

DEBT SECURITY TRUST DEED

between

THE HASTINGS PERMANENT BUILDING AND
INVESTMENT SOCIETY

and

THE TRUSTEES EXECUTORS AND AGENCY COMPANY
OF NEW ZEALAND LIMITED

20 DECEMBER 1990

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THIS TRUST DEED made this 20th day of December 1990

BETWEEN

1. THE HASTINGS PERMANENT BUILDING AND INVESTMENT SOCIETY a registered building society having its registered office at Hastings ("the Society")
2. THE TRUSTEES EXECUTORS AND AGENCY COMPANY OF NEW ZEALAND LIMITED having its registered office at Dunedin ("the Trustee")

WHEREAS

- A. The Society is empowered to raise or borrow money in such amounts and in such manner subject to the Society's Rules as may be reasonably necessary to enable it to carry on the Society's functions.
- B. The Directors of the Society acting pursuant to the provisions of its Rules resolved on the 11th day of December 1990

THAT the Society raise money from time to time in such amounts and upon such terms and conditions as the Directors may think fit by the issue of securities to the public the same together with such securities issued to the public and "building society shares" as are already on issue to be constituted or deemed constituted by a Trust Deed in terms of the draft submitted to this meeting but subject to such alterations as are agreed to by a committee of the Directors appointed for that purpose and that the said Trust Deed be approved and executed under the Common Seal of the Society.

- C. This Deed is in the form of the draft Trust Deed referred to in the above resolution.
- D. The Trustee has agreed for the consideration hereinafter expressed to act as Trustee for the benefit of the Depositors and the Redeemable Shareholders on the terms and conditions and with the powers and authorities hereinafter contained.
- E. It is contemplated that from time to time Subsidiaries (as hereinafter defined) may qualify as and become Guaranteeing Subsidiaries (as hereinafter defined) and accordingly it is convenient in this Deed to set out the procedure therefore and the obligations which will be imposed upon and covenants which will be given by Guaranteeing Subsidiaries notwithstanding that there are no such Guaranteeing Subsidiaries at the date of this Deed.

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

SECTION I

1. EFFECTIVE DATE, DEFINITIONS AND CONSTRUCTION

1.1 EFFECTIVE DATE

The provisions of this Deed shall come into force and have effect on and after 1 January 1991.

1.2 INTERPRETATION

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

1.3 DEFINITIONS

IN this deed (including the Schedules):

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

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

- (a) The aggregate of which and any amounts secured by prior Charges over that Freehold Land does not exceed:
 - (i) 90% of the value of the Freehold Land where it is principally being used for residential accommodation purposes PROVIDED THAT where the aggregate of the principal outstanding and any amounts secured by Prior Charges over that Freehold Land exceed 80% of the value of the Freehold Land, the External Person will, at the request of the Society, arrange Lenders' Mortgage Insurance on the total amount of principal outstanding; or
 - (ii) 50% of its value where the Freehold Land is used principally for rural purposes other than residential accommodation; or
 - (iii) 60% of its value where the Freehold Land is used principally for urban commercial purposes;

and

- (b) Where the interest rate under the loan is reviewable upon not more than 24 months' prior notice from the Reference Date or where the loan matures or is repayable within that same period.
- (c) For purposes of paragraphs (a) (i) and (iii) the value of the Freehold Land shall be that determined at the time of its latest valuation for purposes of assessing the security for all or any part of the loan or amount of the Government Valuation, whichever may be the higher.

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

- (a) has adopted the equity method of accounting in relation to its holding of equity capital of the body corporate; or
- (b) holds not less than one-fifth, but more than one-half, of the equity capital of the body corporate.

"Associated Person" means any person, or relative (within the meaning defined in Section 2 of the Income Tax Act 1976) of any person, who controls or manages the Society or who is controlled by the Society or one or more of the same persons who control or manage the Society, whether directly or through one or more nominees in terms of Sections 7 (1), (2) and (5) of the Income Tax Act 1976 assuming for this purpose that the Society is a company, such person or relative not being a Guaranteeing Subsidiary; and without limitation includes any Non-Guaranteeing Related Body Corporate and any Associated Body Corporate.

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

"Bank" means:

- (a) The Reserve Bank of New Zealand; and
- (b) A bank registered under the Reserve Bank Act 1989
- (c) A company which the Directors have certified in writing to the Trustee is, to the best of their knowledge and belief after taking appropriate advice, accorded by the jurisdiction in which it is domiciled recognition as a banking institution so long as such certificate has not been revoked.

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

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

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

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

“Class” in relation to securities means those securities (including debt securities) as defined by the Securities Act issued or to be issued by the Society where the rights of all the holders thereof are the same and which rank equally among themselves in respect of:

- (a) Amounts payable as interest or dividends; and
- (b) Priority for repayment of principal and outstanding interest upon a receivership, distribution, or winding up; and
- (c) Redeemability prior to receivership or winding up; and
- (d) Entitlement and priority to any surplus on a receivership, distribution or winding up;

and in relation to holders means the holders of those securities.

“Companies Act” means Companies Act 1955.

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

“Debt Security” means any debt security which is outstanding and not secured by a Charge of which the Society is the issuer which is or at any time has been offered to the public for subscription by or on behalf of the Society (within the meaning of the Securities Act) and any debt security which is constituted as a Debt Securities and any debt converted to a Debt Security in accordance with Clause 4.3, and includes every Redeemable share whether or not offered to the public for subscription.

The expression “Debt Security” does not include any security which was issued or constituted by the Society at any time before the Effective Date where the holder thereof has exercised the holder’s right not to be a beneficiary under this Trust Deed and be bound by its terms in respect of such security.

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

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

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

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

“Directors’ Certificate” means a certificate signed by a least two Directors on behalf of all the Directors as to any fact or matter.

“Directors’ Quarterly Report” means a certificate and resolution passed by the Directors pursuant to and in conformity with Clause 3.1(e).

“Enforcement Time” means the date upon which the Trustee determines or becomes bound to declare the Deposit Moneys and Redeemable Share Moneys to be immediately due and payable.

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

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

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

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

"Government Valuation" in relation to Freehold Land means the latest capital value of the fee simple, stratum estate or leasehold interest therein as the case requires appearing in the district valuation roll kept pursuant to the Valuation of Land Act 1951 or any special revaluation made by Valuation New Zealand (or any successor) plus the amount (less depreciation) shown in the books of account of the owner of any improvements of a capital nature made subsequent to the date of valuation to the extent to which it is certified by Directors' Certificate that the value of the land has been thereby increased.

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

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

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

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

PROVIDED ALWAYS THAT:

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

- (b) if at any time when preparing any balance sheet the Society desires to make any, material change in any accounting principle or practice applied in the most recently published audited balance sheet or consolidated balance sheet as aforesaid such change shall only be made if the same is approved in writing by the Auditors.

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

"Holding Company" means a company which is for the time being the holding company of another body corporate within the meaning of Section 158 of the Companies Act.

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

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

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

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

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

- (a) Redeemable Share Moneys;
- (b) Moneys which are payable in respect of any shares in preference to, or equally with moneys payable in respect of Redeemable Shares;
- (c) Contingent liabilities under guarantees, performance bonds, indemnities, securities or otherwise where there could be recourse to the Guaranteeing Group for the liabilities of External Persons, excepting contingent liabilities in respect of disputed claims or which, to the satisfaction of the Auditors, are fully secured by a Charge over assets of an External Person or which are fully guaranteed or indemnified by a Prime Debtor.

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

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

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

- (c) Deposits with any Prime Debtor other than those included in paragraph (b) payable (with or without notice) or realisable in cash (in the event of any dispute in the opinion of the Auditors) within 30 days of Reference Date;
- (d) Public Sector Securities which are listed securities or which are payable (with or without notice) within 30 days of the Reference Date;
- (e) Securities for which any Prime Debtor is liable whether as principal debtor, guarantor, endorser or otherwise, and which are Listed Securities or payable (with or without notice) or realisable in cash (in the event of any dispute in the opinion of the Auditors) within 30 days of the Reference Date;
- (f) The estimated net proceeds of that portion of any proposed increase in paid-up shares (including Redeemable Shares) of the Society or proposed issue of Subordinated Debt (other than paid-up shares or Subordinated Debt to be issued to another member of the Guaranteeing Group) which is payable in cash within 30 days of Reference Date by a Prime Debtor or in respect of which payment as aforesaid has been unconditionally underwritten by a Prime Debtor.
- (g) (For purposes of calculating compliance with Clause 22.1(c)(i) and (iii) only) the amount which may be unconditionally drawn down within 30 days of Reference Date by the Society under any facility or accommodation with a Prime Debtor which is to the satisfaction of the Auditors unable to be revoked or cancelled by the Prime Debtor within 30 days of the Reference Date except in the event of:
 - (i) the passing of a resolution or the making of an order winding up the Society, the cancellation by the Registrar of Building Societies if the registration of the Society the appointment of a receiver or any assets of the Society or the appointment of a statutory manager under the Corporations (Investigation and Management) Act 1989; or
 - (ii) the Society stopping of suspending to its creditors; or
 - (iii) the Society entering into any arrangement or composition with its creditors generally.
- (h) Marketable Debt Securities.

“Majority of Deposits” means:

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

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

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

(b) By Directors' Certificate.

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

"month" means a calendar month.

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

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

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

- (a) Liquid Assets;
- (b) Guaranteed Investment Principal;
- (c) Approved Mortgage Principal;
- (d) Secured Indebtedness;
- (e) Listed Securities;
- (f) Unlisted Securities; and
- (g) Unsecured Indebtedness.

"owing" includes unpaid.

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

"Prime Debtor" means a Bank, any wholly-owned subsidiary of any Bank which subsidiary is itself a financial intermediary, a government, any person incorporated by statute and which is directly controlled or capable without further legislative act or decree of being controlled by a government, any corporation the share in which are owned by a government and which if such corporation were a company within the meaning of the Companies Act 1955 would be a subsidiary of such government and any local authority within the meaning of the Local Authorities Loans Act 1956.

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

"Public Sector Securities" means and includes New Zealand Government Stock issued and registered in New Zealand (including Treasury Bills) and any other securities issued by any local or other public

authority to which the local Authorities Loans Act 1956 applies or any other security for which the New Zealand Government or any such local or public authority is liable whether as principal debtor, guarantor, endorser or otherwise.

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

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

"Redeemable Share" means any participatory security (within the meaning of the Securities Act) in the form of a share issued, or to be issued, by the Society pursuant to Section 11 of the Building Societies Act and not redeemed; but does not include a share which carries the right to payment of any dividend, or on which interest is payable from the annual surplus of the Society, and which is irredeemable or redeemable only at the option of the Society.

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

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

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

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

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

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

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

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

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

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

"Securities Act" means the Securities Act 1978.

“security” and “debt security” have the same meaning as in the Securities Act.

“Securityholder” means a Depositor or a Redeemable Shareholder.

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

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

“Subsidiary” means a company which is for the time being a subsidiary of the Society within the meaning of Section 158 of the Companies Act.

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

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

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

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

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

“Total Other Liabilities” means Total Liabilities less the aggregate of:

- (a) the Deposit Moneys outstanding, and
- (b) the Redeemable Share Moneys outstanding.

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

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

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

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

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

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

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

"Trustee" means the trustee of trustees for the time being under this Deed.

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

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

"Value" means:

- (a) in relation to Liquid Assets and Listed Securities an amount determined as the fair market value thereof by reference to stock exchange quotations by a method approved by the Auditors;
- (b) in relation to Guaranteed Investment Principal, Approved Mortgage Principal, Secured Indebtedness and Unsecured Indebtedness, the book values thereof less a proper provision for income yet to mature and for bad and doubtful debts where such a provision is appropriate;
- (c) in relation to Unlisted Securities either the lesser of the book value less a proper provision for income yet to mature and for bad or doubtful debts where such provision is appropriate, and the net tangible asset backing as disclosed by the latest relevant balance sheet, or, as determined by other evidence or method, whichever may be acceptable to the Auditors;
- (d) in relation to Freehold Land the Government valuation thereof or at the option of the Society the Market Valuation thereof;
- (e) in relation to motor vehicles the book value thereof after depreciation;

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

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

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

1.4 SECTION HEADINGS

THE section clause and paragraph headings appear as a matter of convenience and shall not affect the construction of this Deed.

1.5 SCHEDULES

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

SECTION II

2. COVENANTS BY THE SOCIETY AND THE CHARGING SUBSIDIARIES

2.1 FINANCIAL RESTRICTIONS

The Society and each of the Guaranteeing Subsidiaries covenants with the Trustee that it will not at any time:

TOTAL LIABILITIES LIMIT

- (a) Permit Total Liabilities to exceed 95% of Total Tangible Assets.

SECURED LIABILITIES RESTRICTION

- (b) (i) Permit Total Secured Liabilities to exceed 1% of Total Tangible Assets.
- (ii) Notwithstanding the provisions of paragraph (i) PROVIDED THAT:
- (aa) at all times the amount of Total Liabilities less Total Secured Liabilities does not exceed the amount of 95% of Total Tangible Assets less 105% of Total Secured Liabilities; and
- (bb) the amount of Total Secured Liabilities exceeding 1% of Total Tangible Assets is secured by the same Charge over the same Freehold Land as secures the amount of Total Secured Liabilities which does not exceed 1% of Total Tangible Assets and not over any other assets; and
- (cc) the amount of Total Secured Liabilities which exceeds 1% of Total Tangible Assets comprises moneys drawn down under an unconditional facility or overdraft conforming with paragraph (g) of the definition of the Liquid Assets; and
- (dd) Total Secured Liabilities at no times exceed 7% of Total Tangible Assets; and
- (ee) the Society's regular business is so conducted that at least once during each financial year there is a period when Total Secured Liabilities does not exceed 1% of Total Tangible Assets;

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

LIQUIDITY REQUIREMENTS

- (c) (i) Permit Total Liquid Assets to be less than 15% of (Total Tangible Assets less Reserves);
- (ii) Permit the total amount payable in cash over any half-year to any persons by ay of interest (including withholding tax payable in relation thereto) to exceed income actually received in cash over the same period from the investments of the Guaranteeing Group.

- (iii) Fail to ensure that the assets of the Guaranteeing group that are or may be available, whether by way of security or otherwise, are sufficient or likely to be sufficient to enable its Liabilities to be discharged when they become due.
- (iv) Permit Exposure to a single issuer of Marketable Debt Securities or, in relation to such an issuer that is a member of a group of companies, Exposure to the Single Group of which the issuer is a member (other than to a Bank) to exceed 15% of Total Liquid Assets.

LENDING AND INVESTMENT QUALITY RESTRICTIONS

- (d) (i) permit the aggregate of Total Secured Indebtedness, Total Unsecured Indebtedness, Total Listed Securities and Total Unlisted Securities, to exceed 15% of Total Tangible assets;
- (ii) permit the aggregate of Total Unsecured Indebtedness, Total Listed Securities and Total Unlisted Securities to exceed 5% of Total Tangible Assets PROVIDED THAT notwithstanding the foregoing there shall be substituted the following percentages for the successive periods ending upon the following dates: 30 April 1991: 7%; 31 March 1992: 5.5%.

2.2 OTHER RESTRICTIONS

The Society and each of the Guaranteeing Subsidiaries covenants with the Trustee that:

NOT TO ISSUE SECURED DEBT SECURITIES OR TO BEARER

- (a) It has not secured and will not secure by way of charge over any assets of the Guaranteeing Group the payment of Principal or interest or other moneys payable under any Debt Securities or issue any Debt Securities payable to "bearer".

NOT TO LEND TO OR GUARANTEE OBLIGATIONS OF ASSOCIATED PERSONS

- (b) The Guaranteeing Group has no Exposure (except as set forth in Schedule iii to this Deed) and will not at any time permit Exposure to arise in respect of any Associated Person, except Exposure:
 - (i) which is, or if it become an actual liability would be, secured as Guaranteed Investment Principal or approved Mortgage Principal and on normal commercial terms; or
 - (ii) undertaken with the prior written consent of the Trustee in the ordinary course of business and on normal commercial terms; or
 - (iii) in respect of housing loans secured as Guaranteed Investment Principal or Approved Mortgage Principal to members of the staff of the Guaranteeing Group.

NOT TO DEAL WITH ASSOCIATED PERSON EXCEPT ON ARMS-LENGTH BASIS

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

DISPOSAL OF UNDERTAKING

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

WRITING UP OF VALUES OF ASSETS

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

ENTER INTO UNLIMITED GUARANTEES

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

2.3 OBLIGATION TO BRING IN SUBSIDIARIES AS GUARANTEEING SUBSIDIARIES

The Society covenants with the Trustee that it will from time to time:

NOTICE OF CHANGE IN SUBSIDIARIES

- (a) Forthwith give notice in writing to the Trustee of:
 - (i) the acquisition or formation by the Society or any Guaranteeing Subsidiary of any Subsidiary including the name thereof and whether or not it is a Wholly Owned Subsidiary and furnish to the trustee a copy of the most recent audited balance sheet and profit and loss account of any Subsidiary so acquired.
 - (ii) any change in the shareholding of a Subsidiary which does or may effect or result in a change of control or direction thereof by the Guaranteeing Group.

MAKE WHOLLY-OWNED SUBSIDIARIES GUARANTEEING SUBSIDIARIES

- (b) With all reasonable expedition after any company incorporated in New Zealand becomes a Wholly Owned Subsidiary (including the acquisition of shares in the capital of any Subsidiary whereby it becomes a Wholly Owned Subsidiary) or after any Wholly Owned Subsidiary incorporated outside New Zealand commences business or acquires assets in New Zealand, procure that such Wholly Owned Subsidiary shall become a Guaranteeing Subsidiary by executing, stamping, registering and delivering to the Trustee a deed in the form or substantially in the form prescribed in Schedule II hereto, guaranteeing the Redeemable Share Moneys and the Deposit Moneys and thereby agreeing to become bound as a Guaranteeing Subsidiary AND the Society may on its own volition (without being under any obligation)_procure any Non-Guaranteeing Subsidiary to become a Guaranteeing Subsidiary by executing, registering and delivering to the Trustee a deed as aforesaid

PROVIDED ALWAYS that if the Trustee is requested by the Society to permit a Wholly Owned Subsidiary to remain a Non-Guaranteeing Subsidiary or cease to be Guaranteeing Subsidiary and the Trustee is satisfied that there are sound commercial reasons why this dispensation should be granted, the Trustee may upon and subject to such conditions as it considers appropriate, permit such Subsidiary to remain or become a Non-Guaranteeing Subsidiary on the

basis that the Trustee may subsequently for good reasons withdraw such dispensation and by notice require the Subsidiary to become a Guaranteeing Subsidiary;

ENSURE COMPLIANCE BY GUARANTEEING SUBSIDIARIES

- (c) Use its voting powers in and representation on the board of directors of each Guaranteeing Subsidiary in such manner as to ensure full compliance and observance by each Guaranteeing Subsidiary at all times with the covenants, conditions, agreements and provisions of this Deed in such manner also as to prevent any act or omission on the part of any Guaranteeing Subsidiary to comply with an perform the same or which would or might detrimentally affect the interests of the Redeemable Shareholders or Depositors.

2.4 FURTHER COVENANTS BY THE SOCIETY AND GUARANTEEING SUBSIDIARIES

The Society and each of the Guaranteeing Subsidiaries covenants with the Trustee that it will at all times:

PERMIT ATTENDANCE AT GENERAL MEETINGS

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

ALLOW TRUSTEE TO INSPECT ACCOUNTING RECORDS

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

GIVE TRUSTEE INFORMATION

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

REFUND TRUSTEE FOR EXPENDITURE

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

NOT REFER TO TRUSTEE IN PROSPECTUS WITHOUT APPROVAL

- (e) Not issue any prospectus bearing the name of the Trustee or referring to the Trustee's duties under the Trust Deed without obtaining the prior approval of the Trustee to the text of each such reference.

NOT DECLARE DIVIDENDS

- (f) Not without the prior consent in writing of the Trustee
 - (i) make any return of paid-up capital or fixed capital shares,
 - (ii) pay any dividend out of annual surplus, or
 - (iii) make any distribution from share premium account or reserve,

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

NOT ISSUE DEBT SECURITIES WHEN IN BREACH

- (g) Not without the consent in writing of the Trustee offer or issue to any member of the public any Debt Securities whilst the Society or any Guaranteeing Subsidiary is in breach of any of the provisions of this Deed, or is in breach of the provisions of the Securities Act regulating the offering or issuing of debt securities to the public or any related prospectuses.

REGISTER MORTGAGES AND FILE MEMORANDA OF CHARGES PROMPTLY

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

SECTION III

3. REPORTS AND NOTICES TO AND REMUNERATION OF TRUSTEE

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

3.1 FURNISH ANNUAL ACCOUNTS

- (a) Furnish (or cause to be furnished directly by the Auditors) to the Trustee within four (4) months after the close of each financial year of the Society:
 - (i) a copy of the balance sheet and revenue and appropriate account of the Society; and
 - (ii) if there are Guaranteeing Subsidiaries a copy of the Guaranteeing Group Balance Sheet and revenue and appropriate account of the Guaranteeing Group; and
 - (iii) if there are Non-Guaranteeing Subsidiaries a copy of the consolidated balance sheet and revenue and appropriate account of the society and its Subsidiaries;

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

FURNISH ANNUAL AUDITORS' REPORT

- (b) Furnish or cause to be furnished to the Trustee at the same time as it furnishes to the Trustee as provided in Clause 3.1 (a) the aforesaid copies of the audited balance sheets and revenue and appropriation accounts a separate report by the Auditors stating (and confirming that words and expressions in the report bear the same meaning as in the Trust Deed):
 - (i) whether or not in the performance of their duties as auditors they have become aware of any matter which in their opinion is relevant to the exercise or performance of the powers or duties conferred or imposed on the Trustee by the Securities Act, this Deed or by law and if so, giving particulars thereof;
 - (ii) whether or not their audit has disclosed any matter (and if so particulars thereof) calling in their opinion for further investigation by the Trustee in the interests of the Redeemable Shareholders or Depositors;
 - (iii) that they have perused the three Directors Quarterly Reports given by the Directors pursuant to Clause 3.1 (e) since the last report by the Auditors and that so far as matters which they have observed in the performance of their duties are concerned the statements made in such certificates are correct;
 - (iv) whether or not the Society or its agents have duly maintained each of the Registers and whether or not those have been audited as required by this Deed;
 - (v) as at the end of each financial year aforesaid the following information in relation to the Guaranteeing Group;

- A the amount of the Redeemable Shares on issue (where applicable stating amounts for each Class thereof as well as aggregate amounts for Redeemable Shares);
- B the amount of the Deposits on issue (where applicable stating amounts for each Class thereof as well as aggregate amounts for the Deposits);
- C the amount of Total Other Liabilities;
- D
 - (aa) the Total Liabilities; and
 - (bb) the Total Secured Liabilities;
- E
 - (aa) the Total Tangible Assets;
 - (bb) Total Liquid Assets;
 - (cc) Total Guaranteed Investment Principal;
 - (dd) Total Approved Mortgage Principal;
 - (ee) Total Secured Indebtedness;
 - (ff) Total Listed Securities;
 - (gg) Total Unlisted Securities;
 - (hh) Total Unsecured Indebtedness;
- (vi) whether or not the list appearing in the Directors Quarterly Report reporting as at the end of the financial year showing in the case of each Charge (other than any Charge over office equipment, plant, machinery and motor vehicles) the principal amount received, the holder, the property charged and its Value is correct;
- (vii) whether or not the list appearing in the Directors Quarterly Report reporting as at the end of the financial year showing in the case of each contingent Liability the person to whom there is liability, the maximum amount thereof, brief particulars of the nature of the liability and of the events in which it may become actual and of any security taken by the Guaranteeing Group is correct;
- (viii) whether or not the details in the list appearing in the Directors Quarterly Report reporting as at the end of the financial year showing the indebtedness of Associated Persons to (including redeemable shares held by) the Guaranteeing Group (other than in respect of Guaranteed Investment Principal and Approved Mortgage Principal in respect of loans on normal commercial terms) including details of security taken, are correct;
- (ix) whether or not the details in the lists appearing in the Directors Quarterly Report reporting as at the end of the financial year showing the shareholdings in Associated Persons held by the Guaranteeing Group, and of the fixed capital shares and/or Redeemable Shares or other voting shares in the Society controlled by Associated Persons or Related Corporate Bodies, are correct;

- (x) a list of the undrawn facilities or accommodation available from Prime Debtors which may be unconditionally drawn down within 30 days of request, being facilities which expire not earlier than 30 days from reporting date and which may not be earlier revoked or cancelled except in the event of receivership, the appointment of a statutory manager under the Corporations (Investigation and Management) Act 1989, the passage of a resolution or order for the winding up, the cancellation of registration of the Society, the Society stopping or suspending payment to or entering into any arrangement or composition with its creditors generally.
- (xi) the adjustments and short particulars thereof made by the Auditors in determining Total Tangible Assets and Total Liabilities and being the adjustments referred to in the definitions in Section I hereof of the said expressions;
- (xii) whether or not as from normal audit tests they have conducted they are satisfied that all Principal Moneys due and payable on the Redeemable Shares and Deposits have been paid or otherwise satisfied and that all interest due and payable on the Redeemable Shares and Deposits has been paid or otherwise satisfied;
- (xiii) whether or not as at the end of the financial year the Guaranteeing Group is in compliance with the provisions of Clause 2.1 and 2.2(b) and (f);
- (xiv) whether or not there has been any material change during such financial year in the method of valuation of any part of the Tangible Assets or of any part of the Liabilities of the Guaranteeing Group.

FURNISH ANNUALLY AUDITORS' REPORT ON LAST DIRECTORS' QUARTERLY REPORT

- (c) Within four months after the close of each financial year of the Society deliver to the Trustee a separate report (or include such a report in the report furnished by the Auditors pursuant to Clause 3.1(b) a report by the Auditors stating that they have perused the Directors' Quarterly Report supplied after the close of the last financial year of the Society to the Trustee and that on the basis of the information gained by them in the performance of their duties as Auditors in their opinion the figures and calculations are correct and the statements made in such report are reasonable.

FURNISH HALF-YEARLY UNAUDITED ACCOUNTS

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

FURNISH QUARTERLY DIRECTORS' REPORTS

- (e) Within six weeks after the end of each financial quarter of the Society (unless otherwise agreed by the Trustee) and at the option of the Society at any other time furnish to the Trustee a report containing:
 - (i) a certificate signed by not less than two (2) Directors on behalf of all the Directors of the Society setting out in detail as at the end of the immediately preceding quarter as the case requires any matters which since the date of the last such certificate have in their opinion occurred which may or are likely to result in the Guaranteeing Group being in breach of this

Deed and without prejudice to the generality thereof stating (after confirming that words and expressions bear the same meaning as in the Trust Deed) to the best of their knowledge and belief after having made all due enquiry whether or not:

- (1) all dividends or interest due on the Redeemable Shares and interest due on the Deposits has been paid or otherwise satisfied;
- (2) all Redeemable Shares and Deposits which have fallen due for payment have been repaid or otherwise satisfied;
- (3) the Society has duly maintained and (in the case of the first report relating to a particular financial year) has had audited the Registers;
- (4) the Guaranteeing Group has complied with the provisions of Clause 2.1;
- (5) the Society and each of the Guaranteeing Subsidiaries have duly observed and performed all the covenants, conditions, agreements and provisions binding upon them respectively under this Deed;
- (6) any breach of or event of default under this Deed has occurred and if so particulars of that event and what remedial action has been or is intended to be taken and when;
- (7) there has been any material change in any accounting method or method of valuation of assets or liabilities.
- (8) any circumstances have arisen which render adherence to the existing method of valuation of any part of the Total Tangible Assets or the Total Liabilities misleading or inappropriate and if so particulars of those circumstances;
- (9) any material trading or capital loss has been sustained by the Society or any Guaranteeing Subsidiary and if so particulars thereof;
- (10) any material contingent liabilities have been incurred by the Society or any Guaranteeing Subsidiary and, if so, the amount and details thereof;
- (11) any contingent liability has or is likely to mature within the succeeding twelve (12) months which will materially affect the Guaranteeing Group in its ability to repay the Redeemable Shares or the Deposits;
- (12) there has been any substantial change in the nature of the business of the Society or of any of its Subsidiaries and if so particulars of that change;
- (13) any subsidiaries which are Non-Guaranteeing Subsidiaries have been formed or acquired and shall also supply a list of all Non-Guaranteeing Subsidiaries stating which are wholly Owned and which are trading;
- (14) the Exposure to a Single Group, other than to a Prime Debtor or in respect of amounts for which a Prime Debtor is fully and unconditionally liable as a co-principal debtor, guarantor, indemnifier or in any other similar capacity, exceeds an amount equal to 1.5% of Total Tangible Assets; and if so relevant details of the Exposure to such named Single Group and whether or not the Directors believe the risk in relation to the Exposure is appropriate in the current circumstances;

- (15) any circumstances have occurred in relation to any Bank or insurance company or wholly-owned Subsidiary thereof (naming the Bank or company in question) the subject of a Certificate by the Directors relating to the definitions of "Bank" of "Guaranteed Investment Principal", which render or may render the certificate incorrect or otherwise inaccurate or inappropriate.
- (16) any undrawn amount under any stand-by or overdraft facility included for purposes of calculating Total Liquid Assets in item D of paragraph (1) of the accompanying copy Directors' resolution will or may not for at least 30 days from the date of furnishing this report continue to be available for drawing down by reason of the variation, withdrawal, cancellation, or expiry of the stand-by facility or overdraft, and where any such amount will or may not continue to be so available for at least 30 days giving full details of the circumstances and substitute facility arranged (if any);

and also stating

- (17) where the amount of Total Secured Liabilities exceeds 1% of Total Tangible Assets, the date by which the Directors estimate the Guaranteeing Group will be able to make arrangements for the repayment or release from the security of the Charge of the amount of Total Secured Liabilities which exceeds 1% of Total Tangible Assets;
 - (18) that the total amount payable in cash or by way of accumulation or credit over the last half-year by way of interest or dividends (including any withholding tax payable in relation thereto) did not exceed income actually received in cash over the same period from the investments of the Guaranteeing Group;
 - (19) details of any Charge which was not a Charge at or of any increase in the amount of any charge since the date of the last Directors Quarterly Report, (other than in the case of a Charge over office equipment, plant, machinery and motor vehicles) showing the principal received, the holder, the property charged and its Value and details of any Charge released since the date of the last such report;
 - (20) that the Exposure to a single issuer or Marketable Debt Securities or, in relation to such an issuer that is a member of a group of companies, Exposure to the Single Group of which the issuer is a member (other than to a Bank) does not exceed 15% of Total Liquid Assets.
 - (21) that any Marketable Debt Securities included in Liquid Assets have a Standard and Poors long term credit rating of A+ or better or a Standard and Poors short term credit rating of A1 or better (or, if the debt securities are rated by another recognised rating agency, the equivalent rating according to the debt securities by that rating agency) and are capable of being converted into cash by sale or other realisation or repayment within 30 days of the Reference Date.
- (ii) a copy (certified correct by a Director and the Secretary) of a resolution of the Directors in the following form or such other form as the Trustee may approve:

"The Directors recorded that –

- (1) as at the close of business on [here insert a date not earlier than the end of the financial quarter to which such resolution relates or if given in an optional report a date not earlier than 35 days before the date of the report] ("the reporting date") the

following was the position under the Trust Deed of the Society dated
 (words and expressions to bear the same meaning herein as in the Trust Deed):
 [where applicable state amounts in respect of each Class thereof as well as
 aggregate amounts in respect of Redeemable Shares and Deposits]

A Total Liabilities Limit

- (a) Total Tangible Assets not less than \$
- (b) Total Liabilities not more than \$ _____
- Redeemable Shares not more than \$
- Deposits not more than \$
- (c) Reserves \$
- (d) 95% of Total Tangible Assets \$
- (e) Total Liabilities as above \$ _____
- (f) Margin on Clause 2.1 (a) limit being (d) minus (e) \$ _____

B Secured Liabilities Restriction

- (a) 1% of Total Tangible Assets \$
- (b) Total Secured Liabilities \$ _____
- (c) Margin on clause 2.1 (b) limit being (a) minus (b) \$ _____

ALTERNATIVELY where Total Secured Liabilities exceed 1% of Total Tangible Assets:

- (a) Total Liabilities not more than \$
- (b) Total secured Liabilities \$
- (c) 95% of Total Tangible Assets \$
- (d) 105% Total Secured Liabilities \$
- (e) (c) minus (d) \$
- (f) (a) minus (b) \$ _____
- (g) Margin on clause 2.1 (b)(ii)(aa) limit being (e) minus (f) \$ _____
- (h) Clause 2.1 (b)(ii)(dd) limit being 7% of Total Tangible Assets \$ _____

C Liquidity Ratio

- (a) Total Liquid Assets \$
- (b) Total Tangible Assets \$
- (c) Reserves \$
- (d) (b) minus (c) \$ _____.
- (e) 15% of (d) \$ _____.
- (f) Margin on Clause 2.1 (c) (i) limit
being (a) minus (e) \$ _____.

D Matching Statement

Over the next six months following reporting date:

- (a) The following monetary assets receivable are:
 - Within 1 month \$
 - Over 1 and within 3 months \$
 - Over 3 and within 6 months \$ _____.
- (b) The following monetary liabilities payable are:
 - Within 1 months \$
 - Over 1 and within 3 months \$
 - Over 3 and within 6 months \$ _____.
- (c) Margin being (a) minus (b) \$ _____.
- Or (b) minus (a) (\$ _____)
mismatch

E Other Secured and Unsecured Indebtedness and Listed and Unlisted Securities Limit

- (a) 15% of Total Tangible Assets \$

Total Secured Indebtedness being:

- (b) that amount of principal owing to
Guaranteeing Group under mortgages
over particular assets which, when added
to:

(i) the amount of such principal already included in "Guaranteed Investment Principal" and/or "Approved Mortgage Principal" secured over those assets, and

(ii) amounts owing to External Persons secured under prior Charges over those same assets DOES NOT exceed 85% of current Value of those assets. \$

(c) other secured indebtedness to Guaranteeing Group which falls within definition of Secured Indebtedness \$

(d) Total Secured Indebtedness \$

Total Unsecured Indebtedness being:

(e) that amount of principal owing to Guaranteeing Group under the mortgages included in (b) above to the extent that such aggregate DOES exceed 85% of current Value of those assets \$

(f) Any other secured indebtedness which does not fall within definition of Secured Indebtedness \$

(g) Other Unsecured Indebtedness \$_____.

(h) Total Unsecured Indebtedness \$

(i) Total Listed Securities \$

(j) Total Unlisted Securities \$_____.

(k) Total of (d), (h), (i) and (j) \$_____.

Margin on Clause 2.1 (d) (i) restriction being (a) minus (k) \$_____.

F (a) 5% * of Total Tangible Assets \$

(b) Total Unsecured Indebtedness (from E(h) above) \$

(c) Total Listed Securities (from E(i) above) \$

(d) Total Unlisted Securities (from E(j) above) \$_____.

(e) Total Unsecured Indebtedness + Total Listed Securities + Total Unlisted Securities \$

Margin on clause 2.1 (d) (ii) restriction being
(a) minus (e) \$

- * 7% for period to 30 April 1991;
5.5% for period to 31 March 1992;

- (2) Annexed hereto is a schedule matching monetary assets receivable and monetary liabilities payable, in the same form as if for inclusion in a Prospectus.
- (3) The following is a list of all Freehold Land held by the Guaranteeing Group;

<u>Address</u>	<u>Value</u>	<u>Name of title-holder</u>
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- (4) The following is a list of all unreleased Charges (other than Charges over office equipment, plant, machinery and motor vehicles) granted by the Guaranteeing Group:

<u>Guaranteeing Group Grantor</u>	<u>Principal Amount</u>	<u>Holder</u>	<u>Property Charged</u>	<u>Value</u>
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- (5) The Liabilities (as defined) of the Guaranteeing Group which are contingent (including in respect of Associated Persons) are as follows:

<u>Maximum amount of liability</u>	<u>Short Particulars</u>		<u>Where Secured</u>		
	<u>- of nature of the liability</u>	<u>- of events where liability may become actual</u>	<u>grantor</u>	<u>security</u>	<u>its Value</u>

[In the case of contingent liabilities in respect of Associated Persons undertaken with the prior written consent of the Trustee, a brief identifying reference only is necessary.]

- (6) The total of the principal amounts of loans approved as at the reporting date but not then disbursed was \$
- (7) The indebtedness of Associated Persons to the Guaranteeing Group (other than amounts included in Guaranteed Investment Principal and Approved Mortgage Principal in respect of loans on normal commercial terms) and the redeemable shares held by the Guaranteeing Group in Associated Persons are as follows:

<u>Name of Associated Persons</u>	<u>Nature and Total amount (other than uncapitalised interest or dividends) of indebtedness or redeemable shares outstanding</u>	<u>Interest (dividend) rates and when payable</u>	<u>Repayment of Maturity Date</u>	<u>Where Secured</u>		
				<u>Grantor</u>	<u>Security</u>	<u>Its Value</u>

[In the case of indebtedness or holding of redeemable shares undertaken with the prior written consent of the Trustee, a brief identifying reference only is necessary.]

[In the case of housing loans outstanding to stag of the Guaranteeing Group which are not on normal commercial terms give the aggregate principal amount only.]

- (8) The shareholdings (in any form other than redeemable shares) of the Guaranteeing Group in associated Persons are as follows:

<u>Name of Associated Persons</u>	<u>Nature and Book value of share-holding</u>	<u>Outstanding Liability of Guaranteeing Group (e.g. in respect of called or uncalled capital contribution)</u>	<u>Details of any security held for or underwriting of liability of Guaranteeing Group</u>
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- (9) The fixed capital shares, Redeemable Shares and other voting shares controlled by associated Persons or Related Corporate Bodies in the Guaranteeing Group are as follows:

<u>Name of Associated Person or Related Corporate Body</u>	<u>Nature and Principal or capital amount controlled holding in Guaranteeing Group</u>	<u>Amount subscribed in cash for controlled holding</u>	<u>Votes held in General Meeting of Society</u>
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- (10) Details of the undrawn stand-by and overdraft facilities from a Prime Debtor which may be drawn down by the Guaranteeing Group are:

<u>Amount</u>	<u>Amount able unconditionally to be drawn down</u>	<u>Prime Debtor</u>	<u>Expiry date of facility</u>	<u>Is Facility unable to be earlier cancelled (except in receivership, statutory managership, winding up the stopping or suspending of payment to or entering into an arrangement with credits)?</u>	<u>Special Terms</u>
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AND IT WAS RESOLVED THAT, having considered the financial position (including contingent liabilities) of the Guaranteeing Group as a going concern (which the Directors are satisfied will be the case over the relevant period) and such budgets, reports, projections, certificates and assurances as they deem necessary and its anticipated trading transactions and sources of finance arranged or expected on reasonable grounds to be arranged during the 5 months from the date of this resolution, to the best of the Directors' information and belief in their opinion:

- (aa) the Redeemable Shares and the Deposits referred to above were issued without breach of the provisions of the Trust Deed;
- * (bb) the unaudited consolidated balance sheet of the Guaranteeing Group as at the end of the last financial year and half year on which the above statements are in part based is hereby approved [in the case of the Directors Quarterly Reports provided at the end of the first and third quarter years: confirmed];
- (cc) the Guaranteeing Group will be able, and its assets that are or may be available, whether by way of security or otherwise, are sufficient or likely to be sufficient to discharge all its Liabilities (including maturing Redeemable Shares and Deposits and interest thereon) as they become due during the 12 months from the date of this resolution.

(signed)

[name Director signatories]

- * Delete if audited balance sheet relied on.

MONTHLY INTERNAL FINANCIAL STATEMENTS

- (f) Within 7 days after the date of presentation to a meeting of the Society's directors but in any event within 30 days of the end of each calendar month excepting those ending a quarter-year in respect of which a Directors Quarterly Report is due to be provided furnished to the Trustee (together with a confirmation that words and expressions in the following documents bear the same meaning as in the Trust Deed) a copy of the financial statements prepared for the Society's internal management purposes, and also:
- (aa) a maturity profile showing monetary assets and monetary liabilities, matching periods ending one month, over one to three months, over three to six months, over six months to 1 year, over 1 year to 2 years etc;
 - (bb) information on stand-by and overdraft facilities, advising any change from the details shown in the last Directors Quarterly Report and whether or not the Society has any reason to consider that there may be any further change within two months of the date of furnishing such information;
 - (cc) the total amount of the principal moneys of loans approved as at the date of the above financial statements but not then disbursed;
 - (dd) (if available) revenue and appropriation figures or information on profitability.
 - (ee) details of the calculation of the liquidity ratio referred to in paragraph (1) of the Directors resolution required by Clause 3.1(e)(ii).

FURNISH NOTICE OF REDUCTION OR WITHDRAWAL OF UNDRAWN STAND-BY FACILITIES AND OVERDRAFTS

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

FURNISH FURTHER ACCOUNTS AT TRUSTEE'S REQUEST

- (h) At the request of the Trustee (which request shall only be made when the Trustee considers that special circumstances warrant such request and so certifies in writing to the Society) with all due expedition furnish (or cause to be furnished directly by the Auditors) to the Trustee:
- (i) a copy of the balance sheet and revenue and appropriate account of the society;
 - (ii) a copy of the balance sheet and revenue and appropriation account of the society;
 - (iii) a copy of the Guaranteeing Group Balance Sheet and revenue and appropriation account of the Guaranteeing Group;
 - (iv) a copy of the consolidated balance sheet and revenue and appropriation account of the Society and its Subsidiaries;

each duly audited and made up in the case of the aforesaid balance sheets as at such date as may be required by the Trustee but being a date not less than twenty-one (21) nor more than

forty-two (42) days subsequent to the date of the request and in the case of the aforesaid revenue and appropriation accounts covering the period from the end of the immediately preceding financial year up to the date as at which the aforesaid balance sheets are made up together with all documents and reports required by the Building Societies Act to be annexed to or to accompany such balance sheets and revenue and appropriation accounts and duly signed by the persons required to sign the same by the Building Societies Act with such adaptations as may be necessary; and

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

BALANCE DATE AND FINANCIAL YEAR OF SOCIETY AND ITS SUBSIDIARIES

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

FURNISH COPY REGISTER

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

GIVE NOTICE IF FINANCIAL LIMITS EXCEEDED

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

NOTICE TO TRUSTEE OF INVESTMENTS IN ASSOCIATED PERSONS

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

NOTICE OF PROCEEDINGS

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

NOTICE OF CHARGES TO TRUSTEE

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

3.2 TRUSTEE'S REMUNERATION

- (a) In respect of and in connection with this Deed, any matter in relation to this Deed and its services as Trustee pursuant to the Deed, the Trustee shall be entitled to and the Society shall pay to the Trustee remuneration and also all costs, charges and expenses (including travelling expenses) reasonably incurred by or on behalf of the Trustee. Without limiting the generality of the foregoing, such matters and services include:
 - (i) the preparation and perusal (except in relation to the basic form of this Trust Deed) and the execution and registration of this Deed and of any deed collateral or supplemental hereto;
 - (ii) any action taken by or required of the Trustee pursuant to the provisions of the Deed or of any deed collateral or supplemental hereto;
 - (iii) the carrying out by the Trustee of any right, power, duty or privilege by this Deed or any security collateral or supplemental hereto conferred on the Trustee or upon any Securityholder;
 - (iv) any action taken by the Trustee in connection with any breach or default in the observance or performance by the Society or any Guaranteeing Subsidiary of the covenants, obligations and conditions of this Deed or any security collateral or supplemental hereto;
 - (v) the convening and holding and carrying out of any directions or resolutions of any meeting of Redeemable Shareholders or Depositors;
 - (vi) any application for the Trustee's consent to or approval of any act or matter or any perusal by the Trustee of any documents;
 - (vii) the employing of any chartered accountant, solicitor, barrister or other expert from whom the Trustee seeks any advice, reports, comments or other information;
 - (viii) any other matter as shall from time to time be agreed between the Trustee and the Society.
- (b) AND it is hereby agreed and declared that:
 - (i) all fees or other remuneration arising assessed on an annual basis or otherwise shall accrue from day to day and shall be payable quarterly at the end of each financial quarter-year, or if otherwise shall be payable by the Society to the Trustee on demand;
 - (ii) the fees or other remuneration that the Trustee can charge may (without limiting the generality of the other provisions herein) include in respect of its services, an annual fee to be negotiated between the parties reflecting the maximum amount of the Debt Securities outstanding at any time of such annual period, and in respect of any moneys received by the Trustee pursuant to the provisions of the Deed, commission at the rate from time to time normally or usually charged by the Trustee;

- (iii) the Trustee shall be at liberty at any time and from time to time to review any fee or remuneration payable hereunder whenever in the view of the Trustee a change in circumstances shall warrant such review;
- (iv) the Trustee shall be at liberty at any time to elect payment of remuneration which shall be determined by and be commensurate with the work actually required to be carried out by the Trustee in the discharge of its duties or particular duties hereunder;
- (v) all costs, charges and expenses other than fees or other remuneration shall be payable by the Society to the Trustee upon demand;
- (vi) such remuneration and other payments shall continue to be payable until the trusts hereof shall be finally wound up and whether or not a receiver shall have been appointed or the trusts hereof be in course of administration by or under the direction of the Court;
- (vii) all costs, charges and expenses incurred and payments made by the Trustee in his capacity as Trustee for Securityholders in the lawful exercise of the powers hereby conferred upon it or him, including all remuneration payable to the Trustee in such capacity, shall form part of the Deposit Moneys, and until payment shall carry interest at the Appropriate Rate per annum from the date on which they shall have become payable;
- (viii) if in any case where the Society and the Trustee shall fail to reach agreement on any amount or account payable to the Trustee such difference or dispute shall be referred to a single arbitrator if the parties shall agree on one and otherwise to two arbitrators one to be appointed by the Society and one by the Trustee in accordance with and subject to the provisions of the Arbitration Act 1908.

SECTION IV

4. ISSUE OF DEBT SECURITIES AND REGISTERS

4.1 ACKNOWLEDGEMENT OF INDEBTEDNESS

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

- (a) As and when any of the Debt Securities shall become payable in accordance with the terms of issue or on such earlier date as the Debt Securities become payable in accordance with the provisions of Clause 5.1 hereof the Society shall pay to the Trustee the Principal and interest payable in respect of the Debt Securities and such payment shall operate in satisfaction of the Society's obligations to the holders thereof in respect of such Debt Securities.
- (b) Until the Debt Securities have been paid as aforesaid or until interest ceases to accrue in accordance with the conditions on which any Debt Securities are issued the Society shall pay to the Trustee interest on the Principal Moneys of the Debt Securities at the rates specified in the terms of issue thereof from the date of issue or such other date as may have been specified in the said terms of issue.
- (c) Notwithstanding the foregoing and unless and until otherwise required by the Trustee the Society shall pay or cause to be paid to the holders of the Debt Securities all Principal and interest payable (other than moneys to be accumulated or credited) in respect thereof by cash, not negotiable cheque, direct bank transfer or warrant drawn in favour of the Securityholder and may be sent by post to the Securityholder, at his Registered Address or in the case of joint Securityholders or otherwise in accordance with the terms and conditions of issue thereof and payment of such cheque, transfer or warrant shall operate as payment to the Trustee in satisfaction pro tanto of the indebtedness in this Clause acknowledged or undertaken.
- (d) Any such payment made to any Securityholder pursuant to subclause (c) at his last Registered Address which is returned unclaimed or any amount due and payable to a Securityholder whose address is unknown shall be retained by the Society for the Securityholder until claimed without liability to invest the same or pay interest thereon. Subject to any applicable provisions of the Unclaimed Moneys Act and the Rules, any Principal or interest unclaimed for five years or longer may be forfeited by the Directors for the benefit of the Society. After forfeiture of any Principal or interest the person or persons who would have been entitled to payment thereof had the same not been forfeited shall be entitled to payment of such Principal or interest upon adducting to the satisfaction of the Directors sufficient evidence that he or they would have been entitled thereto had the same not been forfeited. The Society shall at annual intervals provide the Trustee with details of all amounts retained pursuant to the foregoing provisions.

4.2 EXCLUSION OF EQUITIES

The Securityholders are and are to be regarded as the beneficial owners of the Debt Securities registered in their names respectively and are to be regarded as exclusively entitled thereto and all persons and the Society may act accordingly and the Society shall not be bound to enter on the Register notice of any trust or save as in the Certificates provided and except as ordered by a Court of competent jurisdiction to recognise any trust or equity affecting the ownership of any Debt Securities or the moneys thereby represented and the receipt of the Securityholder his executors or administrators or in the case of joint Securityholders (except in the case of the death of a joint Securityholder where the

joint Securityholders are noted as holding as tenants in common) the receipt of any one of them for the Principal Moneys and interest from time to time accruing due in respect thereof or for any moneys payable in respect thereof shall be a good discharge to the Society notwithstanding any notice it may have whether express or otherwise of the right title interest or claim of any person to or in such Debt Securities interest or moneys.

4.3 CONSTITUTION AND ISSUE OF DEBT SECURITIES AND EXCLUSION OF CERTAIN SECURITIES ISSUED BEFORE 1 JANUARY 1991

- (a) Subject to the provisions of this Deed and of the Building Societies Act and the Securities Act, Debt Securities may be constituted and issued by the Society at any time and from time to time in such amounts and on such terms and upon such conditions (not inconsistent with this Deed) and bearing such respective rates of interest and repayable at such respective periods as the Society may from time to time determine or may be repayable or redeemable on demand or after notice; and the Society shall be at liberty to pay a commission procurement fee or brokerage to any person firm or corporation for obtaining or underwriting the same.
- (b) Subject to the provisions of this Deed and of the Building Societies Act, the Society shall be at liberty at any time and from time to time to convert by issuing a Certificate any unsecured debt for the time being owing by the Society into a Debt Security upon such terms and conditions as may be agreed between the Society and the creditor.
- (c) The Trustee and the Society may assume for all purposes that the holder of a security issued or constituted by the Society at any time before 1 January 1991 has not exercised the holder's right not to be a beneficiary under this Trust Deed and be bound by its terms in respect of such security until such time as the Trustee or the Society has received written notice to the effect that the holder wishes to exercise such right.

4.4 CLASSES OF DEBT SECURITIES TO RANK PARI PASSU

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

4.5 DEBT SECURITY CERTIFICATES

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

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

4.6 REGISTERS OF DEBT SECURITIES

- (a) A Register of each Class of Debt Securities shall be kept by the Society or be a registrar appointed for that purpose by the Society at its registered office or at such other place as may be approved by the Trustee. In the discharge of its duties and the exercise of its powers the Trustee shall be entitled to treat the names, matters and details recorded in the Register as conclusive as to their correctness and completeness in relation to each Class of Debt Security and of each Class of Securityholder including as to the number, entitlements and identity of the Securityholders notwithstanding any error or omission, or any delay or failure on the part of the Society in recording or amending details in the relevant Register. There shall be entered forthwith in such Register upon execution of this Deed and thereafter upon issue or redemption of each Debt Security or notice to the Society of change of the relevant particulars in relation to the respective Class of Debt Securities on issue:
 - (i) The names and address of the Securityholders for the time being;
 - (ii) The date of issue of each Debt Security to each such Securityholder;
 - (iii) The principal amount or amounts owing, term and interest rate (and dates when payable) in respect of each Securityholder;
 - (iv) The number (if any) and date of each Certificate issued and all subsequent transfers and changes of ownership thereof;
 - (v) The date at which the name of each Securityholder is entered in respect of the amount or amounts standing in his name;
 - (vi) Particulars of the redemption, purchase or forfeiture of the Debt Securities;
 - (vii) Particulars of any change of name or address;
 - (viii) Such other particulars as the Trustee may reasonably require or the Society thinks fit;
- (b) The Trustee shall not be bound by or in any way affected by notice of any trust express implied or constructive which may be entered in the Register;
- (c) The Trustee shall be entitled at all reasonable times during office hours to inspect the Register and to take copies of or extracts from the same;
- (d) The Society may from time to time close the Register for any period or periods not exceeding 30 days in any one year;

- (e) The Society may delegate to attorneys such powers authorities and discretions as to the keeping of the Register as the Society thinks fit;
- (f) The Register shall be kept in accordance with the requirements of this Deed and any relevant legislation to the satisfaction of the Auditors and shall be audited by or to the satisfaction of the Auditors at regular intervals of not more than 12 months or on request in writing by the Trustee.

4.7 BODY CORPORATE AS A SECURITYHOLDER

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

4.8 CHANGE OF SECURITYHOLDER'S NAME OR ADDRESS

Every Securityholder who changes his name or address shall notify the Society, and the Register shall be altered accordingly.

4.9 TRANSFER OF DEBT SECURITIES

- (a) Subject to the terms and conditions of issue of each Debt Security, every Securityholder may transfer his Debt Securities or any part thereof by an instrument of transfer in a form approved by the Society or in the usual common form.
- (b) Subject to the terms and conditions of issue of each Debt Security and except where not required by the Securities Transfer Act 1977 every instrument of transfer must be signed by both the transferor and the transferee each in the presence of a witness who must write his address and occupation after his signature. The transferor shall be deemed to remain the Securityholder until the name of the transferee has been entered in the relevant Register in respect thereof. Instruments of transfer must be left at the registered office of the Society with the Certificate, and such other evidence as the Directors may from time to time require to prove the title of the transferor or his right to transfer. All instruments of transfer which shall be registered will be retained by the Society until destroyed but any instrument of transfer which the Directors may decline to register shall be returned to the person leaving the same. No transfer will be registered while the Register is closed. Upon registration of a transfer a new Certificate or Certificates shall be issued.

4.10 DEATH, INSANITY OR BANKRUPTCY OF SECURITYHOLDER

- (a) Any person becoming entitled to Debt Securities in consequence of the death insanity or bankruptcy of any Securityholder may, upon producing such evidence of his title or that he sustains the character in respect of which he proposes to act as the Directors of the Society shall think sufficient, be registered himself as a Securityholder or (subject to the provisions hereof regarding transfer) may transfer such Debt Securities.
- (b) The executors or administrators of a deceased Securityholder (not being one of several joint holders) shall be the only person recognised by the Society as having any title to or interest in his Debt Securities.
- (c) Except where joint Securityholders are noted as holding as tenants in common, in the case of the death of any joint Securityholder notified in writing to the Society the surviving joint Securityholder or Securityholders shall be the only person or persons recognised by the Society as having any title to or interest in such Debt Securities.

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

4.11 OWNERSHIP OF DEBT SECURITIES

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

4.12 INTEREST

- (a) The Society shall pay to every Securityholder interest in respect of his Debt Securities in accordance with the conditions upon which such Debt Securities were issued PROVIDED THAT by arrangement with any Securityholder such interest may be credited to the Securityholder in account with the Society;
- (b) Interest shall cease to accrue from the date for repayment of the Debt Securities unless (upon the presentation of the Certificate (if any) for such Debt Securities and a receipt for the moneys payable duly signed and authenticated in such manner as the Society may reasonable require) payment of such moneys shall be refused.

4.13 PRINCIPAL

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

4.14 METHOD OF PAYMENT

- (a) Unless otherwise provided in the terms and conditions of offer or issue, all moneys payable upon or in respect of any Debt Security may be paid by direct bank transfer, cash or cheque or warrant sent through the post to the Registered Office of the Securityholder or in the case of joint Securityholders to the Registered Address of that one of the joint Securityholders who is first named on the Register in respect of such Debt Security.
- (b) Unless otherwise provided in the terms and conditions of offer or issue, if several persons are entered in the Register as joint Securityholders of any Debt Security then notwithstanding the provisions of paragraph (a) hereof the receipt of any one of such persons for any Principal and interest from time to time payable on or in respect of such Debt Security shall be as effective a discharge to the Society as if the person signing such receipt were the sole Securityholder in respect of such Debt Security.

4.15 PRESENTATION OF CERTIFICATE ON PAYMENT

- (a) Unless the Society shall waive this requirement (or unless otherwise provided in the terms and conditions of offer or issue), every Securityholder any of whose Debt Securities are due to be repaid shall not later than the due date for repayment deliver up his Certificate to the Society and if any Certificate so delivered up includes any Debt Security not then due to be repaid the Society may enface such Certificate with a memorandum of the date and Principal amount repaid and return the same or may cancel such Certificate and issue to such Securityholder a new Certificate for the balance of the Principal of the Debt Security held by him not so due to be repaid.
- (b) If any Securityholder any of whose Debt Securities are due to be repaid shall fail or refuse to deliver up the Certificate held by him at the time and place fixed for repayment of the Principal of the Debt Security to which such Certificate relates then unless the Society has waived the requirements of paragraph (a) such moneys may be treated as at call and bear interest accordingly.

4.16 RIGHT TO SUE

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

4.17 INDEMNITY BY SECURITYHOLDER FOR TAX

Whenever in respect of any Debt Securities held by any Securityholder in consequence of:

- (a) the death of such Securityholder;
- (b) the non-payment of any income tax or other tax payable by such Securityholder;
- (c) the non-payment of any death, stamp or other duty by the legal personal representative of such Securityholder by or out of his estate; or
- (d) any other act or thing;

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

SECTION V

5. DEFAULT AND ACCELERATION

5.1 EVENTS OF DEFAULT AND ACCELERATION

The Trustee:

- (aa) may in its discretion without any such request or direction as mentioned in paragraphs (bb) or (cc); and
- (bb) shall upon the request in writing of the holder or holders of at least one-fifth in Principal amount of Deposits or upon the direction of an Extraordinary Resolution of the Depositors by notice in writing to the Society declare the Deposit Moneys, and
- (cc) shall upon the request in writing of the holder or holders of at least one-fifth in Principal amount of the Redeemable Shares or upon the direction of a Special Resolution by notice in writing to the Society declare the Redeemable Share Moneys

to be immediately due and payable whereupon the Deposit Moneys and/or the Redeemable Share Moneys (as the case may be) shall forthwith become due and payable, upon the happening of any one or more of the following events:

- (a) If:
 - (i) default shall be made by the Society in the payment on the due date of any Principal Moneys of the Deposits (where (aa) or (bb) applies) or of the Redeemable Shares (where (aa) or (cc) applies); or
 - (ii) default shall be made by the Society for a period of fourteen (14) days after the due date in the payment of any interest on the Deposits (where (aa) or (bb) applies) or on the Redeemable Shares (where (aa) or (cc) applies); or
- (b) If:
 - (i) an order is made for the winding up, dissolution or cancellation of registration under the Building Societies Act of the Society or any Guaranteeing Subsidiary, or if the Registrar cancels the registration of the Society under the said Act other than pursuant to Part VIIA of the Act; or
 - (ii) an effective resolution is passed for the winding up of the Society or any Guaranteeing Subsidiary;

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

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

- (cc) where a resolution is passed for a members' voluntary winding up of a Guaranteeing Subsidiary and in the course of such winding up the whole of the Guaranteeing Subsidiary's assets available for distribution (after satisfying all liabilities to creditors and making provision for the interests of any other shareholders) are distributed and transferred to the Society or to another Guaranteeing Subsidiary;
- (c) If a receiver is appointed of or an encumbrancer takes possession of or exercises its powers of sale in respect of the assets of the Guaranteeing Group or any material part thereof;
- (d) If following a final judgement by a court of competent jurisdiction a distress or execution or other like legal process shall be levied or enforced upon or sued out against any part of the assets of the Guaranteeing Group for a sum exceeding \$100,000 and is not stayed or satisfied within seven (7) days;
- (e) Subject to the proviso to paragraph (b) of this Clause if the Society or any Guaranteeing Subsidiary stops or suspends payment to its creditors or in the opinion of the Trustee and without its consent in writing ceases or threatens to cease to carry on its business PROVIDED HOWEVER that the Trustee shall not call up the Deposit Moneys or Redeemable Share Moneys under the powers conferred by Clause 5.1 by reason only of a Guaranteeing Subsidiary having ceased to carry on its business:
 - (i) if such business is continued by the Society or another Guaranteeing Subsidiary, or
 - (ii) if the Guaranteeing Subsidiary has prior to ceasing to carry on its business sold disposed of or transferred all or substantially all of its assets to another Guaranteeing Subsidiary or to the Society;
 - (iii) if such business is not a material part of the business of the Guaranteeing Group taken as a whole.
- (f) If the Society or any Guaranteeing Subsidiary is unable to pay its debts within the meaning of Section 218 of the Companies Act, assuming for this purpose that the Society is a company;
- (g) If the Guaranteeing Group without the consent of the Depositors and of the Redeemable Shareholders by Extraordinary Resolutions sells or transfers the whole or a major part of the business, undertaking or assets of the Guaranteeing Group or if any Guaranteeing Subsidiary without either such consent or the written consent of the Trustee sells its whole undertaking or a substantial part thereof to any person other than the Society or another Guaranteeing Subsidiary;
- (h) If the Society without the prior consent in writing of the Trustee shall reduce or redeem or attempt to reduce or redeem its paid up fixed capital or fixed capital shares;
- (i) If the Society or any Guaranteeing Subsidiary without the prior consent in writing of the Trustee enters into any arrangement or composition with its creditors generally;
- (j) If the Society or any Guaranteeing Subsidiary requests a debentureholder to appoint a receiver of the whole or a substantial part of its undertaking and assets;
- (k) If any default is made by the Society or any Guaranteeing Subsidiary under any Charge (other than a Charge over office equipment, plant, machinery and motor vehicles) and as a result thereof the chargeholder thereunder takes any step to enforce such Charge;

- (l) If at any time the limitations imposed by Clause 2.1 hereof have been exceeded or the Trustee receives a report from the Auditors or the Directors to that effect;
- (m) If default is made by the Society or any Guaranteeing Subsidiary in the performance or observance of any covenant condition or other provision binding upon the Society or any Guaranteeing Subsidiary under this Deed other than a default specifically referred to in any other paragraph of this Clause (whether or not the Trustee shall have waived any prior default) and such default shall continue for more than fourteen (14) days after receipt by the Society of a notice from the Trustee specifying the default and requiring the same to be remedied;
- (n) If the Society without the prior consent in writing of the Trustee pays any dividend while any Principal Moneys or interest which have become payable in respect of the Deposits or Redeemable Shares remain unpaid.

5.2 EVENT OF DEFAULT BY REASON OF A REVALUATION OR DEVALUATION OF ANY CURRENCY

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

5.3 NOTICE OF EXERCISE OR TRUSTEE'S POWERS

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

5.4 TRUSTEE'S POWER TO APPLY TO COURT

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

5.5 TRUSTS AND ORDER OF DISPOSITION OR PROCEEDS

ALL moneys received under the covenant in this Deed for payment to the Trustee of the Principal Moneys and interest on the Deposits or interest on the Redeemable Shares or under any powers hereby conferred upon a receiver appointed by a court shall (subject to payment or provision thereof of or for any debts or liabilities having priority to the Deposit Moneys and Redeemable Share Moneys) be held and applied:

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

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

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

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

5.6 PAYMENT OF PRINCIPAL BEFORE INTEREST

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

5.7 NOTICE OF DISTRIBUTION

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

5.8 PRODUCTION OF CERTIFICATES ON DISTRIBUTION BEING MADE

UPON any payment under any of the provisions of Clause 5.5 hereof on account of the Debt Securities the Certificates in respect of which such payment shall be made shall be produced to the Trustee who may cause a memorandum of the amount and date of payment to be endorsed thereon but the Trustee

may in any particular case dispense with the production and endorsement of a Certificate upon such indemnity being given as it shall think sufficient or without any indemnity.

SECTION VI

6. GUARANTEE BY EACH GUARANTEEING SUBSIDIARY

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

- (a) Whenever any default has been made by the Society in the payment of all or any of the Redeemable Share Moneys or the Deposit Moneys the Guaranteeing Subsidiary will forthwith whether or not demand therefore shall be made pay such moneys to the Trustee to the intent that the same may be applied by the Trustee pursuant to this Deed.
- (b) The liability of the Guaranteeing Subsidiary under this guarantee shall not be abrogated, prejudiced or affected by any of the following:
 - (i) the granting of time, credit or any indulgence or other concession to the Society or to any other guarantor (including any Guaranteeing Subsidiary) by the Redeemable Shareholders or the Depositors or any of them or by the Trustee or by any compounding, compromise, release, abandonment, waiver, variation, relinquishment or renewal of any securities, documents of title, assets or of any of the rights of the Redeemable Shareholders or the Depositors or any of them or of the Trustee against the Society or that guarantor or by anything done or omitted or neglected to be done by the Trustee or the Redeemable Shareholders or the Depositors or any of them in exercise of the authorities, powers and discretions vested in them by this Deed or by any other dealing matter or thing which but for this provision might operate to abrogate, prejudice or affect this guarantee;
 - (ii) the liability of any other guarantor (including any Guaranteeing Subsidiary) ceasing from any cause whatsoever (including the release or discharge by the Redeemable Shareholders or the Depositors or any of them or by the Trustee);
 - (iii) any other person joining in this or giving any similar guarantee;
 - (iv) the liquidation of the Society or any guarantor (including the Guaranteeing Subsidiary) of the Society;
 - (v) any other guarantor (including any Guaranteeing Subsidiary) being incompetent to give this guarantee or any other guarantee or any security or any collateral security or failing to become legally bound in whole or in part under any of them respectively;
 - (vi) any security (including any security given pursuant to this Deed) held or taken being void defective or informal;
 - (vii) failure by the Society or any other guarantor (including any Guaranteeing Subsidiary) to provide any security which ought to be provided under or pursuant to this Deed;
 - (viii) any Wholly Owned Subsidiary failing or being incompetent to become or remain a Guaranteeing Subsidiary;

- (ix) any alteration, modification, variation or addition to the Trust Deed made pursuant to the provisions in that behalf in the Trust Deed contained.
- (c) This guarantee shall be a principal obligation and shall be treated as in addition to and not in substitution for or collateral to any other security or right which the Trustee may have under or by virtue of the Trust Deed and in particular shall be independent of any other security to the intent that this guarantee may be enforced against the Guaranteeing Subsidiary without first having recourse to any such securities or rights and without taking steps or proceedings against the Society or any other guarantor (including any Guaranteeing Subsidiary) and notwithstanding that any other security may be in whole or in part unenforceable by reason of any rule of law or equity and notwithstanding the loss by the Trustee of any other security and notwithstanding any laches, acts or omissions on the part of the Trustee.
- (d) Subject to subclause (e) of this Clause and to the provisions of the Trust Deed this guarantee is to be a continuing guarantee and accordingly shall be irrevocable and shall remain in full force and effect until the whole of the Redeemable Share Moneys and the Deposit Moneys have been paid or satisfied.
- (e) The Trustee may as regards all or any of the Guaranteeing Subsidiaries (unless otherwise directed by a resolution of the Depositors or the Redeemable Shareholders in general meeting) determine from time to time whether it shall enforce or refrain from enforcing this guarantee or any guarantee and unless otherwise directed as aforesaid may from time to time make any arrangement or compromise with any one or more of the Guaranteeing Subsidiaries or the Society which the Trustee may think expedient in the interests of the Redeemable Shareholders and the Depositors.
- (f) All moneys from time to time received by the Trustee in reduction of the Society's indebtedness from or on account of the Society including any dividends upon the liquidation of the Society or the Guaranteeing Subsidiary or any other guarantor (including any Guaranteeing Subsidiary) or from any other person or from the realisation of any security and capable of being applied by the Trustee in reduction of the Society's indebtedness in relation to the Redeemable Share Moneys and the Deposit Moneys shall be regarded as payments in gross without any right on the part of the Guaranteeing Subsidiary or any one or more of them the Guaranteeing Subsidiaries to stand in the place of the Trustee in respect of or to claim the benefit of any moneys so received as against the Society or any Guaranteeing Subsidiary until the whole of the Redeemable Share Moneys and Deposit Moneys have been paid or satisfied so that in the event of the Guaranteeing Subsidiary or any Guaranteeing Subsidiary or other guarantor going into liquidation the Trustee shall be entitled to prove against it for the total indebtedness of the Society in relation to the Redeemable Share Moneys and the Deposit Moneys;
- (g) In the event of the liquidation of the Society or any guarantor (including any Guaranteeing Subsidiary) the Guaranteeing Subsidiary will not prove in such liquidation in competition with the Trustee and the Guaranteeing Subsidiary hereby authorises the Trustee to prove for all moneys which the Guaranteeing Subsidiary has paid hereunder or are otherwise owing to it and have not been repaid to it by the Society or any other Guaranteeing Subsidiary and to retain and to carry to a suspense account and appropriate at the discretion of the Trustee any amount received until the Trustee shall have received one hundred cents in the dollar in respect of the indebtedness of the Society in relation to the Redeemable Share Moneys and the Deposit Moneys. The Guaranteeing Subsidiary hereby waives in favour of the Trustee all rights whatsoever against the Trustee and the Society and any other guarantor (including any Guaranteeing Subsidiary) or other person or their or its estate and assets so far as necessary to give effect to anything in this guarantee contained.

- (h) This guarantee shall not prejudicially affect or be prejudicially affected by any other security or guarantee now or hereafter held by the Trustee for the Redeemable Share Moneys and the Deposit Moneys but such other security or guarantee shall be deemed to be collateral herewith and the Guaranteeing Subsidiary will not as against the Trustee in any way claim the benefit or seek the transfer of any such security or any part thereof or any right or recourse.
- (i) If any payment made to the Trustee or to any Redeemable Shareholder or Depositor by or on behalf of the Society or the Guaranteeing Subsidiary be avoided by law such payment shall be deemed not to have discharged or affected the liability of the Guaranteeing Subsidiary therefore or any charge by the Guaranteeing Subsidiary in favour of the Trustee in respect thereof and in that event the Trustee and the Guaranteeing Subsidiary shall be restored to the position in which each would have been and be entitled to exercise all the rights which each would have had if such payment had not been made.
- (j) The Guaranteeing Subsidiary shall in respect of any sums paid by it hereunder and in respect of any other rights which may accrue howsoever to it in respect of any sum so paid rank and be entitled to enforce the same only after the Redeemable Share Moneys and the Deposit Moneys shall have been duly paid and satisfied.
- (k) Although as between the Society and the Guaranteeing Subsidiary the liability of the Guaranteeing Subsidiary to the Trustee may be that of surety only nevertheless as between the Guaranteeing Subsidiary and the Trustee the liability of the Guaranteeing Subsidiary shall be deemed to be the liability of a principal debtor and the guarantees given by the Guaranteeing Subsidiary to the Trustee by or pursuant to this Deed shall constitute security for the Redeemable Share Moneys and the Deposit Moneys respectively and such liability shall not be affected or diminished nor shall such guarantees be released by any of the matters hereinbefore mentioned or by any other act indulgence or omission which but for the present provision would have operated to release the Guaranteeing Subsidiary wholly or partly from its liability hereunder to the Trustee.

SECTION VII

7. INCIDENTAL PROVISIONS RELATING TO TRUSTEE

7.1 TRUSTEE'S POWERS OF INVESTMENT

- (a) ANY moneys subject to the trusts of this Deed which should or may be invested may at the discretion of the Trustee be invested in the name of the Trustee or of its nominees in any of the investments for the time being authorised by law for the investment of trust funds and the Trustee may at any time at his discretion vary such investments for others of a like nature and from time to time deal with or dispose of all such investments or any part thereof.
- (b) THE income arising from the investments made by the Trustee as aforesaid shall unless otherwise agreed before the time the Trustee gives notice calling for the repayment of Redeemable Shares or the Deposits (as the case may be) belong to the Society or the Guaranteeing Subsidiaries as the case may be.

7.2 TRUSTEE'S RIGHT TO WAIVE BREACHES

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

7.3 ADDITIONAL POWERS OF TRUSTEE

BY way of relief to the Trustee additional to the provisions of the law relating to trustees and to facilitate the discharge of its duties hereunder but subject always to the provisions of Section 62 of the Securities Act it is expressly declared that:

ACTING ON ADVICE

- (a) The Trustee in relation to this Deed may without liability for loss obtain, accept and act on or decline and elect not to act on:
 - (i) the opinion or advice of or any information obtained from any barrister, solicitor, valuer, stockbroker, surveyor, auctioneer, chartered accountant or other expert whether obtained by the Society or any Guaranteeing Subsidiary or by the Trustee or otherwise and whether purporting to be conveyed by writing, telegram, facsimile transmission, teleprinter message, radiogram, cablegram or other similar mode of communication although the same shall subsequently be found to contain some error or not be authentic;
 - (ii) a Directors' Certificate as to any fact or matter in respect of which a certificate by the Directors may under this Deed be given or any fact or matter prima facie within the knowledge of such society or company upon which the Trustee may in the exercise of any of the trusts, powers, authorities and discretions and provisions hereof require to be satisfied or that any particular dealing transaction step or thing is expedient or commercially desirable and not detrimental to the interests of the Redeemable Shareholders or the

Depositors as sufficient evidence of such fact or matter or the expediency or desirability of such dealing, transaction, step or thing as the case may be PROVIDED the Trustee may require that such Certificate should specify or indicate that such Certificate is given by such Directors:

- (aa) after all reasonable inquiries and diligent investigations and deliberations have been made at a date not more than sixty three (63) days prior to the giving of such Certificate;
 - (bb) after such Directors have received all answers from the Society or Company to their satisfaction on any matters raised or inquired into by such Directors;
 - (cc) where relevant to such Certificate in respect of any particular matter or transaction, the Directors are satisfied that full valuable consideration is being given or received for or by the Society or Company; and
 - (dd) that the Certificate is given on behalf of all the Directors; or
- (iii) the statements contained in any certificate or certificates or in any report or reports given pursuant to the provisions of this Deed as conclusive evidence of the facts stated therein.

ACTING ON RESOLUTION OF SECURITYHOLDERS

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

NOT RESPONSIBLE FOR SUBSCRIPTION MONEYS

- (c) The Trustee shall not be responsible for the money subscribed by the applicants for or subscribers of the Redeemable Shares or Deposits or be bound to see to the application thereof.

TRUSTEE TO EXERCISE REASONABLE DILIGENCE

- (d) Notwithstanding any other provisions of this Deed the Trustee shall exercise reasonable diligence to ascertain whether or not the Society or any of the Guaranteeing Subsidiaries has committed any breach of the covenants terms and provisions of this Deed or any breach of any of the terms or conditions of issue of any Redeemable Shares or Deposits issued pursuant to an offer to the public for subscription (within the meaning of the Securities Act) on or after 1 January 1991. The Trustee shall have no obligation as aforesaid to ascertain whether or not the Society or any of the Guaranteeing Subsidiaries has committed any breach of any term or condition of issue of any Redeemable Share or Deposit which:
- (i) was issued prior to 1 January 1991, whether or not it was issued pursuant to an offer to the public for subscription; or
 - (ii) was issued to any person or in any manner other than pursuant to an offer to the public for subscription, whether or not it was issued before on or after 1 January 1991.

DISCRETION AS TO POWERS

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

DELEGATION BY TRUSTEE

- (f) The Trustee whenever it thinks it expedient in the interests of Redeemable Shareholders or Depositors may:
- (i) delegate at any time or times and to any person or persons of the trusts, powers or discretions vested in the Trustee by this Deed which cannot conveniently be exercised by it or through its employees upon such terms and conditions and under such regulations (including the giving of power to sub-delegate) as the Trustee may in the interests of the Redeemable Shareholders or Depositors think fit and (subject to the provisions of Section 62 of the Securities Act) the Trustee shall not be responsible for any loss incurred by any misconduct or default on the part of any such delegate or sub-delegate;
 - (ii) instead of acting through its permanent employees in the carrying out of any of the trusts, powers or discretions hereby vested in it or in the conduct of the business of the Society or the Guaranteeing Subsidiaries employ and pay at the expense of the Society or the Guaranteeing Subsidiaries an agent to transact all business and do all acts required to be done under this Deed including the receipt and payment of money;
 - (iii) delegate from time to time and at any time to any one of its officers any of the trusts, powers, authorities and discretions vested in the Trustee by this Deed which owing to the place in which they are to be or may require to be exercised cannot conveniently be exercised by the Trustee; and
 - (iv) (additional to the exercise of the powers contained in Clause 5.4) apply to the Court at any time for directions in relation to any question arising.

7.4 INDEMNITY OF TRUSTEE OUT OF ASSETS

WITHOUT prejudice to the right of indemnity by law given to trustees the Trustee and every attorney, manager, agent or other person appointed by the Trustee pursuant to this Deed shall be entitled to be indemnified by each of the Society and Guaranteeing Subsidiaries in respect of all liabilities and expenses incurred by it or him in the execution or purported execution of the trusts of this Deed or of any powers, authorities or discretions vested in it or him pursuant to this Deed and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted or in any way relating to the provisions of this Deed other than a claim arising out of a wilful default or wilful breach of trust and the Trustee may retain any pay out of any moneys in its hands arising from the trusts of this Deed all sums necessary to effect such indemnity and also the remuneration and disbursements of the Trustee as herein provided.

7.5 TRUSTEE AND FIDUCIARY RELATIONSHIP

NOTHING in this Deed shall be deemed to prohibit any Trustee or its holding company or any of its subsidiaries or any of the subsidiaries of its holding company (all hereinafter in this Clause where the context permits being included in the expression ("the Trustee")) or its directors or officers from being a Redeemable Shareholder or Depositor or shareholder in the capital of the Society or of any Guaranteeing Subsidiary or noteholder or the holder of any other security of the Society or any of its subsidiaries or from acting in any representative capacity for a Redeemable Shareholder, Depositor, shareholder, noteholder or other such holder and in particular and without prejudice to the generality of the foregoing it is expressly declared that the Trustee may so act on its own account or as executor, administrator, Trustee, receiver, committee, guardian, attorney or agent or in any other fiduciary vicarious or professional capacity nor shall the acting in such capacity as aforesaid be deemed a breach of any of the obligations hereby established or otherwise imposed or implied by law arising out of the fiduciary relationship between the Trustee on the one hand and the Society or any of its Subsidiaries on the other hand or the Trustee and the Redeemable Shareholders or Depositors. The Trustee shall not by reason of its fiduciary capacity be in any way precluded from making any contracts or entering into any transactions with the Society and/or its Subsidiaries or with itself as Trustee in the ordinary course of the business of the Trustee or from undertaking any insurance financial or agency service for the Society and/or its Subsidiaries or for itself as Trustee and without prejudice to the generality of these provisions it is expressly declared that such contracts and transactions include any contract or transaction in relation to the subscription for or placing or any other dealing with any stock, shares, debenture stock, debentures or other security of the Society and/or its Subsidiaries or any other company in which the Society and/or its Subsidiaries is or are interested and the acceptance of any office of profit from the Society and/or its Subsidiaries or any contract of loan or deposit or other contract or transaction which any insurance company not being a Trustee of this Deed could or might have entered into with the Society and/or its Subsidiaries (or with itself as Trustee) including the customary share of brokerage and usual insurer's or trustee's profit and the acceptance of holding of office of Trustee for the holders of any securities (whether secured or unsecured) issued by the Society or by any Subsidiary or by any other company and the Trustee shall not be accountable either to the Society and/or its Subsidiaries or the Securityholders for any profits arising from any such contracts, transactions or offices.

7.6 TRUSTEE MAY REPRESENT REDEEMABLE SHAREHOLDERS OR DEPOSITORS

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

7.7 RETIREMENT OF TRUSTEE

SUBJECT to Section 48(2) of the Securities Act the Trustee may retire at any time without assigning any reason therefore upon giving thirty (30) days notice in writing to the Society of its intention so to do subject to the due appointment of a new trustee and the transfer to such new trustee of the securities collateral herewith and the moneys and investments held by the Trustee hereunder.

7.8 APPOINTMENT OF NEW TRUSTEE

- (a) THE power of appointing a new trustee or new trustees hereof (in place of a trustee which has retired or ceased to exist or to be qualified pursuant to the Securities Act for appointment as trustee for Redeemable Shareholders or Depositors or which has failed or refused to act as trustee or is disqualified as aforesaid or is removed from office) shall be vested in the Society but no trustee shall be appointed unless such appointment is first approved by an Extraordinary Resolution of Depositors. Upon any vacancy in the office of Trustee hereof arising the Society shall thereupon promptly call a meeting of the Depositors for the purpose of approving an appointment of a new trustee and forthwith if approval is given the Society shall exercise its powers of appointment. Only a body corporate authorised in accordance with the provisions of Section 48 of the Securities Act shall be appointed as a trustee of this Deed.
- (b) In the event that the Society within thirty (30) days of receiving notice of the Trustee's intention to retire fails to call a meeting of the Depositors as aforesaid or to exercise the power hereby vested in it of appointing a new trustee or new trustees then in either case the Depositors may by Extraordinary Resolution exercise such power to the exclusion of the Society.

7.9 TRUSTEE'S INDEMNITY BY SECURITYHOLDERS

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

7.10 NO LIMITATION ON TRUSTEE'S POWERS

THE powers authorities and discretions hereby conferred upon the Trustee shall be in addition to any powers authorities and discretions which may from time to time be vested in trustees by law and to any powers authorities and discretions which may from time to time be vested in the Trustee as the trustee for a holder of any of the Redeemable shares or Deposits.

7.11 INTERESTS OF DEPOSITORS PARAMOUNT

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

SECTION VIII

8. ALTERATIONS TO TRUST DEED

8.1 TRUSTEE MAY CONCUR IN CERTAIN ALTERATIONS

THE Trustee may at any time concur with the Society in making any alteration, modification, variation or addition to this Deed (which shall be binding also upon all Guaranteeing Subsidiaries without their executing the Deed of Modification) in the following cases, namely:

- (a) If in the opinion of the Trustee the same is made to correct a manifest error or is of a formal or technical nature or is convenient for the purposes of obtaining or maintaining a quotation of any of the Debt Securities on any stock exchange and is not prejudicial to the general interests of the Redeemable Shareholders or the Depositors; or
- (b) If the same is authorised by an Extraordinary Resolution passed at separate meetings of the Depositors and of the Redeemable Shareholders (or, if the case requires, of one or more Classes thereof); or
- (c) If the Trustee is of the opinion that such alteration, modification, variation or addition is not or is not likely to become prejudicial to the general interests of the Redeemable Shareholders or the Depositors or of any Class thereof;

8.2 CHANGE IN LEGAL REQUIREMENTS FOR RESERVES OR FINANCIAL RESTRICTIONS

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

8.3 OTHER ALTERATIONS WITH THE APPROVAL OF A MAJORITY OF DEPOSITORS

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

the Society and the Trustee shall be entitled to make separate representations to the Depositors in relation to such alterations and on the giving of such notice as aforesaid such alterations shall not become binding upon either party unless the Depositors by Extraordinary Resolution approve such alterations. The Society shall forthwith after any such alterations to the Trust Deed become binding as aforesaid give notice thereof to the Redeemable Shareholders and Depositors.

8.4 MAJORITY OF DEPOSITORS MAY TEMPORARILY VARY PROVISIONS OF TRUST DEED

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

SECTION IX

9. MISCELLANEOUS PROVISIONS

9.1 NOTICES

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

- (i) to a Securityholder by sending it through the post in a prepaid letter addressed to the Securityholder at his Registered Address, and
- (ii) in the case of a notice to a Society or any Guaranteeing Subsidiary to the registered office of the Society, and
- (iii) in the case of a trustee hereof being a company or corporation which has branch offices or a principal place of business in New Zealand to the office of the branch which normally undertakes and performs the administration of the trusts hereof.

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

9.2 REGISTRATION OF TRUST DEED

THE Society shall forthwith at its own cost or the cost of the Guaranteeing Subsidiaries register or procure the registration and recording of this Deed as may be required by law as may be necessary to give full legal effect thereto respectively and shall pay all registration fees and other expenditure incidental thereto.

9.3 RELEASE OF TRUST DEED

THE Trustee shall at the request and cost of the Society surrender and release the Society and the Guaranteeing Subsidiaries from the covenants, guarantees, warranties and other provisions of this Deed:

- (a) upon proof being given to the reasonable satisfaction of the Trustee that the holders of all Redeemable Shares and Deposits have been paid off or satisfied in respect of both Principal and interest or that provision for such payment off or satisfaction has been made and upon payment or retention of all costs, charges and expenses incurred by or payable to the Trustee hereunder in relation to this Deed and the remuneration of the Trustee and all other moneys intended to be hereby covered;
- (b) upon transfer of engagements of the Society to a Bank which is exempted from the requirement of a trust deed under the Securities Act or to another building society or entity which has in place a trust deed satisfying the requirements of the Securities Act of which the Debt Securities will be beneficiaries in accordance with the Securities Act;

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

9.4 GENERAL COVENANT TO COMPLY WITH TRUST DEED

THE Society and each of the Guaranteeing Subsidiaries hereby jointly and severally covenant with the Trustee duly and punctually to observe, fulfil and perform all the covenants, conditions and obligations binding upon them respectively under or pursuant to this Deed or by the terms of issue of any Redeemable Shares or of any Deposits.

9.5 CONVERSION TO A COMPANY

IT is hereby declared and confirmed that nothing effected or authorised by a scheme for conversion under Part VIIA of the Building Societies Act:

- (a) shall be regarded as placing the Society, or the Company or any other person in breach of this Deed; or
- (b) shall be regarded as giving rise to a right for any person to terminate or cancel this Deed or to refuse to do so, or as a Default Event; or
- (c) shall be regarded as placing the Society, or the Company, or any other person in breach of any contractual provision prohibiting, restricting, or regulating the assignment or transfers of any property or the disclosure of any information; or
- (d) shall release any surety wholly or in part from any obligation; or
- (e) shall invalidate or discharge this Deed; or
- (f) shall require any consent from Securityholders which would not have been required in the absence of this Deed.

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

9.6 MEETINGS

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

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

SCHEDULE I

MEETINGS OF SECURITYHOLDERS

I.01 CONVENING

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

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

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

"representative" means:

- (i) in the case of a Securityholder being an individual a person appointed by an instrument by way of proxy or by Power of Attorney;
- (ii) in the case of a Securityholder being a Corporation or corporation sole either:
- A a person appointed by an instrument by way of proxy or by Power of Attorney; or
- B a person authorised pursuant to Section 143 of the Companies Act, or in the case of a corporation sole a person authorised pursuant to its constitution.

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

- (b) The Society shall whenever required to do so pursuant to the Securities Act convene a meeting of the Securityholders or of one or more Classes thereof.
- (c) The Trustee shall at the request in writing of a Class of Securityholders holding not less than 10% in Principal amount of the Debt Securities of that Class convene a meeting of that Class of Securityholders. The request shall state the nature of the business proposed to be dealt with at the meeting concerned.
- (d) Notwithstanding the provisions of subclause [c] above, the Trustee shall not be obliged to convene a meeting of the Securityholders concerned pursuant to such provisions:
- (i) until it has been indemnified to its satisfaction against all costs and expenses to be thereby incurred; and
- (ii) if the Trustee believes that the purpose of the request is vexatious or if the same, or substantially the same, business has been dealt with at a meeting of Securityholders within the 12 months preceding the date of the request.
- (e) For the purpose of enabling the Trustee to satisfy itself as to the validity of a request by the Securityholders concerned pursuant to paragraph [c] above the Society will allow the Trustee full access to the relevant Register whether such Register shall for the time being be closed or not.

- (f) At least ten (10) days before the Society convenes a meeting hereunder it shall advise the Trustee in writing of the place and Appointed Time thereof and the nature of business to be transacted and shall obtain the prior approval in writing of the Trustee to the draft of the documents to be sent to Securityholders and if the Trustee shall so require shall include with the documents sent to Securityholders concerned any statement which the Trustee requires to make in relation to the meeting and the matters to be dealt with thereat.

I.02 PLACE

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

I.03 NOTICE

- (a) NOTICE of every meeting of Securityholders shall be given in the manner provided in the Trust Deed to every Securityholder named in the relevant Register; and

every person upon whom the ownership of any Debt Securities in question devolves by reason of his being a legal personal representative or an assignee in bankruptcy of a Securityholder where the Securityholder but for his death or bankruptcy would in accordance with the foregoing subclause be entitled to receive notice of the meeting.

- (b) Notice shall be given to every holder entered in the Register as at the close of business five business days prior to the date of dispatch of the notice. Notice of every meeting shall be given to every person who is entitled to receive notice by sending it in the case of each holder of Debt Securities who has supplied to the society a Registered Address within New Zealand by ordinary post to him at his Registered Address and in the case of each such holder who has supplied to the Society a Registered Address outside New Zealand by first class airmail post at his Registered Address.
- (c) Fourteen (14) days' notice at least of every meeting shall be given. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given. The notice shall specify the place and Appointed Time of the meeting and the general nature of the business to be transacted but it shall not be necessary to specify in the notice the terms of the resolutions to be an Extraordinary Resolution in which case the text of the proposed resolution shall be set out.
- (d) If the meeting is convened by the Society a copy of the notice shall be sent to the Trustee. If the meeting is convened by the Trustee a copy of the notice shall be sent to the Society.

I.04 QUORUM

- (a) NO business shall be transacted at any meeting unless the requisite quorum is present at the commencement of business. In the case of all meetings at least two individuals who are or represent Securityholders must be present.
- (b) The quorum for passing an Extraordinary Resolution shall be Securityholders present in person or by representative holding or representing a majority in Principal amount of the relevant Debt Securities.
- (c) The quorum for the transaction of any business at a meeting of Securityholders other than the passing of an Extraordinary Resolution shall be the Securityholders present in person or by

representative holding or representing at least 10% in Principal amount of the relevant Debt Securities.

- (d) If within 15 minutes of such longer time not exceeding 45 minutes as the chairman of the meeting shall decide after the Appointed Time a quorum is not present the meeting if convened upon the request of Securityholders shall be dissolved. In any other case it shall stand adjourned to such day and time not being less than fourteen (14) days thereafter and to such place as may be appointed by the chairman and at such adjourned meeting all the Securityholders present in person or by representative shall be a quorum for the transaction of business.
- (e) Notice of any such adjourned meeting of Securityholders at which an Extraordinary Resolution is to be submitted shall be given in the same manner as for an original meeting (except that only seven (7) clear days notice shall be required) and such notice shall state that two Depositors present in person or by representative at the adjourned meeting and whatever the amount of relevant Debt Securities held by them (but comprising at least two individuals) shall form a quorum.

I.05 CHAIRMAN

A person nominated in writing by the Trustee shall preside at every meeting and if not such person is nominated or if at any meeting the person nominated is not present within fifteen (15) minutes after the Appointed Time the Securityholders present shall choose one (1) of their number to be chairman.

I.06 RIGHT TO ATTEND TO SPEAK

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

I.07 ADJOURNMENT

- (a) THE chairmen may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the meeting from time to time and from place to place;
- (b) No business shall be transacted at any adjourned meeting except business which might have been lawfully transacted at the meeting from which the adjournment took place.

I.08 ONLY PERSONS ON REGISTER RECOGNISED BY SOCIETY OR TRUSTEE

THE persons registered as the holders of Debt Securities in the Register and no other person or persons shall be recognised and treated as the legal holders of the Debt Securities therein mentioned whether such persons are or are no in fact the owners thereof.

I.09 AUTHORITY TO VOTE

- (a) A Securityholder (being an individual) may vote personally or by his representative and a Securityholder (being a Corporation) may vote by its representative;
- (b) The following persons shall be exclusively entitled to vote in person or by representative in respect of the Debt Securities mentioned:

- (i) the persons registered as at the Proxy Closing Time as Securityholders in the Register in respect of the Debt Securities recorded as owned by them respectively;
- (ii) The persons who are entitled to receive notice of the meeting pursuant to Clause 1.03 (a) (ii) in respect of the Debt Securities devolving upon them respectively;

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

I.10 PROXIES

- (a) THE instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a Corporation either under seal or under the hand of an officer or attorney so authorised or of any director, general manager, investment manager or other person who appears to have authority to appoint a party on behalf of such Corporation.
- (b) A person appointed to act as a proxy need not be a Securityholder and a holder of a proxy shall have the right to speak at the meeting;
- (c) The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a copy of such power or authority certified by a Notary Public or in such other manner as the Trustee shall approve shall be deposited at such place as the Trustee or the Society with the approval of the Trustee may in the notice convening the meeting direct or (if no such place is appointed) then at the registered office of the Society not later than the Proxy Closing Time and subject as hereinafter provided in default the instrument of proxy shall not be treated as valid PROVIDED ALWAYS THAT the Auditors or other appointed scrutineers may in their absolute discretion accept as valid any instrument of proxy notwithstanding that such instrument or any power of attorney or other authority is received or produced at a place other than that specified above or out of time;
- (d) An instrument of proxy may be in any usual common form or in such other form as the Trustee shall approve and may make provision for directions to be given by the grantor to vote in favour of or against any proposed resolution;
- (e) A proxy whether in a usual or common form or not shall unless the contrary is stated thereon be valid as well for any adjournment of the meeting as for the meeting to which it relates and need not be witnessed. Notwithstanding any provision contained in an instrument of proxy no instrument of proxy shall be valid after the expiration of twelve (12) months from the date of its execution but this provision shall not be construed to apply to the appointment of an attorney or representative otherwise than by an instrument of proxy;
- (f) An instrument of proxy in favour of:
 - (i) the chairman of the Society; or
 - (ii) the chairman of the meeting or the chairman,

(howsoever expressed) shall be valid and effectual as though it were in favour of a named person and shall in the case of subparagraph (i) above constitute the person holding the office of the

chairman of the Society and in the case of subparagraph (ii) above the person who chairs the meeting as the case may be for which the proxy is used whether on adjournment or not) the lawful proxy of the appointor.

I.11 SECURITYHOLDER MAY APPOINT ATTORNEY

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

I.12 CORPORATE REPRESENTATIVES

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

RIGHTS OF REPRESENTATIVES

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

I.13 VOTING PROCEDURE AND POLLS

- (a) A resolution put to the vote of a meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman or the Trustee or any representative of the Trustee or by one or more Securityholders holding or representing not less than 5% in Principal amount of the relevant Debt Securities. Unless a poll is so demanded a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- (b) On a show of hands each person present at the meeting and entitled to vote (whether personally or as a representative) shall have one vote only. On a poll every Securityholder who is present in person or by a representative shall have one vote for every \$1 Principal amount of Debt Securities of which he is the holder and which is of the Class of Securityholders entitling such holder to attend and vote at the meeting PROVIDED ALWAYS that any debt Securities for the time being held by the Society or any Related Body Corporate shall not whilst so held confer any right to vote.
- (c) If a poll is duly demanded it shall be taken in such manner as the chairman may direct and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- (d) In the case of an equality of votes whether on a show of hands or on a poll the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote in addition to the votes (if any) to which he may be entitled as a Securityholder or on behalf of Securityholders.

- (e) A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or at such time (not being more than thirty (30) days from the date of the meeting) and place as the chairman may direct. The result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded. No notice need be given of a poll not taken immediately.
- (f) The demand for a poll shall not prevent the continuance of a meeting for the transaction of business other than the question on which the poll has been demanded.
- (g) On a poll votes may be given either personally or by representative. On a poll a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.
- (h) In the case of joint Securityholders the vote of the senior who tenders a vote whether in person or buy representative shall be accepted to the exclusion of the votes of the other joint Securityholders and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding.
- (i) A vote given in accordance with the terms of an instrument of proxy or Power of Attorney or other form shall be valid notwithstanding the previous death, insanity or (in the case of a Corporation) liquidation of the principal or revocation of the proxy or Power of Attorney or other form of appointment or of the authority under which the proxy was executed or the transfer of the Debt Securities in respect of which the vote is given provided that no intimation in writing of such death, insanity, liquidation, revocation or transfer is received by the Trustee or the Society at its registered office before the commencement of the meeting at which the proxy is used.

I.14 EXTRAORDINARY RESOLUTIONS

- (a) THE expression "Extraordinary Resolution" when used in tis Schedule I means a resolution passed at a meeting of the Depositors or a Class thereof or the Redeemable Shareholders or a Class thereof duly convened and held in accordance with the provisions herein contained at which not less than three-fourths (3/4ths) of the persons voting thereat upon a show of hands or if a poll is duly demanded then not less than three-fourths (3/4ths) of the votes given on such poll voted in favour of the resolution.
- (b) Without limiting the rights, powers and discretions conferred on the Trustee by the Trust Deed a meeting of the Securityholders shall in addition to all other powers which by the Trust Deed and this Schedule are specified as exercisable by Extraordinary Resolution have the following powers exercisable by Extraordinary Resolution namely:
 - (i) power to sanction either unconditionally or upon any conditions:
 - A the release of the Society from the payment of all or any part of the Deposit Moneys and/or Redeemable Share Moneys (as the case may be); or
 - B the release of any Guaranteeing Subsidiary from its guarantee of the Deposit Moneys and/or Redeemable Share Moneys (as the case may be);
 - (ii) power to sanction the exchange of Deposits (or any Class thereof) for Redeemable Shares (or any Class thereof) or the conversation of the Redeemable Shares (or any Class thereof) into Deposits, shares, stock, debentures, debenture stock or other obligations or securities of the Society or any other company formed or to be formed;

- (iii) power to postpone or with the concurrence of the Society to accelerate the day when the Principal Moneys of the Debt Securities (or any Class thereof) shall become payable and to suspend or postpone for a time the payment of interest or dividend on the Debt Securities;
 - (iv) power to sanction any alteration, release, modification, waiver, variation or compromise or any arrangement in respect of the rights of the Securityholders against the Society and/or the Guaranteeing Subsidiaries or against their respective properties howsoever such rights shall arise;
 - (v) power to assent to any alteration, modification, variation or addition to the provisions contained in the Trust Deed or the conditions attaching to the Debt Securities proposed or agreed to by the Society and to direct the Trustee to concur in and execute any supplemental trust deed embodying any such alteration, modification, variation or addition;
 - (vi) power to give any sanction, assent, release or waiver of any breach or default by the Society or any Guaranteeing Subsidiary under any of the provisions of the Trust Deed;
 - (vii) subject to the Securities Act power to discharge, release or exonerate the Trustee from all liability in respect of any act of commission or omission for which the Trustee has or may become responsible under the Trust Deed;
 - (viii) power to sanction any scheme for the reconstruction of the Society or any Guaranteeing Subsidiary or for the union or transfer of engagements of the Society or the amalgamation of any Guaranteeing Subsidiary with any other Corporation where such sanction is necessary;
 - (ix) subject to the provisions of the Trust Deed power to remove any Trustee and to approve the appointment of or appoint a new Trustee;
 - (x) power to authorise or direct the Trustee to concur in and execute any supplemental deed or other document embodying such sanction authority or approval, assent, release, waiver, direction or request.
- (c) An Extraordinary Resolution passed at a meeting of the Depositors or a Class thereof or the Redeemable Shareholders or a Class thereof duly convened and held in accordance with these presents subject to paragraph (d) below, shall be binding upon all members of the relevant Class of Securityholders whether present or entitled to be present or not at the meeting and each member of the Class of Securityholders and the Trustee (subject to the provisions of its indemnity contained in the Trust Deed) shall be bound to give effect thereto accordingly and the passing of any such resolution shall as between the Trustee and the Class of Securityholders be conclusive evidence that the circumstances justify the passing thereof the intention being that it shall rest with the meeting to determine without appeal whether or not the circumstances justify the passing of any such resolution.
- (d) An Extraordinary Resolution which:
- (i) sanctions any alterations to the rights of a Class of Securityholders to receive the Principal and interest of their Debt Securities in accordance with the order of distribution set out in Clause 5.5;
 - (ii) sanctions any alteration to the right of a Class of Securityholders to recover interest on or repayment of their Debt Securities in accordance with the terms of issue thereof;

- (iii) sanctions or directs waiver by the Trustee of any breach by the Society of its obligations in regard to payment of interest on or Principal of a Class of Debt Securities;
- (iv) relates to the exercise or non-exercise or manner of exercise by the Trustee of any of its trusts, obligations or powers which are exercisable by virtue exclusively of breaches of the matters mentioned in (iii) above (there being no breach of any other provision of the Trust Deed and no other event mentioned in Clause 5.1 having occurred);
- (v) otherwise exclusively affects the rights and interests of a class of Securityholders;

shall be of no force and effect unless:

- A it has been assented to in writing by the holders of not less than three-fourths (3/4ths) in Principal amount of that Class of Securityholders; or
- B it is or has been approved or sanctioned by an Extraordinary Resolution of that Class of Securityholders (as the case may require).

I.15 MINUTES TO BE KEPT

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

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

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

- (a) Whenever any default has been made by the Society in the payment of all or any of the Redeemable Share Moneys on the Deposit Moneys the Subsidiary will forthwith whether or not demand therefore shall be made pay such moneys to the Trustee to the intent that the same may be applied by the Trustee pursuant to this Deed.
- (b) The liability of the Subsidiary under this guarantee shall not be abrogated, prejudiced or affected by any of the following:
 - (i) the granting of time, credit or any indulgence or other concession to the Society or to any other guarantor (including any Guaranteeing Subsidiary) by the Redeemable Shareholders or the Depositors or any of them or by the Trustee or by any compounding, compromise, release, abandonment, waiver, variation, relinquishment or renewal of any securities, documents of title, assets or of any of the rights of the Redeemable Shareholders or the Depositors or any of them or of the Trustee against the Society or that guarantor or by anything done or omitted or neglected to be done by the Trustee or the Redeemable Shareholders or the depositors or any of them in exercise of the authorities, powers and discretions vested in them by this Deed or by any other dealing matter or thing which but for this provision might operate to abrogate, prejudice or affect this guarantee;
 - (ii) the liability of the other guarantor (including any Guaranteeing Subsidiary) ceasing from any cause whatsoever (including the release or discharge by the Redeemable Shareholders or the Depositors or any of them or by the Trustee);
 - (iii) any other person joining in this or giving any similar guarantee;
 - (iv) the liquidation of the Society or any guarantor (including any Guaranteeing Subsidiary) of the Society;
 - (v) any other guarantor (including any Guaranteeing Subsidiary) being incompetent to give this guarantee or any other guarantee or any security or any collateral security or failing to become legally bound in whole or in part under any of them respectively;
 - (vi) any security (including any security given pursuant to this Deed) held or taken being void defective or informal;
 - (vii) failure by the society or any other guarantor (including any Guaranteeing Subsidiary) to provide any security which ought to be provided under or pursuant to this Deed;
 - (viii) any Wholly Owned Subsidiary failing or being incompetent to become or remain a Guaranteeing Subsidiary;

- (ix) any alteration, modification, variation or addition to the Trust Deed made pursuant to the provisions in that behalf in the Trust Deed contained.
- (c) This guarantee shall be a principal obligation and shall be treated as in addition to and not in substitution for or collateral to any other security or right which the Trustee may have under or by virtue of the Trust Deed and in particular shall be independent of any other security to the intent that this guarantee may be enforced against the Subsidiary without first having recourse to any such securities or rights and without taking steps or proceedings against the Society or any other guarantor (including any Guaranteeing Subsidiary) and notwithstanding that any other security may be in whole or in part unenforceable by reason of any rule of law or equity and notwithstanding the loss by the Trustee of any other security and notwithstanding any laches, acts or omissions on the part of the Trustee.
- (d) Subject to subclause (e) of this Clause and to the provisions of the Trust Deed this guarantee is to be a continuing guarantee and accordingly shall be irrevocable and shall remain in full force and effect until the whole of the Redeemable Share Moneys and the Deposit Moneys have been paid or satisfied.
- (e) The Trustee may as regards all or any of the Guaranteeing Subsidiaries (unless otherwise directed by a resolution of the Redeemable Shareholders or the Depositors in general meeting) determine from time to time whether it shall enforce or refrain from enforcing this guarantee or any guarantee and unless otherwise directed as aforesaid may from time to time make any arrangement or compromise with any one or more of the Guaranteeing Subsidiaries or the Society which the Trustee may think expedient in the interests of the Redeemable Shareholders and the Depositors.
- (f) All moneys from time to time received by the Trustee in reduction of the Society's indebtedness from or on account of the Society including any dividends upon the liquidation of the Society or the Subsidiary or any other guarantor (including any Guaranteeing Subsidiary) or from any other person or from the realisation of any security and capable of being applied by the Trustee in reduction of the Society's indebtedness in relation to the Redeemable Share Moneys and the Deposit Moneys shall be regarded as payments in gross without any right on the part of the Subsidiary or any one or more of them the Guaranteeing subsidiaries to stand in the place of the Trustee in respect of or to claim the benefit of any moneys so received as against the Society or any Guaranteeing subsidiary until the whole of the Redeemable Share Moneys and the Deposit Moneys have been paid or satisfied so that in the event of the Subsidiary or any Guaranteeing Subsidiary or other guarantor going into liquidation the Trustee shall be entitled to prove against it for the total indebtedness of the Society in relation to the Redeemable Share Moneys and the Deposit Moneys;
- (g) In the event of the liquidation of the Society or any guarantor (including any Guaranteeing Subsidiary) the Subsidiary will not prove in such liquidation in competition with the Trustee and the Subsidiary hereby authorises the Trustee to prove for all moneys which the Subsidiary has paid hereunder or are otherwise owing to it and have not been repaid to it by the Society or any other Guaranteeing Subsidiary and to retain and to carry to a suspense account and appropriate at the discretion of the Trustee any amount received until the Trustee shall have received one hundred cents in the dollar in respect of the indebtedness of the Society in relation to the Redeemable Share Moneys and the Deposit Moneys. The Subsidiary hereby waives in favour of the Trustee all rights whatever against the Trustee and the Society and any other guarantor (including any Guaranteeing Subsidiary) or other person or their or its estate and assets so far as necessary to give effect to anything in this guarantee contained.

- (h) This guarantee shall not prejudicially affect or be prejudicially affected by any other security or guarantee now or hereafter held by the Trustee for the Redeemable Share Moneys and the Deposit Moneys but such other security or guarantee shall be deemed to be collateral herewith and the Subsidiary will not as against the Trustee in any way claim the benefit or seek the transfer of any such security or any part thereof or any right of recourse.
- (i) If any payment made to the Trustee or to any Redeemable Shareholder or Depositor by or on behalf of the Society or the Subsidiary be avoided by law such payment shall be deemed not to have discharged or affected the liability of the Subsidiary therefore or any charge by the Subsidiary in favour of the Trustee in respect thereof and in that event the Trustee and the Subsidiary shall be restored to the position in which each would have been and be entitled to exercise all the rights which each would have had if such payment had not been made.
- (j) The Subsidiary shall in respect of any sums paid by it hereunder and in respect of any other rights which may accrue howsoever to it in respect of any sum so paid rank and be entitled to enforce the same only after the Redeemable Share Moneys and Deposit Moneys shall have been duly paid and satisfied.
- (k) Although as between the Society and the Subsidiary the liability of the Subsidiary to the Trustee may be that of surety only nevertheless as between the Subsidiary and the Trustee the liability of the Subsidiary shall be deemed to be the liability of a principal debtor and the guarantees given by the subsidiary to the Trustee by or pursuant to this Deed shall constitute security for the Redeemable Share Moneys and the Deposit Moneys respectively and such liability shall not be affected or diminished nor shall such guarantee be released by any of the matters hereinbefore mentioned or by any other act indulgence or omission which but for this present provision would have operated to release the Subsidiary wholly or partly from its liability hereunder to the Trustee.

4. PURSUANT to Section 8 of the Property Law Act 1952 IT IS HEREBY EXPRESSLY DECLARED THAT there shall be deemed to be incorporated in this Deed all the covenants powers obligations conditions and provisions of the Trust Deed and the schedules thereto relating to or affecting the Guaranteeing Subsidiaries or guarantees given by the Guaranteeing Subsidiaries thereunder or pursuant thereto in the same manner and to the same extent as if the same had been mutatis mutandis set out in full herein and made applicable to the Subsidiary and the Subsidiary accordingly hereby covenants with the Trustee duly and punctually to observe fulfil and perform and to be bound by all the covenants powers conditions and provisions imposed on relating to or affecting it by or under this Deed or the Trust Deed including the Schedules thereto or by the terms of issue of any Redeemable Shareholders or Deposits.

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

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

7. THE Subsidiary DOTH HEREBY IRREVOCABLY APPOINT the Trustee to be its attorney and in its name and on its behalf to enter into, execute sign and do all assurances, deeds instruments, acts and things whatsoever which shall in the opinion of the Trustee or attorney be necessary or expedient or that it ought to execute sign and do for the purpose of carrying out any trust or obligations hereby declared or imposed upon it or for giving to the Securityholders or to the Trustee on their behalf the full benefit of

any of the provisions of the Trust Deed or this Deed and generally to use its name in the exercise of all or any of the powers hereby or by the Trust Deed conferred on the Trustee.

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

IN WITNESS WHEREOF this Deed has been executed the day and year first hereinbefore written.

[Supplemental Deed ends here]

SCHEDULE III

EXPOSURE OUTSTANDING AS AT 1 JANUARY 1991

(Clause 2.2(b)) – Exposure outstanding as at 1 January 1991 excepting the categories of Exposure as described in subclause (i), (ii) and (iii).

Nil

[End of Schedule III and of Trust Deed]

THE COMMON SEAL of THE HASTINGS PERMANENT BUILDING AND INVESTMENT SOCIETY was hereunto affixed in the presence of:

Elvan

M. Joyce

Director

Secretary



THE COMMON SEAL of the
Corporate Trustee Services)
Board (a Local Board) of THE)
TRUSTEES EXECUTORS AND AGENCY)
COMPANY OF NEW ZEALAND LIMITED)
was hereunto affixed by the)
authority of:)

[Signature]

[Signature]

Director

90-67100 (1/2)
Authorised Signatory

