VOTE**

### 9.1 **Voting**

An individual Holder may vote personally or by his or her Representative and a Holder which is a corporation may vote by its Representative. A Holder may appoint more than one Representative, each such Representative being authorised to act on behalf of the Holder in respect of a specified Principal Amount of Bonds.

### 9.2 **Entitlement**

The persons named in the Register as Holders at the Proxy Closing Time or the Representative(s) or the personal representatives or assignees in bankruptcy of any such Holder will be exclusively entitled to vote in person or by Representative in respect of the Bonds recorded as owned by them.

## 10 **PROXIES**

### 10.1 **In writing**

The instrument appointing a proxy must be in writing signed by, or in the case of an electronic notice, delivered by the appointor or his or her attorney or, if the appointor is a corporation, either by an authorised officer or attorney or by any director, general manager, investment manager or other person who appears to have authority to appoint a proxy on behalf of the corporation.

### 10.2 **Proxy need not be Holder**

A person appointed to act as a proxy need not be a Holder. A holder of a proxy will have the right to speak at the meeting.

### 10.3 **Deposit of proxy**

The instrument appointing a proxy and, if applicable, the power of attorney or other authority under which it is signed, or a copy of such power or authority certified by a solicitor or in any other manner approved by the Issuer, must be deposited at the place appointed by the Issuer in the notice convening the meeting (or, if no such



place is appointed, then at the registered office of the Issuer) not later than the Proxy Closing Time unless the Authorised Person at the meeting waives the requirement. An instrument of proxy which is not so deposited will not be treated as valid unless the Issuer, in its absolute discretion, elects to accept any instrument of proxy notwithstanding that that 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 **Form of proxy**

An instrument of proxy may be in any usual or common form or in any other form approved by the Issuer and may make provision for directions to be given by the grantor to vote in favour of or against any proposed resolution.

#### 10.5 **Proxy valid for meeting**

An instrument of proxy, whether in a usual or common form or not, will, unless the contrary is stated thereon, not need to be witnessed and will be valid for the meeting to which it relates and for any adjournment of that meeting.

Notwithstanding any provisions contained in an instrument of proxy, no instrument of proxy will be valid after the expiration of 12 months from the date of its execution notwithstanding any provision to the contrary in the instrument, but this provision will not be construed to apply to the appointment of an attorney or Representative otherwise than by an instrument of proxy.

#### 10.6 **Proxy in favour of chairperson**

An instrument of proxy in favour of:

- (a) the chairperson of the Issuer;
- (b) the chairperson; or
- (c) the chairperson of the meeting,

(however expressed) will be valid and effectual as though it were in favour of a named person and will, in the case of paragraph (a) above, constitute the person holding the office of the chairperson of the board of Directors of the Issuer, and, in the case of paragraphs (b) and (c) above, constitute the person who chairs the meeting for which the proxy is used (whether on adjournment or not), the lawful proxy of the appointor.

### 11 **HOLDER MAY APPOINT ATTORNEY**

Except where a Holder is the Issuer or any of its Subsidiaries, any Holder may, by power of attorney, appoint an attorney (who need not be a Holder) to vote and act on his or her behalf at any meeting. An attorney will be entitled to produce evidence of his or her appointment at any time before the Appointed Time. An attorney who is so empowered may exercise the Holder's right to appoint a proxy.



## 12 CORPORATE REPRESENTATIVES

### 12.1 Authority

A Representative of a Holder which is a corporation or a corporation sole is, until his or her authority is revoked, entitled to exercise the same powers on behalf of the corporation as that corporation could exercise if it were an individual Holder, and is entitled to produce evidence of his or her 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 the Representative proposes to vote.

### 12.2 Right to act

A Representative will have the right to speak at the meeting and to demand or join in demanding a poll, and will (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 Holder concerned.

## 13 VOTING PROCEDURE AND POLLS

### 13.1 Show of hands

- (a) The manner of voting on an Extraordinary Resolution by the Holders must be by poll.
- (b) Unless a poll is demanded, a resolution (other than an Extraordinary Resolution) put to the vote of a meeting of Holders or their Representatives entitled to vote will be by whichever of the following methods is determined by the chairperson of the meeting:
  - (i) voting by voice; or
  - (ii) voting by show of hands.
- (c) Unless a poll is demanded, a resolution (other than an Extraordinary Resolution) where Holders or their Representatives entitled to vote are participating by means of audio, audio and visual, or electronic communication will be by any method permitted by the chairperson of the meeting.
- (d) A poll may be demanded by:
  - (i) the chairperson of the meeting; or
  - (ii) the Supervisor;
  - (iii) the Issuer or any representative of the Issuer; or
  - (iv) one or more Holders present in person or by Representative holding or representing not less than 5% in aggregate of the Principal Amount of the Bonds.
- (e) A declaration by the chairperson that a resolution has been carried by the requisite majority, or lost, will be conclusive evidence of that fact unless a poll is demanded.



### 13.2 **Number of votes**

On a show of hands, each person present at the meeting or casting a vote pursuant to regulation 13.9 below and entitled to vote (whether personally or as a Representative) will have one vote only. On a poll, every Holder who is present in person or by a Representative and entitled to vote will have one vote for every \$1 of Principal Amount of the Bonds of which he or she is the Holder, provided that where a Holder holds Zero Coupon Bonds, for the purposes of calculating that Holder's voting entitlement in this regulation, the Principal Amount of those Zero Coupon Bonds is to be construed as a reference to the net present value of those Zero Coupon Bonds (as calculated by the Registrar for the relevant Series by adjusting, on a straight line basis, the Principal Amount of the relevant Bond by a proportion of any discount to that Principal Amount applicable to such Bond on its Issue Date) as at the date of the meeting. On a poll, votes may be given either personally or by Representative, and a person entitled to more than one vote need not use all his or her votes, or cast all the votes he or she uses in the same way.

### 13.3 **Poll**

If a poll is demanded it will be taken in the manner directed by the chairperson of the meeting, and the result of the poll is deemed to be the resolution of the meeting at which the poll was demanded.

### 13.4 **Chairperson does not have casting vote**

The chairperson of a meeting is not entitled to a casting vote.

### 13.5 **Election of chairperson**

A poll demanded on the election of a chairperson of the meeting, or on a question of adjournment, will be taken immediately. A poll demanded on any other question will be taken either immediately or at a time within 30 days from the date of the meeting and in a place appointed by the chairperson. The result of the poll is 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.

### 13.6 **No disturbance**

The demand for a poll will not prevent the continuance of a meeting for the transaction of business other than the question in relation to which the poll has been demanded.

### 13.7 **Joint Holders**

In the case of joint Holders the vote of the senior who tenders a vote, whether in person or by Representative, will be accepted to the exclusion of the vote of the other joint Holders, and for this purpose seniority will be determined by the order in which the names stand in the Register in respect of the joint holding.

### 13.8 **Disqualification**

- (a) A vote given in accordance with the terms of an instrument of proxy or power of attorney or other authority will 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 authority or the transfer of the Bonds in respect of which the vote is given, provided that no written notice of such death, insanity, liquidation, revocation or transfer is received by the Issuer at its registered office



before the commencement of the meeting or adjourned meeting at which the proxy, attorney or authority is used.

- (b) Notwithstanding any other regulation, any Bonds held by or on behalf of the Issuer or any of its Subsidiaries shall not confer any right to vote for the period that they are so held.
- (c) No Holder is entitled to be present or to vote on any question, either personally or by Representative, and no person is entitled to be present or to vote as a Representative for any Holder, at any meeting or on a poll or be reckoned in a quorum in respect of any Bonds held by such Holder, whether alone or jointly, while any sum is due and payable to the Issuer in respect of any such Bond.

### 13.9 **Voting by other means**

- (a) Any Holder may exercise the right to vote on each resolution the subject of that meeting by delivering a postal vote, a vote by email correspondence or by using any other electronic means expressly authorised by the Issuer or the Supervisor.
- (b) A Holder may cast a vote under this paragraph on all or any of the matters to be voted on at a meeting by sending a notice of the manner in which that Holder's Bonds are to be voted on to the Issuer or the Authorised Person for that meeting. This notice must be received by that person no later than the Proxy Closing Time, unless the Issuer or the Authorised Person (as the case may be), in its absolute discretion, elects to accept any notice notwithstanding that that notice is received or produced at a place other than that specified above or out of time.
- (c) The Supervisor or the Authorised Person (as applicable) must:
  - (i) collect together all of the votes received by him or her or by the Issuer;
  - (ii) in relation to each resolution to be voted on at the meeting, count:
    - (A) the number of Holders voting in favour of that resolution and the number of votes cast by, or on behalf of, each such Holder in favour of the resolution; and
    - (B) the number of Holders against the resolution and the number of votes cast by, or on behalf of, each such Holder in favour of the resolution; and
  - (iii) sign a certificate that he or she has carried out the duties set out in regulations 13.9(c)(i) and (ii) and that sets out the results of the counts required by regulation 13.9(c)(ii); and
  - (iv) ensure that the certificate required by regulation 13.9(c)(iii) above is presented to the chairperson of the meeting.
- (d) If a vote is taken at a meeting on a resolution on which votes under this paragraph have been cast, the chairperson of the meeting must:



- (i) irrespective of whether votes are cast by a show of hands or by poll, include those votes in the overall result; and
- (ii) call for a vote on a resolution, on which he or she holds sufficient votes under this paragraph where the chairperson is of the view that the result of a vote taken by way of poll, may differ from that taken by show of hands.

## 14 **EXTRAORDINARY RESOLUTIONS**

### 14.1 **Powers**

A meeting of Holders will, in addition to all other powers which by this Deed are specified as exercisable by Extraordinary Resolution, have the following powers exercisable by Extraordinary Resolution, namely power to:

- (a) sanction, either unconditionally or upon any conditions, the release of the Issuer or any Guaranteeing Subsidiary from the payment of all or any part of the moneys payable pursuant to this Deed or the Bonds;
- (b) sanction any request from the Issuer for the exchange of the Bonds for, or the conversion of the Bonds into, shares, stock, debentures, debenture stock or other obligations or securities of the Issuer or any other company formed or to be formed;
- (c) postpone or, with the concurrence of the Issuer, accelerate the day when the Principal Amount of any Bonds becomes payable, and to suspend or postpone for a time the payment of interest on any Bonds;
- (d) sanction any alteration, release, modification, waiver, variation, or compromise, or any arrangement relating to the rights of the Holders against the Issuer or any Guaranteeing Subsidiary or its assets however those rights arise;
- (e) assent to any amendment to the terms of this deed or the relevant Supplemental Trust Deed proposed or agreed to by the Issuer (and, where required, the Supervisor), and to authorise the Issuer and the Supervisor to execute any Supplemental Trust Deed embodying any such amendment;
- (f) give any sanction, assent, release or waiver of any breach or default by the Issuer or any Guaranteeing Subsidiary or the Supervisor under any of the provisions of this deed or the relevant Supplemental Trust Deed;
- (g) sanction any scheme for the reconstruction of the Issuer or any Guaranteeing Subsidiary or for the amalgamation of the Issuer or any Guaranteeing Subsidiary with any other corporation where such sanction is necessary;
- (h) 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 this deed or any Supplemental Trust Deed;



- (i) subject to the provisions of this Deed, remove any Supervisor and to approve the appointment of or appoint a new Supervisor;
- (j) consent to, approve, authorise and direct the Supervisor in respect of any of the matters referred to or any of the foregoing paragraphs of this regulation 14.1, or as to any other matter which may be necessary to carry out and give effect to any Extraordinary Resolution;
- (k) authorise or direct the Supervisor and, if required, the Issuer to execute any supplemental deed or other document embodying such sanction, authority or approval, assent, release, waiver, direction or request;
- (l) approve any matter required by the FMCA to be approved by way of Extraordinary Resolution.

#### 14.2 **Binding on Holders**

An Extraordinary Resolution passed at a meeting of Holders, properly convened and held in accordance with this Schedule, is binding on all the Holders whether or not they were present or entitled to be present at the relevant meeting, or signed the relevant resolution pursuant to regulation 16, as the case may be, and all Holders are bound to give effect to that resolution. The passing of any such resolution will, as between the Issuer and the Holders, be conclusive evidence that the circumstances justify the passing thereof, the intention being that the meeting is entitled to determine without appeal whether or not the circumstances justify the passing of any such resolution. Notwithstanding the foregoing, a resolution which affects a particular Holder or Holders holding a Class of Bonds only (as opposed to the rights of the Holders generally) will not be binding on such Holder or Holders unless such Holder or Holders agree to be bound by the terms of such resolution or unless the Holders of that Class have so agreed by virtue of an Extraordinary Resolution of the Holders of that Class of Bonds. Whenever there are Bonds outstanding which do not form a single Class, the provisions of this Schedule have effect subject to the following:

- (a) any meeting of both Wholesale Holders and Retail Holders being held in accordance with this Schedule 1 whereby any resolution to that is required to be done by way of special resolution (as defined in the FMC Regulations) (including any amendment of this Deed in accordance with clause 26.3), must be voted on by the Retail Holders and the Wholesale Holders separately;
- (b) a resolution which affects a particular Holder only, rather than the rights of all Holders generally or of a particular Class of Holders generally, will not be binding on such Holder unless such Holder agrees to be bound by the terms of such resolution;
- (c) a resolution which affects one Class only of Bonds is deemed to have been duly passed if passed at a properly convened and held meeting of the Holders of that Class (or pursuant to regulation 16);
- (d) a resolution which affects more than one Class of Bonds, but does not give rise to a conflict of interest between the Holders of any of the Classes so





affected, is deemed to have been duly passed if passed at a single properly convened and held meeting of the Holders of all Classes so affected (or pursuant to regulation 16);

- (e) a resolution which affects more than one Class of Bonds and gives or may give rise to a conflict of interest between the Holders of any of the Classes so affected is deemed to have been duly passed if passed at separate properly convened and held meetings of the Holders of each Class so affected (or pursuant to regulation 16); and
- (f) in respect of each meeting referred to in paragraphs (c), (d) and (e) of this regulation 14.2, the provisions of this Schedule apply with the necessary modifications as though references in them to Bonds and Holders were references to the relevant Class or Classes and to the Holders of the Bonds comprised in such Class or Classes, respectively.

### 14.3 **Reliance on advice**

The Issuer and the Supervisor may rely on, and the Holders and the Registrar for the relevant Series shall be bound by, a legal opinion from a leading law firm in New Zealand addressed to the Issuer and/or the Supervisor, as the case may require, to the effect that a resolution affects one Class only or, if it affects more than one Class of Bonds, does not give rise to a conflict of interest, for the purposes of determining the meeting or meetings which need to be held for the purposes of regulation 14.2.

## 15 **MINUTES TO BE KEPT**

Minutes of all resolutions and proceedings at every meeting will be made by the Issuer, or, if the Issuer is not present at the meeting, by a person appointed by the chairperson of the meeting. Minutes must be entered in books from time to time provided for that purpose by the Issuer. Any such minutes, if signed or apparently signed by the chairperson of the meeting at which a resolution was passed or proceedings had, or by the chairperson of the next meeting of Holders, will be *prima facie* evidence of the matters recorded in those minutes. Until the contrary is proved, every meeting in respect of which minutes have been made is deemed to have been properly held and convened and all resolutions passed or proceedings had at that meeting to have been properly passed and had. The chairperson of the meeting must ensure that a certificate of votes under this regulation held by him or her is attached to the minutes of the meeting.

## 16 **RESOLUTIONS IN WRITING**

### 16.1 **Extraordinary Resolution**

Anything that may be done by Holders by a resolution or Extraordinary Resolution passed at a meeting of Holders may be done by a resolution in writing signed by Holders holding not less than 75% of the aggregate Principal Amount of the Bonds who are entitled to vote and who vote on the resolution.



**16.2 Counterparts**

Any such resolution may consist of several documents in similar form, each signed by one or more Holders.

**16.3 Execution**

Any such resolution may be signed by a Holder, or an agent or attorney of the Holder duly authorised in writing, or if the Holder is a company, by a director, or by an attorney so authorised by the company.

**17 OTHER RULES FOR RETAIL BONDS**

Subject to law, the Supervisor may agree with the Issuer additional rules or variations of the rules set out in this Schedule for meetings of a Retail Series, without the approval of the relevant Holders.



## SCHEDULE 2: MEETING OF WHOLESALE HOLDERS

### 1 INTERPRETATION

#### 1.1 Definitions

In these provisions:

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

*Authorised Person* means the person authorised by the Supervisor to receive and count votes at the meeting cast in accordance with regulation 13, or if no such person is authorised, the Supervisor.

*Extraordinary Resolution* means a resolution passed:

- (a) at a meeting of Holders, properly convened and held in accordance with the provisions of this Schedule, at which not less than three fourths of the persons voting upon a show of hands or, if a poll is properly demanded, not less than 75% of the votes given on such a poll, voted in favour of the resolution; or
- (b) in accordance with regulation 16.

*Proxy Closing Time* means 48 hours before the Appointed Time of the relevant meeting of Holders or taking of a poll of Holders.

*regulation* means a clause of this Schedule.

*Representative* means:

- (a) in the case of an individual Holder, a person appointed by an instrument of proxy or by power of attorney or, in the event of the death of a Holder, the personal representative of that Holder;
- (b) in the case of a Holder which is a corporation or corporation sole either:
  - (i) a person appointed by an instrument of proxy or by power of attorney; or
  - (ii) a person authorised by the directors of the corporation, or in the case of a corporation sole, a person authorised pursuant to its constitution.

#### 1.2 Classes

In this Schedule, references to *Bonds* and *Holdings* are references to the Bonds of the relevant Class of Bonds only and the Holders of the Bonds of the relevant Class only.



## 2 **CONVENING**

### 2.1 **Meeting required by law**

The Issuer shall, whenever required to do so pursuant to the Companies Act or any other applicable law, convene a meeting of the Holders.

### 2.2 **By Holders**

The Issuer shall, at the written request of Holders holding not less than 10% of the aggregate Principal Amount of the Bonds, convene a meeting of the Holders. The request must state the nature of the business proposed to be dealt with at the meeting concerned.

### 2.3 **By Issuer**

The Issuer may at any time of its own volition convene a meeting of the Holders.

### 2.4 **By Supervisor**

In relation to any Class of Bonds, the Supervisor may, at any time, of its own volition (after such consultation with the Issuer which is reasonable in the circumstances as to the nature of the business the subject of the proposed meeting), convene a meeting of Holders of that Class. The Supervisor is not obliged to convene a meeting of the relevant Holders pursuant to this regulation 2.4 until it has been indemnified to its satisfaction (acting reasonably) against all costs and expenses to be incurred in relation to that meeting.

### 2.5 **Place of meeting**

Each meeting will be held in the city or town in which the registered office of the Issuer is situated, or at such other place as designated by the Issuer.

### 2.6 **Regulations**

Meetings of Holders shall be convened and held in accordance with the provisions of this Schedule or such supplemental rules or procedures for meetings, and variations to the rules and procedures applying to such meetings set out in this Schedule, as the Supervisor and the Issuer may agree from time to time.

## 3 **NOTICE OF MEETINGS**

### 3.1 **Persons to be notified**

Notice of every meeting shall be given in the manner provided in clause 31 of this deed to:

- (a) every Holder entered in the Register as at the close of business five Business Days prior to the date of despatch of the notice;
- (b) every personal representative or assignee in bankruptcy of any such Holder who, to the actual knowledge of the Issuer, is deceased or insolvent, as the case may be;
- (c) the Issuer, if the meeting is convened by the Supervisor;
- (d) the Supervisor, if the meeting is convened by the Issuer; and



- (e) if the relevant Bonds are listed, any stock exchange on which those Bonds are listed.

### 3.2 **Time for notification**

Subject to regulations 3.5 and 4.5, at least 14 days' notice of every meeting will be given. The notice will be exclusive of the day on which it is served, or deemed to be served and of the day for which it is given.

### 3.3 **Contents of notice**

The notice will specify the place and Appointed Time of the meeting, and the general nature of the business to be transacted. It is not 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 must be set out.

### 3.4 **Prior notification of Supervisor**

The Issuer shall, at least 10 Business days before the Issuer gives notice of a meeting, advise the Supervisor in writing of the intended place and time of the meeting, and the nature of the business to be conducted, and shall obtain the prior written approval of the Supervisor to any documents it proposes to send to the relevant Holders (such approval not to be unreasonably withheld or delayed). If the Supervisor so requires, the documents shall include any statement which the Supervisor wishes to make in relation to the meeting and the matters to be considered at it.

### 3.5 **Short or informal notice**

Notwithstanding any other provision of this regulation 3, a meeting may be called by shorter notice than that specified in regulation 3.2, or without any formal notice, and without compliance with regulation 3.3, and shall be deemed to have been duly called if it is so agreed by all Holders before, at or after that meeting.

### 3.6 **Accidental omission**

The accidental omission to give notice to, or the non-receipt of notice by, any person entitled to receive notice will not invalidate the proceedings at any meeting.

## 4 **QUORUM**

### 4.1 **Quorum required**

No business will be transacted at any meeting unless the requisite quorum is present at the commencement of business.

### 4.2 **Quorum for Extraordinary Resolution**

Subject to regulation 4.4, the quorum for passing an Extraordinary Resolution is two or more Holders (present in person or by Representative) holding or representing a majority in Principal Amount of the Bonds. If there is only one Holder of the Bonds, that Holder (present in person or by Representative) will constitute the quorum for passing an Extraordinary Resolution. Where a Holder holds Zero Coupon Bonds, for the purposes of determining the quorum, the Principal Amount of those Zero Coupon Bonds is to be construed as a reference to the net present value of those Zero Coupon Bonds (as calculated by the Registrar for the relevant Series by adjusting,



on a straight line basis, the Principal Amount of the relevant Bond by a proportion of any discount to that Principal Amount applicable to such Bond on its Issue Date) as at the date of the meeting.

#### 4.3 **Quorum for other business**

Subject to regulation 4.4, the quorum for the transaction of any business other than the passing of an Extraordinary Resolution is the Holders present in person or by Representative holding or representing at least 10% in Principal Amount of the Bonds. Where a Holder holds Zero Coupon Bonds, for the purposes of determining the quorum, the Principal Amount of those Zero Coupon Bonds is to be construed as a reference to the net present value of those Zero Coupon Bonds (as calculated by the Registrar for the relevant Series by adjusting, on a straight line basis, the Principal Amount of the relevant Bond by a proportion of any discount to that Principal Amount applicable to such Bond on its Issue Date) as at the date of the meeting.

#### 4.4 **Quorum not present**

If, within 15 minutes (or any longer time not exceeding 45 minutes as the chairperson of the meeting may decide) after the Appointed Time, a quorum is not present, the meeting, if convened at the request of Holders, will be dissolved. In any other case it will be adjourned to a day and time (not being less than seven days later) and to a place as may be appointed by the chairperson. At such adjourned meeting, all the Holders present in person or by Representative will be a quorum for the transaction of business, including the passing of Extraordinary Resolutions.

#### 4.5 **Notice of adjourned meeting**

Notwithstanding regulation 3.1, notice of any such adjourned meeting of Holders at which an Extraordinary Resolution is to be submitted shall be given to the same persons as those who were given notice of the original meeting and otherwise will be given in the same manner as for an original meeting and such notice will state that the Holders present in person or by Representative at the adjourned meeting will form a quorum whatever the Principal Amount of Bonds held by them.

### 5 **CHAIRPERSON**

#### 5.1 **Series**

A person nominated by the Supervisor shall preside at every meeting of Holders. If no such person is nominated, or if at any meeting the person nominated is not present within 15 minutes after the time appointed for holding the meeting, the Holders or Representatives present shall appoint a person to be chairperson of the meeting.

### 6 **RIGHT TO ATTEND AND SPEAK**

Any:

- (a) director, officer, solicitor, auditor or accountant of the Issuer; or
- (b) person appropriately authorised by the Issuer;



- (c) director, officer or solicitor of the Supervisor; or
- (d) person appropriately authorised by the Supervisor,

may attend any meeting, and all such persons will have the right to speak at the meeting.

## 7 **ADJOURNMENT**

### 7.1 **Chairperson may adjourn**

The chairperson of a meeting may, with the consent of the meeting at which a quorum is present, and will, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

### 7.2 **Business at adjourned meeting**

No business will 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 ISSUER**

The persons named as Holders in the Register at the Proxy Closing Time will be recognised and treated as the legal owners of the Bonds whether those persons are or are not in fact the beneficial owners of those Bonds.

## 9 **AUTHORITY TO VOTE**

### 9.1 **Voting**

An individual Holder may vote personally or by his or her Representative and a Holder which is a corporation may vote by its Representative. A Holder may appoint more than one Representative, each such Representative being authorised to act on behalf of the Holder in respect of a specified Principal Amount of Bonds.

### 9.2 **Entitlement**

The persons named in the Register as Holders at the Proxy Closing Time or the Representative(s) or the personal representatives or assignees in bankruptcy of any such Holder will be exclusively entitled to vote in person or by Representative in respect of the Bonds recorded as owned by them.

## 10 **PROXIES**

### 10.1 **In writing**

The instrument appointing a proxy must be in writing signed by the appointor or his or her attorney or, if the appointor is a corporation, either by an authorised officer or attorney or by any director, general manager, investment manager or other person who appears to have authority to appoint a proxy on behalf of the corporation.

### 10.2 **Proxy need not be Holder**

A person appointed to act as a proxy need not be a Holder. A holder of a proxy will have the right to speak at the meeting.



### 10.3 **Deposit of proxy**

The instrument appointing a proxy and, if applicable, the power of attorney or other authority under which it is signed, or a copy of such power or authority certified by a solicitor or in any other manner approved by the Issuer, must be deposited at the place appointed by the Issuer in the notice convening the meeting (or, if no such place is appointed, then at the registered office of the Issuer) not later than the Proxy Closing Time. An instrument of proxy which is not so deposited will not be treated as valid unless the Issuer, in its absolute discretion, elects to accept any instrument of proxy notwithstanding that that 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 **Form of proxy**

An instrument of proxy may be in any usual or common form or in any other form approved by the Issuer and may make provision for directions to be given by the grantor to vote in favour of or against any proposed resolution.

### 10.5 **Proxy valid for meeting**

An instrument of proxy, whether in a usual or common form or not, will, unless the contrary is stated thereon, not need to be witnessed and will be valid for the meeting to which it relates and for any adjournment of that meeting.

Notwithstanding any provisions contained in an instrument of proxy, no instrument of proxy will be valid after the expiration of 12 months from the date of its execution notwithstanding any provision to the contrary in the instrument, but this provision will not be construed to apply to the appointment of an attorney or Representative otherwise than by an instrument of proxy.

### 10.6 **Proxy in favour of chairperson**

An instrument of proxy in favour of:

- (a) the chairperson of the Issuer;
- (b) the chairperson; or
- (c) the chairperson of the meeting,

(however expressed) will be valid and effectual as though it were in favour of a named person and will, in the case of paragraph (a) above, constitute the person holding the office of the chairperson of the board of Directors of the Issuer, and, in the case of paragraphs (b) and (c) above, constitute the person who chairs the meeting for which the proxy is used (whether on adjournment or not), the lawful proxy of the appointor.

## 11 **HOLDER MAY APPOINT ATTORNEY**

Except where a Holder is the Issuer or any of its Subsidiaries, any Holder may, by power of attorney, appoint an attorney (who need not be a Holder) to vote and act on his or her behalf at any meeting. An attorney will be entitled to produce evidence of his or her appointment at any time before the Appointed Time. An attorney who is so empowered may exercise the Holder's right to appoint a proxy.





## 12 CORPORATE REPRESENTATIVES

### 12.1 Authority

A Representative of a Holder which is a corporation or a corporation sole is, until his or her authority is revoked, entitled to exercise the same powers on behalf of the corporation as that corporation could exercise if it were an individual Holder, and is entitled to produce evidence of his or her 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 the Representative proposes to vote.

### 12.2 Right to act

A Representative will have the right to speak at the meeting and to demand or join in demanding a poll, and will (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 Holder concerned.

## 13 VOTING PROCEDURE AND POLLS

### 13.1 Show of hands

A resolution put to the vote of a meeting will be decided on a show of hands unless a poll is demanded (before or on the declaration of the result of the show of hands) by:

- (a) the chairperson of the meeting; or
- (b) the Supervisor; or
- (c) the Issuer or any representative of the Issuer; or
- (d) one or more Holders present in person or by Representative holding or representing not less than 5% in aggregate of the Principal Amount of the Bonds.

A declaration by the chairperson that a resolution has been carried by the requisite majority, or lost, will be conclusive evidence of that fact unless a poll is demanded.

### 13.2 Number of votes

On a show of hands, each person present at the meeting and entitled to vote (whether personally or as a Representative) will have one vote only. On a poll, every Holder who is present in person or by a Representative will have one vote for every \$1 of Principal Amount of the Bonds of which he or she is the Holder, provided that where a Holder holds Zero Coupon Bonds, for the purposes of calculating that Holder's voting entitlement in this regulation, the Principal Amount of those Zero Coupon Bonds is to be construed as a reference to the net present value of those Zero Coupon Bonds (as calculated by the Registrar for the relevant Series by adjusting, on a straight line basis, the Principal Amount of the relevant Bond by a proportion of any discount to that Principal Amount applicable to such Bond on its Issue Date) as at the date of the meeting. On a poll, votes may be given either personally or by Representative, and a person entitled to more than one vote need not use all his or her votes, or cast all the votes he or she uses in the same way.



### 13.3 **Poll**

If a poll is demanded it will be taken in the manner directed by the chairperson of the meeting, and the result of the poll is deemed to be the resolution of the meeting at which the poll was demanded.

### 13.4 **Chairperson has casting vote**

In the case of an equality of votes, whether on a show of hands or on a poll, the chairperson of the meeting at which the show of hands took place, or at which the poll is demanded, is entitled to a casting vote in addition to the votes (if any) to which the chairperson may be entitled as a Holder or on behalf of Holders.

### 13.5 **Election of chairperson**

A poll demanded on the election of a chairperson of the meeting, or on a question of adjournment, will be taken immediately. A poll demanded on any other question will be taken either immediately or at a time within 30 days from the date of the meeting and in a place appointed by the chairperson. The result of the poll is 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.

### 13.6 **No disturbance**

The demand for a poll will not prevent the continuance of a meeting for the transaction of business other than the question in relation to which the poll has been demanded.

### 13.7 **Joint Holders**

In the case of joint Holders the vote of the senior who tenders a vote, whether in person or by Representative, will be accepted to the exclusion of the vote of the other joint Holders, and for this purpose seniority will be determined by the order in which the names stand in the Register in respect of the joint holding.

### 13.8 **Disqualification**

- (a) A vote given in accordance with the terms of an instrument of proxy or power of attorney or other authority will 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 authority or the transfer of the Bonds in respect of which the vote is given, provided that no written notice of such death, insanity, liquidation, revocation or transfer is received by the Issuer at its registered office before the commencement of the meeting or adjourned meeting at which the proxy, attorney or authority is used.
- (b) Notwithstanding any other regulation, any Bonds held by or on behalf of the Issuer or any of its Subsidiaries shall not confer any right to vote for the period that they are so held.
- (c) No Holder is entitled to be present or to vote on any question, either personally or by Representative, and no person is entitled to be present or to vote as a Representative for any Holder, at any meeting or on a poll or be reckoned in a quorum in respect of any Bonds held by such Holder, whether alone or jointly, while any sum is due and payable to the Issuer in respect of any such Bond.

### 13.9 **Voting by other means**

- (a) Any Holder may exercise the right to vote on each resolution the subject of that meeting by delivering a postal vote, a vote by email correspondence or by using any other electronic means expressly authorised by the Issuer or the Supervisor.
- (b) A Holder may cast a vote under this paragraph on all or any of the matters to be voted on at a meeting by sending a notice of the manner in which that Holder's Bonds are to be voted on to the Issuer or the Authorised Person for that meeting. This notice must be received by that person no later than the Proxy Closing Time, unless the Issuer or the Authorised Person (as the case may be), in its absolute discretion, elects to accept any notice notwithstanding that that notice is received or produced at a place other than that specified above or out of time.
- (c) The Supervisor or the Authorised Person (as applicable) must:
  - (i) collect together all of the votes received by him or her or by the Issuer;
  - (ii) in relation to each resolution to be voted on at the meeting, count:
    - (A) the number of Holders voting in favour of that resolution and the number of votes cast by, or on behalf of, each such Holder in favour of the resolution; and
    - (B) the number of Holders against the resolution and the number of votes cast by, or on behalf of, each such Holder in favour of the resolution; and
  - (iii) sign a certificate that he or she has carried out the duties set out in regulations 13.9(c)(i) and (ii) and that sets out the results of the counts required by regulation 13.9(c)(ii); and
  - (iv) ensure that the certificate required by regulation 13.9(c)(iii) above is presented to the chairperson of the meeting.
- (d) If a vote is taken at a meeting on a resolution on which votes under this paragraph have been cast, the chairperson of the meeting must:
  - (i) irrespective of whether votes are cast by a show of hands or by poll, include those votes in the overall result; and
  - (ii) call for a vote on a resolution, on which he or she holds sufficient votes under this paragraph where the chairperson is of the view that the result of a vote taken by way of poll, may differ from that taken by show of hands.

## 14 **EXTRAORDINARY RESOLUTIONS**

### 14.1 **Powers**

A meeting of Holders will, in addition to all other powers which by this Deed are specified as exercisable by Extraordinary Resolution, have the following powers exercisable by Extraordinary Resolution, namely power to:



- (a) sanction, either unconditionally or upon any conditions, the release of the Issuer or any Guaranteeing Subsidiary from the payment of all or any part of the moneys payable pursuant to this Deed or the Bonds;
- (b) sanction any request from the Issuer for the exchange of the Bonds for, or the conversion of the Bonds into, shares, stock, debentures, debenture stock or other obligations or securities of the Issuer or any other company formed or to be formed;
- (c) postpone or, with the concurrence of the Issuer, accelerate the day when the Principal Amount of any Bonds becomes payable, and to suspend or postpone for a time the payment of interest on any Bonds;
- (d) sanction any alteration, release, modification, waiver, variation, or compromise, or any arrangement relating to the rights of the Holders against the Issuer or any Guaranteeing Subsidiary or its assets however those rights arise;
- (e) assent to any amendment to the terms of this deed or the relevant Supplemental Trust Deed proposed or agreed to by the Issuer (and, where required, the Supervisor), and to authorise the Issuer and the Supervisor to execute any Supplemental Trust Deed embodying any such amendment;
- (f) give any sanction, assent, release or waiver of any breach or default by the Issuer or any Guaranteeing Subsidiary under any of the provisions of this deed or the relevant Supplemental Trust Deed;
- (g) sanction any scheme for the reconstruction of the Issuer or any Guaranteeing Subsidiary or for the amalgamation of the Issuer or any Guaranteeing Subsidiary with any other corporation where such sanction is necessary;
- (h) 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 this deed or any Supplemental Trust Deed;
- (i) subject to the provisions of this Deed, remove any Supervisor and to approve the appointment of or appoint a new Supervisor;
- (j) consent to, approve, authorise and direct the Supervisor in respect of any of the matters referred to or any of the foregoing paragraphs of this regulation 14.1, or as to any other matter which may be necessary to carry out and give effect to any Extraordinary Resolution;
- (k) authorise or direct the Supervisor and, if required, the Issuer to execute any supplemental deed or other document embodying such sanction, authority or approval, assent, release, waiver, direction or request.

#### 14.2 **Binding on Holders**

An Extraordinary Resolution passed at a meeting of Holders, properly convened and held in accordance with this Schedule, is binding on all the Holders whether or not

they were present or entitled to be present at the relevant meeting, or signed the relevant resolution pursuant to regulation 16, as the case may be, and all Holders are bound to give effect to that resolution. The passing of any such resolution will, as between the Issuer and the Holders, be conclusive evidence that the circumstances justify the passing thereof, the intention being that the meeting is entitled to determine without appeal whether or not the circumstances justify the passing of any such resolution. Notwithstanding the foregoing, a resolution which affects a particular Holder or Holders holding a Class of Bonds only (as opposed to the rights of the Holders generally) will not be binding on such Holder or Holders unless such Holder or Holders agree to be bound by the terms of such resolution or unless the Holders of that Class have so agreed by virtue of an Extraordinary Resolution of the Holders of that Class of Bonds. Whenever there are Bonds outstanding which do not form a single Class, the provisions of this Schedule have effect subject to the following:

- (a) a resolution which affects a particular Holder only, rather than the rights of all Holders generally or of a particular Class of Holders generally, will not be binding on such Holder unless such Holder agrees to be bound by the terms of such resolution;
- (b) a resolution which affects one Class only of Bonds is deemed to have been duly passed if passed at a properly convened and held meeting of the Holders of that Class (or pursuant to regulation 16);
- (c) a resolution which affects more than one Class of Bonds, but does not give rise to a conflict of interest between the Holders of any of the Classes so affected, is deemed to have been duly passed if passed at a single properly convened and held meeting of the Holders of all Classes so affected (or pursuant to regulation 16);
- (d) a resolution which affects more than one Class of Bonds and gives or may give rise to a conflict of interest between the Holders of any of the Classes so affected is deemed to have been duly passed if passed at separate properly convened and held meetings of the Holders of each Class so affected (or pursuant to regulation 16); and
- (e) in respect of each meeting referred to in paragraphs (b), (c) and (d) of this regulation 14.2, the provisions of this Schedule apply with the necessary modifications as though references in them to Bonds and Holders were references to the relevant Class or Classes and to the Holders of the Bonds comprised in such Class or Classes, respectively.

#### 14.3 **Reliance on advice**

The Issuer may rely on, and the Holders and the Registrar for the relevant Series shall be bound by, a legal opinion from a leading law firm in New Zealand addressed to the Issuer, as the case may require, to the effect that a resolution affects one Class only or, if it affects more than one Class of Bonds, does not give rise to a conflict of interest, for the purposes of determining the meeting or meetings which need to be held for the purposes of regulation 14.2.



## 15 **MINUTES TO BE KEPT**

Minutes of all resolutions and proceedings at every meeting will be made by the Issuer, or, if the Issuer is not present at the meeting, by a person appointed by the chairperson of the meeting. Minutes must be entered in books from time to time provided for that purpose by the Issuer. Any such minutes, if signed or apparently signed by the chairperson of the meeting at which a resolution was passed or proceedings had, or by the chairperson of the next meeting of Holders, will be *prima facie* evidence of the matters recorded in those minutes. Until the contrary is proved, every meeting in respect of which minutes have been made is deemed to have been properly held and convened and all resolutions passed or proceedings had at that meeting to have been properly passed and had.

## 16 **RESOLUTIONS IN WRITING**

### 16.1 **Extraordinary Resolution**

Anything that may be done by Holders by a resolution or Extraordinary Resolution passed at a meeting of Holders may be done by a resolution in writing signed by not less than 75% of the Holders having the right to vote on that resolution, holding in aggregate the Bonds conferring the right to cast not less than 75% of the votes which could be cast on that resolution.

### 16.2 **Counterparts**

Any such resolution may consist of several documents in similar form, each signed by one or more Holders.

### 16.3 **Execution**

Any such resolution may be signed by a Holder, or an agent or attorney of the Holder duly authorised in writing, or if the Holder is a company, by a director, or by an attorney so authorised by the company.



### SCHEDULE 3: FORM OF DIRECTORS' CERTIFICATE

- 1 This certificate is given by the undersigned Directors of Christchurch International Airport Limited (*the Issuer*) pursuant to clause 16.3(c) of the Master Trust Deed dated [ ] (the *Trust Deed*) between the Issuer and Public Trust as supervisor and trustee in connection with **{specify relevant Series}**.
- 2 Unless the context otherwise requires, terms defined in the Trust Deed have the same meaning herein.
- 3 We, the undersigned, hereby state that as at the last day of the financial {year}{half-year} ending on { } (*the Reporting Date*), to the best of our knowledge and belief having made all due inquiries, and, during the immediately preceding financial {year}{half-year}:
  - 3.1 {Here state any matter, or state if there is no matter, which has arisen relating to the Issuer which would materially and adversely affect the ability of the Issuer to perform its obligations under the Trust Deed and the Bonds or which adversely affects the Holders.};
  - 3.2 the Issuer has observed and complied with all provisions expressed to be binding upon it under the Trust Deed and any relevant Supplemental Trust Deed in respect of Bonds including the payment of all interest on, and the Principal Amount in respect, of the Bonds (or if the Issuer has not so complied with and observed the provisions of the Trust Deed or any Supplemental Trust Deed set out the particulars of the contravention and proposals to remedy the same);
  - 3.3 no Event of Default has occurred (or, if any Event of Default has occurred, set out the particulars of the Event of Default and, if appropriate, details of how it has been, or is proposed to be, remedied);
  - 3.4 the Principal Amount of Bonds (if any) which have been repaid on maturity is \${ }, details of which are set out below. All Bonds which have fallen due for repayment have been repaid;  
  
{set out details of Bonds which have been repaid on maturity in the immediately preceding financial year and details of any non-payment.}
  - 3.5 all interest due on the Bonds has been paid (or, if any interest has been suspended in respect of Subordinated Bonds in the immediately preceding financial {year}{half-year}, provide details thereof);
  - 3.6 each Register in respect of a Series has been duly maintained in accordance with the Trust Deed;  
  
{If any Register in respect of a Series has not been duly maintained set out the particulars of the failure to maintain.}
  - 3.7 the Guaranteeing Group Members under the Trust Deed are { } and { };

{if there are no Guaranteeing Group Members, state so. }

3.8 no new Controlled Subsidiaries have been created or acquired, (or, if there have been new Controlled Subsidiaries created or acquired, provide details);

3.9 the Issuer has observed and complied with all its material borrower covenants given in favour of its bankers under the Banking Covenants, and no enforcement actions have been taken in respect thereof;

{if the Issuer has not so complied and observed its Banking Covenants, set out the particulars of the contravention and proposals to remedy the same}

{here state any enforcement action taken in relation to the Issuer's Banking Covenants}

3.10 there have been no changes to the Banking Covenants;

{if there have been any changes, here state any changes to the Issuer's banking covenants.}

3.11 there have been no disposals of assets other than in accordance with clause 17.2(e);

3.12 no Security Interest has been granted by the Issuer other than in accordance with the Trust Deed (or, if any Security Interest has been granted other than in accordance with the Trust Deed, state here the details of such Security Interests).

4 As at the Reporting Date:

(i) Total Tangible Assets of the Guaranteeing Group were \$ { }, representing { }% of the Total Tangible Assets of the Group of \$ { };

(ii) Total Debt was \$ { }, representing { }% of the sum of Total Debt plus Total Equity, being \$ { };

(iii) EBITDA divided by Total Interest Expense was \$ { }, and the interest cover ratio was { };

(iv) Total Tangible Assets attributable to Joint Venture Interests was \$ { }, representing { }% of Total Tangible Assets of the Group.

5 As at the date of this certificate, having considered the financial position (including contingent liabilities) of the Issuer as a going concern (which the Directors are satisfied will be the case) and such budgets, reports, projections, certificates and assurances as we considered necessary and the anticipated revenues and sources of finance arranged or capable of being arranged during the 12 months from the Reporting Date, to the best of our knowledge and belief the Issuer will be able to meet all its liabilities (including maturing Bonds and interest on Bonds) which fall due or are anticipated to become payable during the 12 months from the Reporting Date in accordance with accepted commercial practice.





6 As at the Reporting Date:

- (i) the aggregate Principal Amount of the Retail Bonds (if any) outstanding is \$ { }, being:
  - (A) in respect of Tranche [ ] \$ { };
  - (B) in respect of Tranche [ ] \$ { }; and
- (ii) the aggregate Principal Amount of the Wholesale Bonds (if any) outstanding is \$ { }, being:
  - (A) in respect of Tranche [ ] \$ { };
  - (B) in respect of Tranche [ ] \$ { }; and
- (iii) the amount of any unpaid interest relating to the outstanding Retail Bonds (if any) is \$ { }; **being:**
  - (A) in respect of Tranche [ ] \$ { };
  - (B) in respect of Tranche [ ] \$ { }; and
- (iv) the amount of any unpaid interest relating to the outstanding Wholesale Bonds (if any) is \$ { }, being:
  - (A) in respect of Tranche [ ] \$ { };
  - (B) in respect of Tranche [ ] \$ { }; and



This certificate is given on the { } day of { } 20{ }

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Director  
Christchurch International Airport Limited

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Director  
Christchurch International Airport Limited



#### **SCHEDULE 4: PARTICULARS OF BONDS IN REGISTER**

- 1 Series number
- 2 Type of Bond
- 3 Issue Date
- 4 First Interest Accrual Date
- 5 Early repayment date
- 6 Maturity Date
- 7 Principal Amount
- 8 Name, address and (where known) tax residency of Holder
- 9 Minimum Principal Amount
- 10 Interest Rate
- 11 Interest Payment Dates
- 12 Details of the account to which payments in respect of the Bond are to be made
- 13 Transfers of the Bond
- 14 Cancellation of the Bond
- 15 Details of any resident withholding tax exemption certificates held by Holder
- 16 Any other information required by law (including information required under section 217(1) of the FMCA) or the applicable Supplemental Trust Deed, or which the Issuer considers may be desirable in relation to the Bonds.



## SCHEDULE 5: SUPPLEMENTAL DEED

Date:

By: [ ], a company duly incorporated under the laws of New Zealand  
(the *Company*)

### INTRODUCTION

- A The Company is a Subsidiary of Christchurch International Airport Limited (*CIAL*).
- B *CIAL* has entered into a Master Trust Deed (*the Deed*) dated [ ] 2012 (as amended from time to time) with Public Trust as trustee under which *CIAL* may issue debt securities pursuant to one or more Supplemental Trust Deeds.
- C At the request of *CIAL*, the Company is desirous of executing this supplemental deed (being a deed supplemental to the Deed, and in or to the effect of the form prescribed in Schedule 5 to the Deed) in order to become a Guaranteeing Group Member pursuant to the provisions of the Deed.

### COVENANTS

#### 1 Definitions

To the extent to which the same are applicable and are not varied in this supplemental deed, the definitions and provisions contained in the Deed shall apply to and be incorporated in this supplemental deed.

#### 2 Guarantee

The Company agrees to become a Guaranteeing Group Member under and for the purposes of the Deed, and unconditionally and irrevocably guarantees, to and for the benefit of the Supervisor, jointly and severally with each of the other Guaranteeing Group Members, the due and punctual payment by each other Guaranteeing Group Member of the Guaranteed Moneys as and when the same shall become owing or payable under the Deed and any Supplemental Trust Deed, and the provisions of clause 12 of the Deed shall apply to the guarantee given by the Company under this supplemental deed in the same manner, and to the same extent, as if the same had, with all necessary modifications, been set out in full in this supplemental deed and made applicable to the guarantee given under this supplemental deed.



3 **Governing law**

This supplemental deed shall be governed by and construed in accordance with New Zealand law.

**EXECUTED AS A DEED**

**Signed** for and on behalf of  
[                    ] **Limited** by:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director