

Deed of Trust establishing the Christchurch Earthquake Appeal Trust

Her Majesty the Queen in right of New Zealand

The Original Trustees

TABLE OF CONTENTS

PARTIES 1

BACKGROUND 1

OPERATIVE PART 1

1 INTERPRETATION 1

2 DIRECTION AND ACKNOWLEDGEMENT OF TRUST 2

3 NAME OF TRUST 2

4 OBJECTS OF TRUST 2

5 REGISTRATION 3

6 APPLICATION OF INCOME 3

7 APPLICATION OF CAPITAL 4

8 RECEIPT OF CHARITABLE RECIPIENT 4

9 RESETTLEMENT 4

10 INVESTMENT OF TRUST FUND 4

11 POWERS AND DISCRETIONS OF TRUSTEES 5

12 BENEFITS OR ADVANTAGES 6

13 ORIGINAL TRUSTEES, AND NUMBER, APPOINTMENT, RETIREMENT, AND PROCEEDINGS OF TRUSTEES 7

14 INTERESTED TRUSTEES 7

15 EXECUTION OF DOCUMENTS 8

16 LIMITATION OF LIABILITY AND INDEMNITY 8

17 ACCOUNTS AND AUDIT 9

18 ADMINISTRATIVE COSTS AND REPORTS TO SETTLOR 10

19 AMENDMENT OF DEED 10

20 WINDING UP 10

21 GOVERNING LAW 11

22 EXECUTION 11

EXECUTION 12

SCHEDULE 1 – POWERS OF TRUSTEES 14

SCHEDULE 2 – REMOVAL OF TRUSTEES	16
1 NUMBER OF TRUSTEES	16
2 APPOINTMENT OF TRUSTEES	16
3 ELIGIBILITY	16
4 CESSATION OF TRUSTEESHIP	17
5 RECORD OF TRUSTEESHIPS	17
SCHEDULE 3 – RULES GOVERNING MEETINGS OF TRUSTEES	18
1 CORPORATE TRUSTEE	18
2 QUORUM	18
3 TIME OF MEETINGS	18
4 CHAIR	18
5 NOTICE OF MEETINGS	18
6 DECISIONS	19
7 AUDIBLE COMMUNICATION	19
8 MINUTES	20
9 ADJOURNMENT	20
10 INTERESTED TRUSTEES AND CONFLICT TRANSACTIONS	20
11 VALIDITY OF PROCEEDINGS	20

Date: } | March 2011

PARTIES

Her Majesty the Queen in right of New Zealand acting by and through the Minister of Finance and by and through the Minister of Internal Affairs (*Settlor*)

John Henry Whitehead (being the current Secretary to the Treasury) and Brendan James Boyle (being the current Secretary for Internal Affairs) (*Original Trustees*)

BACKGROUND

- A. The Settlor and the Original Trustees wish to establish a charitable trust, to be known (subject to clause 3 of this Deed) as the Christchurch Earthquake Appeal Trust, for the objects set out in this Deed.
- B. The Settlor has paid an amount of \$1.00 to the Trustees of this Trust.
- C. The Trust Fund shall comprise this initial \$1.00 and any other Property paid to or transferred to the Trustees with the direction that it be held on the trusts of this Trust.
- D. The Settlor and the Original Trustees have agreed to enter into this Deed for the purpose of declaring and constituting the Trust, specifying its objects, and providing for its control, governance and regulation.

OPERATIVE PART

1 INTERPRETATION

1.1 In this Deed:

Conflict Transaction is defined in clause 14.2.

Donated Property Restrictions is defined in clause 10.4.

Financial Year means the 12 months ending on 30 June.

Insurance Policy means any policy of insurance and any policy of assurance.

Objects is defined in clause 4.1.

Property means all property (whether real or personal) and includes choses in action, rights, interests and money.

Security means any share, stock, debenture, debenture stock, bond, note, option, or form of other security.

Tax Act means the Income Tax Act 2007.

Trust means the trust created by this Deed.

Trust Fund means the Property that is from time to time held by the Trustees on the trusts of this Deed and the income that is from time to time held by the Trustees on the trusts of this Deed.

Trustees means the trustees for the time being of the Trust (including the Original Trustees).

1.2 In this Deed, unless the context otherwise requires:

- (a) references to clauses are to clauses of this Deed;
- (b) references to schedules are to schedules to this Deed;
- (c) references to this Deed include its schedules;
- (d) words importing the singular include the plural and vice versa;
- (e) words importing one gender include the others; and
- (f) the contents pages and the headings to clauses are for convenience only and are not part of the content of this Deed.

1.3 In the interpretation of each Schedule, unless the context otherwise requires:

- (a) terms or expressions have the meanings given to them by this Deed; and
- (b) reference to a clause is a reference to a clause of that Schedule.

1.4 Reference to a statute or statutory provision includes that statute or provision as amended, modified, re-enacted or replaced from time to time.

2 **DIRECTION AND ACKNOWLEDGEMENT OF TRUST**

The Settlor directs the Trustees to, and the Trustees acknowledge that the Trustees have been directed to and will, hold the Trust Fund upon the trusts and with the powers set out in this Deed.

3 **NAME OF TRUST**

The Trust is known as the Christchurch Earthquake Appeal Trust but the Settlor may amend or change the name by deed.

4 **OBJECTS OF TRUST**

4.1 The Settlor declares that the Christchurch Earthquake Appeal Trust is a trust for charitable purposes and directs that the Trust Fund must be applied and used exclusively by the Trustees for such of the objects listed

in clause 4.2 (the *Objects*) as the Trustees from time to time decide, in their absolute discretion, will provide relief to the community of Christchurch and the Canterbury region from the adverse effects of the earthquakes on 22 February 2011 and 4 September 2010 (and associated events, including any aftershocks or earthquakes occurring after the date of this Deed).

4.2 The specific objects of the Trust are:

- (a) the relief of poverty; and
- (b) the advancement of education; and
- (c) the advancement of religion; and
- (d) the advancement of any other purposes beneficial to the community; and
- (e) the advancement of any other purposes that are charitable under the law of New Zealand.

4.3 Without either limiting the generality of or expanding on the scope of clause 4.1 and 4.2, examples of specific activities that the Trustees may decide to undertake in order to further the Objects of the Trust are –

- (a) payments and other support to individuals, families and households demonstrating hardship; and
- (b) payments and other support for the creation or repair of community-based infrastructure and facilities, such as sports grounds or facilities for community organisations.

5 **REGISTRATION**

5.1 The Original Trustees will register this Deed with the Charities Commission in accordance with the Charities Act 2005 and having regard to application of the Tax Act.

5.2 The Trustees will ensure that the Trust remains registered and complies with all requirements of the Charities Act 2005 necessary to ensure continued charitable status under that Act and the Tax Act unless there is an amendment to the Tax Act or other relevant legislation that means that the charitable tax status of the Trust does not depend on compliance with the Charities Act 2005.

6 **APPLICATION OF INCOME**

The Trustees may at any time, after payment of or provision for all costs, charges and expenses of the Trustees in respect of the establishment,

management and administration of the Trust that have not been met under clause 18, pay or apply all or any of the income of the Trust to promote or advance such of the Objects as the Trustees determine.

7 APPLICATION OF CAPITAL

The Trustees may at any time pay or apply all or any of the capital of the Trust to promote or advance such of the Objects as the Trustees determine.

8 RECEIPT OF CHARITABLE RECIPIENT

The receipt of the secretary or treasurer or other proper officer of any charity or charitable purpose to which all or any of the Trust Fund is paid or applied will constitute a sufficient discharge to the Trustees for the payment or application.

9 RESETTLEMENT

The Trustees have power in their discretion to settle or resettle all or any of the capital or income or Property of the Trust upon trust for the advancement or benefit of one or more of the Objects as the Trustees decide, but the settlement or resettlement must not breach the rule against perpetuities as it applies to charities.

10 INVESTMENT OF TRUST FUND

10.1 Subject to clause 10.2, the Trustees may invest all or any of the Trust Fund in any Property that is from time to time permitted by the laws of New Zealand for the investment of the funds of trusts, including full power to buy or otherwise acquire any Property and full power to sell or otherwise dispose of any of the Trust Fund.

10.2 To the extent reasonably possible, the Trustees must ensure that the Trust Fund is invested in low-risk Securities, including in particular the following Securities:

- (a) deposits with the Reserve Bank or banks registered under the Reserve Bank of New Zealand Act 1989; and
- (b) Securities issued by the New Zealand Government.

10.3 The investment obligations of the Trustees under clause 10.2 constitute a contrary intention for the purposes of section 2(5) and (5A) of the Trustee Act 1956.

10.4 If Property is received by the Trustees subject to reservations, trusts, liabilities or obligations that are not inconsistent with the Objects of the Trust (*Donated Property Restrictions*), the Trustees must hold the

Property (and any proceeds of sale of it) as part of the Trust Fund and subject to the Donated Property Restrictions and must make from the Trust Fund whatever payments or provisions or transactions are required by the Donated Property Restrictions.

11 POWERS AND DISCRETIONS OF TRUSTEES

11.1 In addition to all the powers, authorities and discretions vested in the Trustees by law or by this Deed (but subject to any Donated Property Restrictions), the Trustees in giving effect to the Objects in their discretion may at all times and from time to time exercise the fullest possible powers and authorities as if they were the beneficial owners of the Trust Fund.

11.2 Without prejudice to the generality of clause 11.1, the Trustees have the powers set out in the Schedule 1 and may in their discretion (but subject to any Donated Property Restrictions) exercise any one or more of those powers.

11.3 All powers and authorities and discretions that the Trustees have, including the powers in Schedule 1, may be exercised by the Trustees (subject to any Donated Property Restrictions) in their absolute discretion and from time to time and on such terms and conditions and in such manner and by such means as they think fit.

11.4 Without prejudice to the generality of clauses 11.1 to 11.3 or to the application of the Objects of the Trust, -

(a) the Settlor may from time to time notify the Trustees of types of earthquake relief efforts that are regarded by the New Zealand Government as priorities and the Trustees will have regard to those priorities; and

(b) the Trustees will also have regard to the desirability of ensuring that the activities of the Trust are complementary to and do not duplicate the activities of other relief agencies.

11.5 Without prejudice to the generality of clauses 11.1 to 11.3, -

(a) the Trustees may seek advice in relation to activities that will further the Objects of the Trust, including (without limitation) establishing and appointing members to an advisory panel (including in particular representatives from the community affected by the earthquakes); and

(b) in the event of the establishment of such a panel, the Trustees will have regard to any advice provided by the Panel (but, for the

avoidance of doubt, the panel members will not be nor have the powers of Trustees).

12 **BENEFITS OR ADVANTAGES**

12.1 Notwithstanding anything to the contrary in this Deed (but subject to clauses 12.2 and 18), no person with some control over the business of the Trust is able to direct or divert, to their own benefit or advantage an amount from the Trust, except that:

- (a) each Trustee may receive full reimbursement for all costs, charges and expenses properly incurred by the Trustee in connection with the affairs of the Trust;
- (b) the Trustees may pay reasonable and proper remuneration to any person or firm or company (including a Trustee) in return for services actually rendered to the Trust;
- (c) each Trustee may be paid all usual professional, business or trade charges for services rendered, time spent and acts done by the Trustee or by any firm or entity of which the Trustee is a member, employee or associate in connection with the affairs of the Trust;
- (d) each Trustee may retain any remuneration properly payable to the Trustee by any company or other body or firm or undertaking with which the Trust may be in any way concerned or involved for which the Trustee has acted in any capacity whatever, notwithstanding that the Trustee's connection with that company or body or firm or undertaking is in any way attributable to the Trustee's connection with the Trust.

12.2 Clause 12.1 does not apply if and to the extent that there is an amendment to the Tax Act or any other relevant legislation that results in a person with some control over the business of the Trust being able to direct or divert an amount derived by the Trust to their own benefit or advantage without compromising the charitable tax status of the Trust.

12.3 In this clause 12:

- (a) *benefit or advantage* has the meaning given to it in section CW 42(8) of the Tax Act; and
- (b) *person with some control over the business* has the meaning given to it by sections CW 42(5) to (7) of the Tax Act.

13 ORIGINAL TRUSTEES, AND NUMBER, APPOINTMENT, RETIREMENT, AND PROCEEDINGS OF TRUSTEES

- 13.1 The Original Trustees are the first Trustees of the Trust.
- 13.2 The provisions of this Deed dealing with the number, appointment and cessation of office of the Trustees are set out in Schedule 2.
- 13.3 The provisions relating to meetings of Trustees are set out in Schedule 3

14 INTERESTED TRUSTEES

- 14.1 Subject to clauses 14.3 and 14.4, a Trustee is entitled to act under this Deed and to exercise all of the powers conferred on him or her even when the Trustees enter into or propose to enter into a Conflict Transaction for that Trustee.
- 14.2 A Conflict Transaction exists for a Trustee when:
- (a) the Trustee is or may be or becomes associated (whether as director or otherwise in a private capacity or as trustee of another trust) with any company, partnership, organisation, group or trust with which the Trustee is transacting or dealing in his or her capacity as Trustee; or
 - (b) the interests or duty of the Trustee in any particular matter conflicts or might conflict with his or her duty to the Trust or any of its beneficiaries; or
 - (c) the Trustee is transacting or dealing as Trustee with himself or herself in another capacity.
- 14.3 When a Conflict Transaction exists for a Trustee and there is at the time more than one Trustee:
- (a) the Trustee for whom the Conflict Transaction exists must declare the nature of the conflict or the potential conflict at a meeting of the Trustees; and
 - (b) the Trustee must not take part in any deliberations or proceedings, including voting or other decision-making, relating to the Conflict Transaction, and the clauses in Schedule 3 will be deemed to be varied accordingly; and
 - (c) if the Trustee contravenes paragraphs (a) or (b) of this clause, his or her vote or other decision will not be counted, and neither will the Trustee be counted in the quorum present at the meeting, and the clauses in the Schedule 3 will be deemed to be varied accordingly.

14.4 When there is a Conflict Transaction, and

- (a) there is at the time a sole Trustee; or
- (b) because of clause 14.3 there are at the time no Trustees who are permitted to vote or decide on the Conflict Transaction –

the Trustees may still enter into the Conflict Transaction if they have obtained a written confirmation from a lawyer, accountant or other reputable professional person of independent status that the Conflict Transaction is proper and in order for the Trustees to enter into.

15 EXECUTION OF DOCUMENTS

15.1 Whenever there is more than one Trustee and the Trustees in the exercise of any power authority or discretion conferred upon them need to sign or attest any deed it will be sufficient:

- (a) if the Trustees are not incorporated as a board under the Charitable Trusts Act 1957, for that deed to be signed or attested by any two of the Trustees; and
- (b) if the Trustees are incorporated as a board under the Charitable Trusts Act 1957, for that deed to be executed under the common seal of the board attested by any two of the Trustees who are incorporated as the board.

15.2 Whenever there is more than one Trustee and the Trustees in the exercise of any power, authority or discretion conferred upon them need to make any contract or agreement, it will be sufficient (and regardless of whether the Trustees are incorporated as a board under the Charitable Trusts Act 1957) for:

- (a) that contract or agreement (which if made between private persons would by law be required to be in writing signed by the parties to be charged with it) to be made on behalf of the Trustees in writing signed by any Trustee who is acting under the express or implied authority of the Trustees; and
- (b) that contract or agreement (which if made between private persons would by law be valid although made orally and not in writing) to be made on behalf of the Trustees by any Trustee who is acting under the express or implied authority of the Trustees.

16 LIMITATION OF LIABILITY AND INDEMNITY

16.1 No Trustee is liable for the consequence of any act or omission or for any loss unless the consequence or loss is attributable to his or her dishonesty

or to the wilful commission by him or her of any act known by him or her to be a breach of trust or to the wilful omission by him or her of any act when the omission is known by him or her to be a breach of trust.

- 16.2 No Trustee is bound to take any proceedings against a co-Trustee for any breach or alleged breach of trust by the co-Trustee.
- 16.3 The Trustees are not liable for any loss or cost to the Trust by any breaches of trust or defaults of any attorney, delegate, manager, agent or employee appointed or engaged or employed by them, despite any rule of law or equity to the contrary.
- 16.4 The Settlor will fully indemnify each Trustee for any loss or liability which he or she incurs in the carrying out or omission of any function, duty or power of the Trustees under this Deed and in respect of any outlay or expenses incurred by him or her in the management and administration of the Trust unless the loss or liability is attributable to his or her dishonesty or to the wilful commission by him or her of an act known by him or her to be a breach of trust or to the wilful omission by him or her of any act when the omission is known by him or her to be a breach of trust. The indemnity given by this clause extends to any loss or liability which a person after ceasing to be a Trustee incurs through the carrying out of any function, duty or power of the Trustees, whether the carrying out took place before, during or after the period in which the person was a Trustee.

17 ACCOUNTS AND AUDIT

- 17.1 The Trustees must ensure that financial records are kept.
- 17.2 The financial records must present the Trust's receipts, credits, payments, liabilities and all other matters necessary or appropriate in a way that shows the true state and condition of the financial affairs of the Trust.
- 17.3 The annual accounts of the Trust must be prepared by a chartered accountant appointed by the Trustees.
- 17.4 The Trustees must -
- (a) have the annual accounts audited by the Auditor-General; and
 - (b) arrange for the audited annual accounts to be released to the public, -
- within 6 months after the balance date.
- 17.5 The financial records and annual accounts will be kept at such place as the Trustees think fit.

17.6 The financial records and annual accounts must always be available to be inspected by each Trustee.

17.7 The Trustees may change the balance date of the Trust.

18 **ADMINISTRATIVE COSTS AND REPORTS TO SETTLOR**

18.1 The Settlor will meet –

- (a) all reasonable administrative costs incurred by the Trustees in respect of the Trust; and
- (b) any remuneration payable to a Trustee that is agreed between the Settlor and the Trustee.

18.2 The Trustees must, –

- (a) provide to the Settlor any information reasonably requested by the Settlor from time to time in relation to the affairs of the Trust (including relating to funds collected and applied, costs incurred and investments made); and
- (b) permit the Settlor to release to the public or other interested parties any information provided; and
- (c) permit the Settlor from time to time to conduct an audit of the Trust's affairs.

19 **AMENDMENT OF DEED**

19.1 Subject to any relevant legislation for the time being in force relating to charitable trusts, the Settlor has power by deed:

- (a) to amend, revoke or add to any of the provisions of this Deed but not so as to add to the Objects any Object that is not a charitable purpose or otherwise prejudice the charitable nature of the Trust; and
- (b) notwithstanding paragraph (a) of this clause, to amend, revoke or add to this Deed including the Objects if and to the extent that it is necessary to do so for the Trust to qualify as a charitable trust under the Tax Act.

20 **WINDING UP**

20.1 The Trustees may at any time wind up the Trust if all of the Trust's Property has been applied in furthering the Objects and either –

- (a) the Trustees resolve that the Trust need no longer continue; or

(b) a period of at least ten years has elapsed from the date of this Deed.

20.2 The Trustees must wind up the Trust if so requested by the Settlor in writing.

20.3 On the winding up the Trustees will pay or apply such of the capital and income of the Trust Fund as then remains towards the furtherance of such of the Objects as the Trustees determine. If the Trustees cannot agree, the income and capital will be paid or applied to such of the Objects as a judge of the High Court of New Zealand directs.

21 **GOVERNING LAW**

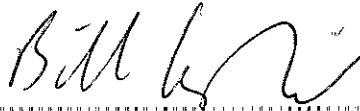
The Trust will be governed by and construed in accordance with the laws of New Zealand.

22 **EXECUTION**

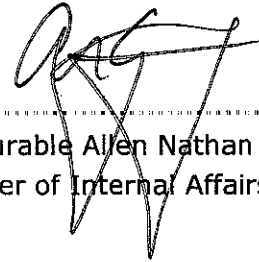
This Deed may be executed in any number of counterparts each of which will be deemed an original, but all of which together will constitute one and the same instrument. A party may enter into this Deed by signing any counterpart.

EXECUTION

Signed for Her Majesty the Queen in right of New Zealand, acting by and through the Minister of Finance and by and through the Minister of Internal Affairs, as Settlor by:



.....
Honourable Simon William English
Minister of Finance



.....
Honourable Allen Nathan Guy
Minister of Internal Affairs



.....
Witness signature

.....
CAROLYN ANN PALMER

.....
Full name (please print)

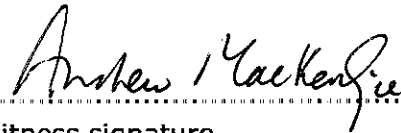
.....
TAX POLICY ADVISOR

.....
Occupation (please print)

.....
OFFICE OF THE MINISTER OF

.....
Address (please print) FINANCE

.....
PARLIAMENT BUILDINGS.



.....
Witness signature

.....
Andrew Martin MacKenzie

.....
Full name (please print)

.....
Private Secretary

.....
Occupation (please print)

.....
Office of the Minister of Internal Affairs

.....
Address (please print)

.....
Parliament
Buildings
Wellington

Signed by John Henry Whitehead as an Original Trustee in the presence of

John Whitehead

S. Marlow
.....
Witness signature

Sibhan Marlow
.....
Full name (please print)

PA
.....
Occupation (please print)

1 The Terrace, Wellington
.....
Address (please print)

Signed by Brendan James Boyle as an Original Trustee in the presence of

Brendan Boyle

Jim
.....
Witness signature

Cecelyn Rose
.....
Full name (please print)

Public Accountant
.....
Occupation (please print)

Wellington
.....
Address (please print)

SCHEDULE 1 – POWERS OF TRUSTEES

The Trustees have power in accordance with clause 11 of this Deed:

- (a) to sell, call in, and convert into money or other Property the whole or any part of the Trust Fund;
- (b) to accumulate the income of the Trust Fund;
- (c) to apply or set aside any part of the Trust Fund towards the payment of any liabilities or obligations incurred or suffered by the Trustees or falling due in future including (without limitation) the repayment of any money under a mortgage or charge or in payment of interest;
- (d) to open and maintain a bank account and to decide who will be the signatories to that account;
- (e) to enter into any contract of indemnity, act as surety, give any guarantee, or give any security in support;
- (f) to set apart any portion of the Trust Fund:
 - (i) as a sub-trust;
 - (ii) as a special endowment;
 - (iii) for a special purpose;
 - (iv) under any special or distinguishing name -

and the portion set apart and any accretions to it may be applied for the purpose for which it was set apart or for any other purpose authorised by this Deed;
- (g) to advertise the Trust and the Objects;
- (h) subject to clause 10.4 of this Deed, to seek, receive or decline conveyances, transfers, gifts, devises, donations or bequests of Property;
- (i) to obtain incorporation or registration of the Trust in accordance with any law from time to time in force relating to charitable trusts;
- (j) to appoint or engage or employ any person or company (including any of the Trustees) for any period:
 - (i) as an expert or professional person or entity to advise on or carry out any of the trusts and powers authorised by this Deed;

- (ii) as an attorney or delegate for the Trustees in New Zealand or elsewhere for all or any of the purposes of the Trust;
- (iii) as a manager or agent for or on behalf of the Trustees in all or any matters relating to the management and the control of the Trust, and any business owned by the Trustees or in which they are concerned;
- (iv) as a secretary of the Trustees; or
- (v) as an employee of the Trustees in all or any matters relating to the Trust;
- (k) to act upon any opinion or advice or information obtained from a person or entity referred to in paragraph (j) of this clause;
- (l) to determine all questions and matters of doubt which may arise in the course of the management, administration, investment, realisation, distribution, liquidation, partition, resettlement or winding up of the Trust Fund or the Trust;
- (m) generally to do all such other lawful acts and things that are incidental or conducive to the attainment of the Objects;
- (n) to establish and administer an appropriate application and assessment system to allow persons to apply to the Trust for receipt of benefits from the Trust.

SCHEDULE 2 – REMOVAL OF TRUSTEES

1 NUMBER OF TRUSTEES

- 1.1 Unless there is a corporate trustee, there shall be at all times at least 2 Trustees.
- 1.2 The Settlor may, in its discretion, set a term for the appointment of a Trustee (but need not do so). If so, the Trustee may serve more than one term as a Trustee.

2 APPOINTMENT OF TRUSTEES

- 2.1 The Settlor has the power of appointment of new Trustees (other than in the case of the automatic appointment under clause 2.3 of this Schedule).
- 2.2 Other than the Original Trustees or a Trustee appointed under clause 2.3 of this Schedule, appointment of each new Trustee or reappointment of an existing Trustee of the Trust must be documented in writing (which may be a deed) by the Settlor.
- 2.3 (a) The Original Trustees have been appointed by the Settlor by virtue of their current position as, respectively, the Secretary to the Treasury and the Secretary for Internal Affairs (each a *Secretary Position*).
- (b) Until the Settlor chooses (which may be in writing) that the holder of a Secretary Position is not to be a Trustee:
- (i) each holder of a Secretary Position will become a Trustee on their appointment to the Secretary Position; and
 - (ii) each Trustee that holds office as a Trustee because they are the holder of a Secretary Position will cease to be a Trustee when they cease to hold the Secretary Position.

3 ELIGIBILITY

- 3.1 A person is not permitted to be a Trustee if he or she is:
- (a) disqualified from being an officer of a charitable entity under section 16 of the Charities Act 2005;
 - (b) a person who has been sentenced to imprisonment for any offence unless that person has obtained a pardon or has served the sentence; or

- (c) a person who is mentally disordered within the meaning of the Mental Health (Compulsory Assessment and Treatment) Act 1992.

4 **CESSATION OF TRUSTEESHIP**

A person shall cease to be a Trustee:

- (a) if the Trustee ceases to be a Trustee under clause 2.3(b)(ii) of this Schedule; or
- (b) if the Trustee resigns or retires by written notice to the other Trustees; or
- (c) if the Trustee becomes a person whom clause 3 does not permit to be a Trustee; or
- (d) if the Trustee dies; or
- (e) if the Trustee refuses to act in his or her capacity as a Trustee; or
- (f) if the Trustee is removed by notice in writing (which may be a deed) by the Settlor; or
- (g) if the Trustee fails to attend 3 consecutive meetings of the Trustees without good reason.

5 **RECORD OF TRUSTEESHIPS**

Upon each person commencing or ceasing to be a Trustee, the Trustees will cause that fact to be recorded in the minute book of the Trust.

SCHEDULE 3 – RULES GOVERNING MEETINGS OF TRUSTEES**1 CORPORATE TRUSTEE**

If there is a sole corporate trustee, the rules governing the meetings of Trustees set out in this Schedule (other than clauses 6.3 and 8) do not apply.

2 QUORUM

2.1 A quorum for meetings of Trustees shall be a majority of the Trustees.

2.2 If a Trustee is suffering from any temporary physical incapacity or temporary physical infirmity or is mentally incapable, the rules under clauses 2.1 and 6 of this Schedule shall apply as if that Trustee were not a Trustee of this Trust.

3 TIME OF MEETINGS

Subject to this Schedule and to this Deed, the Trustees shall meet and regulate their meetings as they think fit.

4 CHAIR

4.1 The Trustees may from time to time appoint one of their number as chair of the Trustees and decide on the period for which the chair will hold office.

4.2 The chair (or in the absence of the chair, another Trustee elected by the meeting) shall take the chair at all meetings of the Trustees, but shall not have a casting vote.

4.3 The other Trustees may by majority resolution remove the chair of the Trustees as chair.

5 NOTICE OF MEETINGS

5.1 Any Trustee may at any time summon a meeting. Seven days notice of any meeting (stating the place, day and time of the meeting) shall be communicated by the Trustee to each of the other Trustees unless all of the Trustees agree to shorten or waive the period of notice. It is not necessary to give notice of a meeting to Trustees who are absent from New Zealand.

5.2 No notice will be necessary for the resumption of adjourned meetings except to Trustees not present at the meeting adjourned.

6 DECISIONS

- 6.1 Unless otherwise provided by this Deed, all questions and matters arising at meetings of Trustees shall be decided by resolution of a majority of the Trustees present at the meeting. A resolution by half of the number of Trustees present at a meeting does not constitute a resolution by a majority of the Trustees present at that meeting.
- 6.2 Subject to prior compliance with clause 5.1, in the case of a question or matter to be decided by a majority of Trustees present at a meeting in accordance with clause 6.1, a resolution in writing signed by a majority of the Trustees who constitute a quorum at such meeting shall be as effective as if it had been passed at a meeting. Such a resolution may consist of several like documents each signed by one or more of the Trustees and may be sent by electronic or facsimile transmission.
- 6.3 Any resolution of the Trustees may be rescinded or varied from time to time by the Trustees in the same manner as it was passed.

7 AUDIBLE COMMUNICATION

- 7.1 The contemporaneous linking together by telephone or any other means of audible communication of enough of the Trustees, all of whom are in New Zealand, to constitute a quorum shall be deemed to constitute a meeting of the Trustees so long as the following conditions are met:
- (a) The Trustees must have received notice of the meeting (or have waived notice) under clause 5.1 and must constitute a quorum.
 - (b) Each of the Trustees taking part in the meeting must be able to hear each of the other Trustees taking part at the commencement of the meeting and (subject to the terms on which a Trustee may leave the meeting under clause 7.2) throughout the meeting.
 - (c) At the commencement of the meeting each of the Trustees must acknowledge his or her presence to all the other Trustees taking part in the meeting.
- 7.2 A Trustee must not leave a meeting (whether by departing or by disconnecting his or her telephone or other means of communication) unless he or she has previously obtained the express consent of the chair of the meeting. A Trustee shall be conclusively presumed to have been present and to have formed part of the quorum at all times during the meeting unless he or she has previously obtained the express consent of the chair.

8 **MINUTES**

- 8.1 The Trustees are to keep minutes of their meetings and of all their decisions. The minutes shall be kept in a minute book maintained by a person appointed by the Trustees.
- 8.2 Any minute of a meeting of the Trustees (including their decisions) purporting to be signed by the chair of the meeting or of the next meeting shall be prima facie evidence of the matters referred to in such minute having been authorised done or passed by the Trustees. The decisions recorded in the minutes will be read in conjunction with this Deed and will be binding on all persons interested in the Trust.

9 **ADJOURNMENT**

- 9.1 If a quorum is not present within twenty minutes after the time appointed for any meeting, the Trustee or Trustees present may adjourn the meeting.
- 9.2 Any meeting may be adjourned if the Trustees present so resolve

10 **INTERESTED TRUSTEES AND CONFLICT TRANSACTIONS**

Clauses 14 of this Deed govern the instances and consequences of a Trustee for whom a Conflict Transaction exists. When there is a Conflict Transaction, clauses 2 to 9 of this Schedule shall be deemed to be varied to the extent required by clauses 14.3 and 14.4 of this Deed.

11 **VALIDITY OF PROCEEDINGS**

Where, for any reason, a Trustee is not properly appointed, or is disqualified from holding office, anything done by that Trustee (or by a meeting at which that Trustee was present as a Trustee or committee member) before discovery of the irregularity, shall be as valid as if that Trustee had been duly appointed, or had not been disqualified (as the case may be).