

DEED OF TRUST

BRAIDED RIVERS COMMUNITY TRUST

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DEED DATED

2018

EXECUTED BY

FAY MARGARET WATSON, CHRIS JOHN ROBERTSON, ROGER JOHN PATERSON, ROBERT ANTHONY HARNETT, KIERAN JAMES BREAKWELL AND TIMOTHY MICHAEL SILVA AS TRUSTEES OF THE ASHBURTON LICENSING TRUST, a licensing trust treated as having been established under the Sale and Supply of Alcohol Act 2012 (hereinafter defined as "ALT").

BACKGROUND

- A. On 23 August 2018, the members of ALT passed a resolution that ALT be converted to a community trust, pursuant to section 351 of the Act.
- B. Following the passing of that resolution, the resolution was publicly notified pursuant to section 352 of the Act, and none of the electors opted to exercise their rights, as set out in the public notice, to request a meeting to discuss the resolution or to require a poll in respect of the resolution.
- C. Pursuant to section 357(2) of the Act, ALT is executing this deed to establish the Trust as the community trust to which ALT is to be converted, and upon execution this deed is to be notified in the New Zealand Gazette.
- D. ALT's undertaking will then be vested in the Trust pursuant to section 358 of the Act and thereafter administered by the Trustees in accordance with the Act and the terms set out in this deed.

TRUST TERMS

1. DEFINITIONS AND INTERPRETATION

1.1 **Definitions:** In this deed, unless the context indicates otherwise:

Act: means the Sale and Supply of Alcohol Act 2012;

Balance Date means 31 March, as specified by section 381 of the Act;

Chair means the Trustee elected to that office in accordance with clause 7.1;

Deputy Chair means any Trustee elected to that office in accordance with clause 7.1;

Financial Year means the 12 month or other period ending on the Balance Date;

ALT means the licensing trust named the Ashburton Licensing Trust, listed in Schedule 1 of the Act and treated as having been established under the Act;

Region means the area for which the Trust is established, as set out in clause 4;

Trust means the community trust established in accordance with the Act and governed by the Act and the terms set out in this deed; and

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Trustees means the trustee or trustees for the time being of the Trust and, where the context requires, includes the trustees (or requisite number of trustees) acting together in respect of the Trust under the terms set out in this deed.

1.2 **Interpretation:** In this deed, unless the context indicates otherwise:

- a) **Deed:** references to "this deed" mean this deed executed by ALT, including both the Background and Trust Terms, and, where the Context requires, include any variation to the terms of the Trust in accordance with clause 13;
- b) **Clauses:** references to clauses are references to clauses of this deed;
- c) **Headings:** section, clause and other headings are for ease of reference only and will not form any part of the context or affect this deed's interpretation;
- d) **Defined Expressions:** expressions defined in the main body of this deed have the defined meaning throughout this deed, including the background;
- e) **No Limitation:** references to anything of a particular nature either before or after a general statement do not limit the general statement unless the context requires;
- f) **Inclusive Expressions:** the terms "include" and "including" (or any other equivalent term or expression) are deemed to be followed by the words "without limitation";
- g) **Persons:** references to a "person" include individuals, companies, corporations, partnerships, firms, joint ventures, associations, trusts, organisations, governmental or other regulatory bodies or authorities or other entities in each case whether or not having separate legal personality;
- h) **Property:** references to "property" include real or personal property of any kind and includes any right or interest in such property, anything in action, and any other right or interest capable of being held on trust;
- i) **Plural and Singular:** references to the singular include the plural and vice versa;
- j) **Negative Obligations:** any obligation not to do anything includes an obligation not to suffer, permit or cause that thing to be done; and
- k) **Statutory Provisions:** references to any statute or statutory provision are references to statutes and statutory provisions in force in New Zealand and include any corresponding statute or statutory provision which amends or replaces the statute or provision referred to, and any by-law, regulation, order, statutory instrument, determination or subordinate legislation made under the statute or provision referred to (or under any amendment or replacement statute or provision).

1.3 **Consistency with Act:** This deed is intended to be consistent with the Act and the provisions of this deed are to be interpreted accordingly. Unless the context requires otherwise, words and phrases used in this deed have the same meaning as those words and phrases have when used in the Act.

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2. STATUS OF TRUST

In accordance with section 359 of the Act, the Trust is a body corporate having perpetual succession and the Trustees must ensure that the Trust has a seal.

3. NAME OF TRUST

3.1 Initial Name: The name of the Trust is **BRAIDED RIVERS COMMUNITY TRUST**.

3.2 Change of Name: The name of the Trust may be changed by varying this deed in accordance with clause 13, provided that the name, and therefore variation of this Trust Deed, must comply with the Act and in particular must include the words "Community Trust", pursuant to section 361 of the Act.

4. REGION OF TRUST

In accordance with sections 362 and 363 of the Act, the Region for which the Trust is established is:

4.1 Initial Region: the district of ALT immediately before it was converted into the Trust. For the avoidance of doubt this district area is in accordance with the map at schedule one attached to this Deed; or

4.2 Alteration of Boundaries: if an alteration to the boundaries of the Trust is recommended in accordance with section 363, the area defined by the altered boundaries.

5. FUNCTIONS, ACTIVITIES AND POWERS OF TRUST

5.1 Functions: The functions of the Trust are:

- (a) **Trust Property:** to hold, administer, invest and apply the property of the Trust, including both capital and income (**Trust Property**), in accordance with the Act and the terms set out in this deed and for the benefit of the community in the Region;
- (b) **Undertakings:** to carry on, and/or promote or support, any undertaking, either directly or through any subsidiary entity (including any company or trust) or under any other appropriate arrangements, where the Trustees consider such undertaking to be beneficial, directly or indirectly (for example, by generating profit to be applied in accordance with clause 5.1(c)), to the community in the Region, and to apply the property of the Trust for this purpose; and
- (c) **Application of Profit:** to apply any net profit that the Trust makes in performing the above functions to charitable, cultural, philanthropic, recreational and other purposes that are beneficial exclusively or mainly to the community in the Region, provided that the Trustees may retain so much of the net profit as they think prudent for the Trust's activities (as permitted under section 365 of the Act).

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5.2 Activities: The Trust may undertake any activity in furtherance of its functions set out in clause 5.1, as determined by the Trustees, and, in accordance with section 364 of the Act, in performing those functions the Trust may:

- (a) **Do Anything:** do anything that a natural person may do; and
- (b) **Debt Securities:** issue debt securities.

The Trust is also authorised, but not required, to hold one or more licences under the Act and to carry on the business of selling or supplying (or selling and supplying) alcohol.

5.3 Powers: In order to perform its functions and undertake any activity in furtherance of those functions under clauses 5.1 and 5.2, in addition to any other powers conferred by law but subject to the restrictions contained in this deed (and any other applicable law):

- (a) **Widest Possible Powers:** the Trust has the same powers as if the Trust was the absolute owner of, and beneficially entitled to, the property of the Trust, including:
 - (i) **Full Capacity:** full capacity to carry on or undertake any business or activity, do any act, or enter into any transaction; and
 - (ii) **Full Rights, Powers, Privileges:** for the purposes of clause 5.3(a)(i), full rights, powers, and privileges; and
- (b) **Powers Not Limited or Restricted:** the Trust's powers will not be limited or restricted by any principle of construction or rule of law or statutory power or provision except to the extent that it is obligatory.

For the avoidance of doubt, the powers of the Trust under this clause include the general power to invest the property of the Trust and to spend or use such property, including both capital and income, in furtherance of the Trust's functions and activities under clauses 5.1 and 5.2.

6. TRUSTEES OF TRUST

6.1 General Role of Trustees: The role of the Trustees, and each Trustee, is to act in the best interests of the Trust in relation to the performance of its functions, the undertaking of its activities and the exercise of its powers under clauses 5.1 to 5.3. The Trustees will have overall control of, and responsibility for, the Trust and its property and the affairs of the Trust will be managed by, or under the direction or supervision of, the Trustees.

6.2 Exercise of Trust Powers: Without limiting the generality of clause 6.1, the powers of the Trust under clause 5.3 shall be exercised on behalf of the Trust by or under the authority of the Trustees, for which purpose:

- (a) **Trustees' Responsibility:** in relation to the exercise of any such power (including the power to invest, and to spend or use, the property of the Trust, including both capital and income), the Trustees, and each Trustee, must act in a

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prudent manner, exercising the care, diligence and skill that a prudent person of business would exercise in managing the affairs of others; and

- (b) **Delegation of Powers:** to the full extent permitted by law, the Trustees may delegate the exercise of any such power, in writing and subject to such terms and/or directions as the Trustees think fit, to any committee or subcommittee, any officer or other personnel, or any other person, provided that no such delegation will release the Trustees, and each Trustee, from their responsibilities in respect of the Trust.

6.3 Initial and Subsequent Trustees: The first Trustees of the Trust are the members of ALT immediately before it is converted into the Trust and subsequent Trustees will be elected in accordance with sections 370 to 374 of the Act or, if applicable, appointed by the Governor-General in accordance with section 374 of the Act.

6.4 Number of Trustees: The number of Trustees must be not less than six and must not be more than eight, provided that:

- (a) **Interim Vacancy:** the Trust may have less than six Trustees if one or more Trustees vacates office under section 378 of the Act, until such time as the vacancy or vacancies is or are filled by election or appointment, or until the next triennial election of Trustees, in accordance with section 379 of the Act; and

- (b) **Actions Pending Increase:** the remaining Trustees will be entitled to act under the terms of this deed until the number of Trustees is increased to six, and no act or decision of the remaining Trustees will be called into question on account of the fact that there were less than six Trustees when that act or decision was carried out or made'

6.5 Term of Office: In accordance with section 375 of the Act, the Trustees hold office until their successors are appointed or elected. An individual Trustee ceases to hold office if he or she vacates his or her office (as provided for under clause 6.7). Trustees are eligible for re-election.

6.6 Disqualification Criteria: A person is:

- (a) **Election or Appointment as Trustee:** disqualified from election or appointment or from holding office as a Trustee if he or she:

- (i) **Disqualification under Act:** is disqualified under section 376 of the Act, because he or she:

(A) **Bankrupt:** is an undischarged bankrupt; or

(B) **Criminal Conviction:** has been convicted within the last 3 years of a criminal offence punishable by imprisonment and either the time for appealing against the conviction has expired or, if an appeal has been brought, the appeal has been determined or dismissed; or

(C) **Disqualified Director:** is subject to an order under section 383 of the Companies Act 1993; or

(D) **Protection of Personal Property Order:** is the subject of an order under section 30 or 31 of the Protection of Personal and Property Rights Act 1988; or

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- (ii) **Not an Elector:** is not a resident of the Region qualified to vote in an election of Trustees under section 371 at the Act, provided that if a person becomes disqualified under this paragraph because of an alteration to the boundaries of the Region (as referred to in clause 4.2), the person is to be treated as if he or she were not so disqualified for the purposes of the two next following triennial general elections of Trustees, unless the person changes his or her residential address during that period; and
- (b) **Continuing to Hold Office as Trustee:** disqualified from continuing to hold office as a Trustee if he or she would be disqualified from election or appointment as a Trustee under clause 6.6, except that where an order under section 30 of the Protection of Personal and Property Rights Act 1988 is made in respect of a Trustee (as referred to in clause 6.6(a)(i)(D)), the Trustee is not disqualified from continuing to hold office as a Trustee by reason only of the order, but while the order remains in force, the Trustee is deemed to have been granted leave of absence and is not capable of acting as a Trustee.

6.7 Vacation of Office: A Trustee vacates his or her office (**Extraordinary Vacancy**) if he or she:

- (a) **Disqualification under Act:** vacates office pursuant to section 378 of the Act because he or she:
 - (i) **Dies:** dies; or
 - (ii) **Disqualified:** becomes disqualified under section 376 or 377 of the Act (as reflected in clauses 6.6(a)(i) and 6.6(b)); or
 - (iii) **Resignation:** resigns by giving written notice to the Trust; or
 - (iv) **Removed:** is removed under section 380 of the Act; or
 - (v) **Absent:** is absent without leave of the Trust from four consecutive meetings of the Trust; or
- (b) **Disqualification under Deed:** becomes disqualified under either clause 6.6(a)(ii) or, based on the application of that clause, clause 6.6(b).

6.8 Filling Trustee Vacancies: If at any time there is an Extraordinary Vacancy under clause 6.7, in accordance with section 379 of the Act;

- (a) **Election:** if the vacancy occurs more than 12 months before the date fixed for the next triennial election of Trustees, the vacancy must be filled by an election under the applicable provisions of the Local Electoral Act 2001;
- (b) **Interim Vacancy or Appointment:** if the vacancy occurs 12 months or less than 12 months before the date fixed for the next triennial election of Trustees, either:
 - (i) **Interim vacancy:** the vacancy may remain unfilled until the next triennial general election of Trustees; or
 - (ii) **Appointment:** the Trustees may by resolution appoint a person to fill the vacancy, in which case the person appointed is treated for all purposes as

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if he or she had been elected as a Trustee, and will hold office for the remainder of the vacating Trustee's term; and

- 6.9 **Records:** The Trustees must ensure that every Trustee election, re-election, appointment or removal, and the cessation or vacation of office of any Trustee, is entered into the minute book or other relevant records kept and maintained by the Trustees in respect of the Trust.

7. TRUST CHAIR, DEPUTY CHAIR AND OTHER OFFICERS AND PERSONNEL

7.1 Chair and Deputy Chair: The Trustees:

- (a) **Chair:** must elect one of themselves as the Chair of the Trust; and
- (b) **Deputy chair:** may elect one of themselves as the Deputy chair of the Trust.

In each case, the elected person will hold office until the earlier of the person's resignation from that office by giving written notice to the Trust, or the person vacating office as a Trustee, or the Trustees' election of a replacement Chair or Deputy Chair.

- 7.2 **Other Officers:** The Trustees may appoint from time to time either one of the Trustees or some other person to hold any other office (for example, secretary or treasurer), as determined by the Trustees. Any such appointee elected person will hold office until the earlier of the person's resignation from that office by giving written notice to the Trust, or the person either vacating office as a Trustee (in the case of a Trustee) or becoming disqualified from holding office as a Trustee (in the case of a Trustee), or the Trustees' appointment of a replacement officer.

- 7.3 **Other Personnel:** The Trustees may appoint for the Trust any other officers, managers, employees, agents and other persons, as the Trustees think fit.

8. TRUSTEE MEETINGS AND RESOLUTIONS

- 8.1 **Meetings of Trustees:** Unless provided otherwise in the Act or this deed, the following provisions apply in relation to meetings of Trustees:

- (a) **General Obligation to Meet:** The Trustees must meet from time to time (by the Trustees assembling together and/or by means of audio, audio and visual, or any other form of communication suitable for conducting meetings by which all Trustees can participate and simultaneously hear each other throughout the meeting), as the Trustees consider necessary or expedient for the conduct of the affairs of the Trust.
- (b) **End-of-year Meeting:** The Trustees must hold at least one meeting after the end of each Financial Year, to discuss the Trust's financial statements for that Financial Year and the annual report for that Financial Year to be presented to electors, and to deal with any other business as determined by the Trustees.
- (c) **Requisitioning Meetings:** The Chair or any two Trustees may call a meeting of the Trustees at any time by giving, or requiring an Officer or employee of the Trust to give, written notice of the meeting.

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- (d) **Notice of Meetings:** A meeting of Trustees is to be convened by giving each Trustee (other than a Trustee who has waived the right) not less than seven days' written notice of the meeting and such notice must:
- (i) **Date/Time:** specify the date and time of the meeting;
 - (ii) **Method:** specify the place of the meeting at which the Trustees are to assemble and or the manner in which each Trustee may participate in the meeting (if the meeting is to be held by means of audio, audio and visual, or any other form of communication suitable for conducting meetings); and
 - (iii) **Agenda:** give an indication of the matters to be discussed, in sufficient detail to enable a reasonable Trustee to appreciate the general import of those matters, unless this is already known to the Trustees or is impracticable in the particular circumstances.

However, any omission or irregularity in relation to giving such notice is waived by a Trustee if the Trustee attends the meeting without protest as to the irregularity or agrees to the waiver (whether before, after or during the meeting).

- (e) **Quorum:** A quorum at a meeting of the Trustees will be established only if the number of Trustees in attendance and entitled to deliberate and vote exceeds 50% of the total number of Trustees for the time being, and no business will be transacted at a meeting at any time unless a quorum is present at that time in relation to the relevant business.
- (f) **Role of Chair:** The Chair, or in the absence of the Chair the Deputy Chair (if appointed), must chair any meeting of Trustees. If no Trustee holds office as Chair or Deputy Chair, or if neither the Chair nor Deputy Chair is present within 15 minutes after the time appointed for starting the meeting, the Trustees in attendance may appoint one of their number to chair the meeting. Subject to the terms of this deed and any rules/regulations adopted by the Trustees prior to a meeting, the Trustee chairing the meeting will control the conduct of that meeting.
- (g) **Voting:** Subject to any restrictions on a Trustee's entitlement to deliberate and vote on any matter (for example, under the Local Authorities (Members' Interests) Act 1968):
- (i) **Deliberative Votes:** each Trustee in attendance at a meeting of Trustees, including the Trustee chairing the meeting, has one vote; and
 - (ii) **Casting Vote:** if voting is tied, the Trustee chairing the meeting has a casting vote.

8.2 Resolutions of Trustees: Unless expressly provided otherwise in the Act or this deed, the following provisions apply in relation to resolutions to be passed by the Trustees and any resolution passed in accordance with this clause will be binding on all Trustees:

- (a) **Resolutions at Meetings:** A resolution on any matter at a meeting of the Trustees must be passed by at least a simple majority of the votes entitled to be cast on the matter at the meeting (inclusive of any casting vote).

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(b) **Written Resolutions:** A written resolution signed by all of the Trustees for the time being will be as valid and effective as if it had been passed at a meeting of the Trustees duly convened and held. Any such resolution may consist of several documents in like form each signed by one or more of the Trustees. A facsimile (including an electronic scanned copy) of any such signed resolution shall be as valid and effectual as the original signed document with effect from its transmission.

(c) **Rescission/Variation of Resolutions:** The Trustees may from time to time rescind or vary any resolution of the Trustees by resolution passed by the same majority as was necessary to pass the resolution that is to be rescinded or varied.

8.3 Trustees' Rules/Regulations: Subject to the terms of the Act and this deed, the proceedings of the Trustees, including the manner in which meetings of the Trustees are to be convened and conducted (including holding meetings by means of audio, audio and visual, or any other form of communication suitable for conducting meetings), will be regulated by the Trustees, for which purpose the Trustees may develop and adopt from time to time any rules and/or regulations relating to such proceedings as the Trustees think fit.

8.4 Validity of Proceedings: Any meeting of Trustees and any resolution of Trustees will be as valid and effective as if:

(a) **Trustees Duly Appointed:** the individuals acting as Trustees had been duly appointed;

(b) **Trustees Eligible:** the individuals acting as Trustees were eligible to hold office as Trustee; and

(c) **Compliance With Rules/Regulations:** the Trustees, and each Trustee, had complied with any applicable rule and/or regulation adopted by the Trustees relating to such matters;


even if it is later discovered that:

(d) **Defect in Appointment:** there was some defect in the appointment of any individual acting as Trustee;

(e) **Trustee Ineligible:** any individual acting as Trustee was for any reason ineligible to hold office as Trustee; or

(f) **Non-compliance with Rules/Regulations:** there was accidental failure to comply with any applicable rule and/or regulation adopted by the Trustees.

8.5 Records of Meetings/Resolutions: The Trustees must ensure that a record of all meetings and resolutions of the Trustees is included in a minute book or other relevant records kept and maintained by the Trustees. Once any minutes are confirmed by the Trustees, the Chair (or, if confirmed at a meeting of the Trustees, the Trustee chairing the meeting) must sign the minutes as a true and correct record. The signed minutes will be prima face evidence of the facts stated in those minutes.

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9. FINANCIAL ADMINISTRATION

9.1 Accounting Records: In accordance with section 382 of the Act, the Trustees must ensure that the Trust keeps at all times accounting records, in written form and in English (or in a form or manner that is easily accessible and convertible into that form), that:

- (a) **Transaction Records:** correctly record the transactions of the Trust;
- (b) **Basis for Financial Statements:** will enable the Trustees to ensure that the Trust's financial statements comply with the Act; and
- (c) **Basis for Audit:** will enable the Trust's financial statements to be readily and properly audited;

and the Trustees must establish and maintain a satisfactory system of control of the accounting records.

9.2 Financial Statements: In accordance with section 383 of the Act, the Trustees must ensure that:

- (a) **Preparation of Financial Statements:** within 5 months after the end of each Financial Year, financial statements are prepared for the Trust for that Financial Year;
- (b) **Additional Requirements:** the financial statements prepared for each Financial Year are:
 - (i) **GAAP Standard:** prepared in accordance with generally accepted accounting practice;
 - (ii) **Audit:** made available to the Auditor-General for auditing; and
 - (iii) **Notification:** publicly notified in accordance with regulations made under the Act, as soon as practicable after the completion of the audit.

9.3 Bank Accounts: The Trustees must keep an account or accounts for the Trust, at a bank or banks as determined by the Trustees from time to time. Cheques, withdrawals and authorities must be signed or endorsed, as the case may be, by two persons, each person being either a Trustee or another person acting on the written authority of the Trustees.

10. GENERAL ADMINISTRATION

10.1 General Records: The Trustees must ensure that, in addition to the accounting records required under clause 9.1, full and accurate records are kept and maintained in respect of the Trust and its affairs, in written form or in a form or in a manner that allows such records to be easily accessible and convertible into written form, including:

- (a) **Legal Documents:** constitutional documents, including this deed and any rules, regulations or policies adopted by the Trustees, including any alteration, rescission or replacement thereof, any delegations and terms of reference, and

all other legal documentation and information relating to transactions and arrangements entered into by the Trust;

- (b) **Trustees, Officers and Personnel:** the election, appointment or engagement of Trustees, officers and other personnel of the Trust, the cessation of any such election, appointment or engagement, and any further records as it may be necessary or appropriate to keep and maintain in respect of such persons;
- (c) **Proceedings and Resolutions:** minutes and any other appropriate records in respect of the Trust's proceedings, including meetings of the Trustees, resolutions of the Trustees passed at such meetings or by way of written resolution, minutes of annual meetings of electors, disclosures of conflicts of interest, and any other such matters;
- (d) **Financial Statements and Reports:** the financial statements prepared for the Trust for each Financial Year, the audit reports in respect of those financial statements, and the Annual Reports presented to electors; and
- (e) **Other Records:** any other documents and information that it may be necessary or appropriate to keep and maintain in respect of the Trust and its affairs.

Such records will be open to inspection by the Trustees upon request, for the purpose of undertaking their role as Trustees.

10.2 Method of Contracting: Unless the law requires otherwise:

- (a) **Deeds:** a deed to be executed by the Trust, and any other contract, may be executed on behalf of the Trust:
 - (i) **Seal:** by affixing the seal of the Trust, in the presence, and accompanied by the signatures, of two or more Trustees; or
 - (ii) **Trustees:** unless affixation of the seal is required by law, by having the document executed on behalf of the Trust by two or more Trustees;
- (b) **Written Contracts:** any contract or other obligation required by law to be in writing, and any other written contract or obligation to be entered into by the Trust, may be signed on behalf of the Trust by a Trustee or another person acting under the express or implied authority of the Trust; and
- (c) **Other Contracts:** any other contract or obligation may be entered into on behalf of the Trustees in writing or orally by a Trustee or another person acting under the express or implied authority of the Trustees.

10.3 Provision of Notices: Any notice required to be given by a person (**Sender**) to any other person (**Recipient**) under this deed, including notice of any written approval, resolution or other matter, may be:

- (a) **Delivery:** delivered to the Recipient directly or to an address given by the Recipient to the Sender for such purpose;
- (b) **Post:** posted to an address given by the Recipient to the Sender for such purpose;

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- (c) **Facsimile:** sent by facsimile transmission to a facsimile telephone number given by the Recipient to the Sender for such purpose; or
- (d) **Electronic Means:** sent by electronic means in accordance with any request made by the Recipient from time to time for notices to be sent by such means.

10.4 Receipt of Notices: A notice given by a Sender to a Recipient pursuant to clause 10.3 is deemed to be given:

- (a) **Delivery:** in the case of delivery, when the notice is handed to the Recipient or delivered to the address of the Recipient;
- (b) **Post:** in the case of posting, two days after it is posted;
- (c) **Facsimile:** in the case of a facsimile transmission, when the Sender receives a transmission report produced by the sending machine which indicates that the facsimile was sent in its entirety to the facsimile telephone number given by the Recipient to the Sender; and
- (e) **Electronic Means:** in the case of electronic means, at the time of transmission.

11. ANNUAL REPORT AND MEETINGS OF ELECTORS

11.1 Annual Report: In accordance with section 384 of the Act, for the purpose of presentation to electors, the Trustees must ensure that the Trust produces after the end of each Financial Year a report to the electors on the Trust's operations in that year (Annual Report), which must:

- (a) **Financial Statements:** include the Trust's financial statements for the immediate Past financial Year; and
- (b) **Other Matters:** separately show for that financial year:
 - (i) **Remuneration:** the total remuneration paid to the Trustees;
 - (ii) **Employees:** in relation to any employees or former employees paid remuneration and other benefits of \$100,000 per annum or more as employees, the number of those employees broken down into bands of \$10,000; and
 - (iii) **Grants:** a list of all grants made by the Trust'

11.2 Meeting of Electors: In accordance with section 384 of the Act, the Trustees must ensure that:

- (a) **Annual Meeting:** a meeting of electors is held within two months after the financial statements of the Trust for each financial year have been audited by the Auditor-General (**Annual Meeting**);
- (b) **Notice:** the Trust gives electors public notice of each Annual Meeting not less than 10 working days before the meeting;
- (c) **Business:** at each Annual Meeting, the Trustees:

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- (i) **Annual Report:** present the Annual Report for the relevant financial year; and
- (ii) **Discussion:** provide a reasonable opportunity for electors at the meeting to ask questions about, and to discuss or comment upon, the Trust's operations.

11.3 Transition: This clause 11 does not apply in the year in which ALT is converted into the Trust if, in that year before the conversion, ALT held an annual meeting in accordance with section 335 of the Act.

12. TRUSTEE REMUNERATION, LIMITATION OF LIABILITY AND INDEMNIFICATION

12.1 Remuneration and Reimbursement: The Trust may pay each Trustee fees, travelling allowances and expenses in accordance with the framework determined by the Government from time to time for the classification and remuneration of statutory and other bodies, as if the Trust were a licensing trust subject to section 321 of the Act.

12.2 Liability for Loss: No Trustee (including any former Trustee) will be liable for any loss to the Trust Property arising from any act or omission of the Trustee unless such loss is attributable to:

- (a) **Dishonesty:** that Trustee's own dishonesty or lack of good faith; or
- (b) **Wilful Breach of Trust:** that Trustee's wilful commission or omission of an act known by that Trustee to be a breach of trust.

12.3 Trustee Act 1956: Subject to clause 12.1, despite:

- (a) **Section 13C:** the provisions of section 13C of the Trustee Act 1956; and
- (b) **Professional Trustees:** the likelihood that the Trustees will from time to time include persons whose profession, employment or business is or includes acting as a trustee or investing money on behalf of others;

the care, diligence and skill to be exercised by those persons will not be that required by section 13C of the Trustee Act 1956 but will at all times be the care, diligence and skill that a prudent person of business would exercise in managing the affairs of others.

12.4 Proceedings: No Trustee will be bound to take, or be liable for failure to take, any proceedings against any other Trustee or former Trustee for any breach or alleged breach of trust committed by that other Trustee or former Trustee.

12.5 Receipt of Money: Subject to clauses 12.1 and 12.3, a Trustee will be chargeable only for any money which that Trustee has received. For the purposes of this clause, a Trustee is deemed to have received money even if not actually paid to that Trustee if that money has been credited in account, reinvested, accumulated, capitalised, carried to any reserve, sinking or insurance fund, or otherwise dealt with on that Trustee's behalf.

12.6 Indemnification of Trustees: Each Trustee or former Trustee is entitled to be indemnified out of the Trust Property against all actions, proceedings, claims, damages, losses, demands, calls, liabilities, costs (including legal costs) and expenses

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(together called **liabilities**) suffered or incurred by that Trustee or former Trustee in connection with the Trust, except to the extent that those liabilities are due to:

- (a) **Dishonesty:** that Trustee's or former Trustee's own dishonesty or lack of good faith; or
- (b) **Wilful Breach of Trust:** that Trustee's or former Trustee's wilful commission or omission of an act known by that Trustee or former Trustee to be a breach of trust.

13. VARIATION OF TRUST TERMS

13.1 Review of Trust Terms: The Trustees must review the terms of the Trust as set out in this deed from time to time to ensure that the terms are consistent with the Act and otherwise fit for purpose in relation to the ongoing operation of the Trust for the benefit of the community in the Region.

13.2 Deed of Variation: In accordance with section 367 of the Act, the Trustees may from time to time vary this deed by executing a deed of variation (which deed may be in the form of a revised deed of trust setting out all of the terms of the Trust as varied), provided that any proposed deed of variation:

- (a) **Approval:** must be approved by a resolution of Trustees passed at a meeting of Trustees by a number of Trustees that equals or exceeds 75% of the total number of the Trustees for the time being, or by a written resolution signed by all Trustees; and
- (b) **Restrictions:** must not be inconsistent with the Act.

14. VOLUNTARY ADMINISTRATION OR LIQUIDATION

14.1 Companies Act Applies: In accordance with section 391 of the Act, the Trust may enter into voluntary administration or liquidation in accordance with Parts 15A, 16 or 17 of the Companies Act 1993, applying those parts (excluding section 241(2)(a) and (b)) as if the Trust were a company incorporated under that Act and with the Trustees having the power to appoint, by resolution, a liquidator.

14.2 Trustees' Approval: In relation to any proposal to enter into voluntary administration or liquidation initiated by the Trustees, including the appointment of a liquidator by the Trustees, such proposal must be approved by a resolution of Trustees passed at a meeting of Trustees by a number of Trustees that equals or exceeds 75% of the total number of the Trustees for the time being, or by a written resolution signed by all Trustees.

14.3 Distribution of Surplus: As required under section 392 of the Act, any net surplus (whether or not in money) of the Trust upon liquidation must be distributed to each territorial authority (as defined in the Local Government Act 2002) whose district overlaps, in whole or in part, the Region of the Trust, provided that if the Region overlaps two or more territorial authority districts the surplus must be distributed in shares to be determined by the High Court in proportion to the number of residents in each territorial authority district who are electors of the Trust.

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15. APPLICATION OF OTHER LEGISLATION TO TRUST

Without limiting the application of the Act and any other legislation to the Trust, the following legislation applies to the Trust as provided for under sections 393 to 396 of the Act:

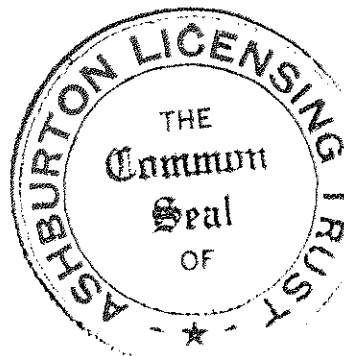
15.1 Revenue Legislation: The Trust is liable to income tax, rates, and all other taxes and duties as if it were a body corporate formed for private pecuniary gain, and for the purpose of all Inland Revenue Acts (as defined in the Tax Administration Act 1994) it is treated as standing in place of ALT, in accordance with section 393 of the Act.

15.2 Trustee Act: The Trustee Act 1956 applies to the Trust, in accordance with section 394 of the Act.

15.3 Local Government Legislation: Both the Local Authorities (Members' Interests) Act 1968 and the Local Government Official Information and Meetings Act 1987 (Parts 1 to 4) apply to the Trust as if the Trust were a territorial authority, in accordance with sections 395 and 396 of the Act.

EXECUTED AND DELIVERED AS A DEED

The seal of **ASHBURTON LICENSING TRUST** was hereunto affixed in our presence, and we certify that we are duly authorised to witness the affixing of the said seal:



[Handwritten signature of F M Watson]

F M Watson

[Handwritten signature of C J Robertson]

C J Robertson

[Handwritten signature of R J Paterson]

R J Paterson

[Handwritten signature of R A Harnett]

R A Harnett

[Handwritten signature of K J Breakwell]

K J Breakwell

[Handwritten signature of T M Silva]

T M Silva

